

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 banks licensed after 2010 as published by Bangladesh Bank on the quotation day + 2.00% Margin.

Coupon Range: 6.00% - 9.00% at all times

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)

Issuer:

Mutual Trust Bank Limited



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

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

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



EMERGING
Credit Rating Ltd
an independent house of credit assessment

Trustee to the Issue:

UCB Investment Limited



Tanzim Alamgir
Managing Director & CEO
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Lead Arranger

RSA Advisory Limited



rsa
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"If you have any query about this document, you may consult the issuer and the trustee"

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” or just the “Arranger”) 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 Arranger.

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 Arranger have relied on the information provided by the Issuer and such information has not been independently verified by the Arranger. 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 Arranger for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger 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 Arranger 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 Arranger 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.

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Issuer's Disclaimer

All the Features of MTB 5th 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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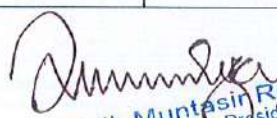
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Table of Contents

Notice & Disclaimer	2
Issuer's Disclaimer.....	3
Contact	4
1 Report to the Eligible Investors	9
2 Risk Factors and Management's Perception about the Risks	10
2.1 Interest Rate Risk	10
2.2 Exchange Rate Risk	10
2.3 Non-repayment Risk.....	11
2.4 Prepayment, Call or Refunding risk.....	11
2.5 Security Risk.....	11
2.6 Liquidity Risk	11
2.7 Management Risk.....	11
2.8 Operational Risk.....	12
2.9 Business Risk.....	12
2.10 Industry Risk	12
2.11 Market and Technology Related Risk.....	13
2.12 Risk Related to Potential or Existing Government Regulations	13
2.13 Risk Related to Potential Changes in Global or National Policies.....	13
2.14 Credit Risk.....	14
2.15 Reputation Risk	14
3 Detailed Description and Information of Issuer's Application.....	15
4 Detail Plan of the Utilization of Proceeds	19
4.1 Purpose of Issuance of MTB 5 th Subordinated Bond	19
4.2 Plan Regarding Utilization of Proceeds	19
5 Features of the Debt Security	20
5.1 Basic Features of the Instrument	20
5.2 Rate of Return, Yield to Maturity, Coupon/Discount Rate.....	22
5.3 Transferability/Liquidity;.....	22
5.4 Prepayment, Call, Refunding, Conversion or Exchange option;.....	22
5.5 Early redemption or Late redemption;.....	22
5.6 Tax Features;.....	22
5.7 Costs related to the issue;	22
5.8 Repayment Schedule.....	23
5.9 Call or put option, and premium or discount thereof, if any;.....	23
5.10 Credit enhancement or guarantee, if any;	24
5.11 Enforcement of Charges over Securities	24
6 Description of collateral Security	24
7 Rights Duties and Obligations of the Issuer.....	25
8 Rights Duties and Obligations of the Trustee	27
9 Rights Duties and Obligations of the Arranger	30
10 Rights Duties and Obligations of the Bondholders	31
11 Description of Mutual Trust Bank Limited	32
Subsidiaries of Mutual Trust Bank Limited.....	33
11.1.1 MTB Securities Limited	33
11.1.2 MTB Capital Limited.....	33
11.1.3 MTB Exchange (UK) Limited	33
11.2 Capital Structure (Consolidated basis).....	33
11.3 Business Description	34

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11.3.1	Products & Services.....	35
11.4	Business Analysis Based on Solo Financials.....	40
11.4.1	Asset Size & Growth	40
11.4.2	Growth of Loans & Advances.....	40
11.4.3	Growth of Deposits.....	41
11.4.4	Operational Performance.....	42
11.5	Profile of the Board of Directors.....	42
11.6	Profile of Senior Management	47
12	Description of Encumbered and Unencumbered Assets with Value Thereof.....	49
12.1	Encumbered Assets	49
12.2	Unencumbered Assets.....	49
13	Description of Assets and Liabilities.....	49
13.1	Description of Assets (Solo)	49
13.2	Description of Liabilities (Solo).....	51
14	Description of Previously Issued Debt or Equity Securities.....	54
14.1	Initial Public Offering	54
14.2	Rights offering.....	54
14.3	MTB 1 st Subordinated Bond	54
14.4	MTB 2 nd Subordinated Bond	55
14.5	MTB 3 rd Subordinated Bond.....	55
14.6	MTB 4 th Subordinated Bond.....	56
14.7	MTB Perpetual Bond	56
15	Comparative Financial Statements of MTB for the Last 3 (Three) Years	58
15.1	Comparative Balance Sheet (Consolidated).....	58
15.2	Comparative Balance Sheet (Solo)	59
15.3	Comparative Profit & Loss Account (Consolidated)	60
15.4	Comparative Profit & Loss Account (Solo).....	61
15.5	Comparative Cash Flow Statement (Consolidated).....	62
15.6	Comparative Cash Flow Statement (Solo).....	63
16	Financial Ratios for last 3 (Three) Years.....	64
17	Credit Rating Summary with Rating Rationale of the Issuer and the Issue	65
17.1	Credit Rating Summary of the Issuer	65
17.2	Rating Rationale of the Issuer.....	65
17.3	Credit Rating Summary of the Issue.....	67
17.4	Rating Rationale of the Issue	67
18	Latest Default Matrix and Transition Statistics of CRC	69
19	Description of the Trustee.....	71
19.1	Overview to the Trustee	71
19.2	Board of Directors:	71
19.3	Product and Services	72
19.3.1	Fixed Income Securities:	72
19.3.2	Local and Foreign Loan Syndication:	72
19.3.3	Issue Management and Underwriting:.....	72
19.3.4	Portfolio Management:.....	72
19.3.5	Corporate Advisory.....	73
19.3.6	Merger and Acquisition	73
19.3.7	Business Valuation	73
19.3.8	Agency and Trustee	73
19.3.9	Placement and Transfer Agent Services.....	73
19.4	Key Operational Results	73
20	Modus Operandi of the Issue.....	75
20.1	Application Procedure:.....	75

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20.2	The Issuance of Bond	75
20.3	Allotment:.....	75
20.4	Refund.....	75
20.5	Transfer.....	75
20.6	Repayment and Redemption features of the Bond.....	75
20.7	Details of conversion or exchange option.....	75
22	Details of Fees Structure and Expenses.....	76
	Annexure 1: Issue Application as per Schedule A.....	77
	Annexure 2: Audited Financial as of 31 December 2021.....	78
	Annexure 3: Credit Rating Report of the Issue.....	79
	Annexure 4: Declaration about the Responsibility of the Directors.....	80
	Annexure 5: Due Diligence Certificate of the Trustee.....	81
	Annexure 6: Status of Debt Securities issued under trusteeship UCB Investment Limited	82

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List of Tables and Figures

Table 1: Basic Features of MTB 5 th Subordinated Bond.....	20
Table 2: Repayment Schedule of MTB 5 th Subordinated Bond.....	23
Table 3: Basic Information of the Issuer	32
Table 4: Sources of Issuer's Fund	33
Table 5: Regulatory Capital of the Issuer.....	34
Table 6: Shareholding Structure of the Issuer.....	34
Table 7: MTB's Operating Performance.....	42
Table 8: Key Ratios for Last 5 years	42
Table 9: Composition of Total Asset	49
Table 10: Details of Cash.....	50
Table 11: Balance with Other Banks & Financial Institutions	50
Table 12: Details of Investments.....	50
Table 13: Details of Loans and Advances.....	50
Table 14: Details of Fixed Assets	51
Table 15: Details of Other Assets	51
Table 16: Description of Liabilities.....	51
Table 17: Description of Borrowings	52
Table 18: Description of Deposits and Other Accounts	52
Table 19: Outstanding Balance of Subordinated Bonds & perpetual Bonds.....	52
Table 20: Description of Other Liabilities	53
Table 21: Financial Ratios of MTB for Last Three Years	64
Table 22: Key Financials of the Trustee.....	73
Figure 1: Issuer's Total Assets Size & Growth	40
Figure 2: Issuer's Total Loans & Advances and Growth	41
Figure 3: Issuer's Deposit Size and Growth.....	41
Figure 4: Historical Advance Deposit Ratio.....	41

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8 | Page
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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 Lead Arranger, 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 Lead Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Lead Arranger 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 Lead Arranger 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 Lead Arranger only on behalf of the Issuer and that neither the Lead Arranger 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 Lead Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Lead Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

Non-Obligation to purchase: The Lead Arranger 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 5th 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 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

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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.

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.

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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 four departments; Audit and Inspection Department, ICC Compliance Unit, ICC Monitoring Unit and ICC System Audit 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.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

12 | Page
Md. Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

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 response 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 transact on 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.

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Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.


Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



3 Detailed Description and Information of Issuer's Application

1. Particulars of the issuer, Mutual Trust Bank Limited (MTB)

(a)	Name of the Issuer:	Mutual Trust Bank Limited (MTB)
(b)	Legal status of the issuer:	Public company limited by shares
(c)	Details of Contact Information:	Corporate Office: MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan 1, Dhaka 1212 Phone : 880 (2) 984 6966, 984 2429, Fax : 880 (2) 984 4303 E-mail : info@mutualtrustbank.com Website: https://www.mutualtrustbank.com Contact Person Name: Mohammad Nazmul Hossain, FCA Designation: Group Chief Financial Officer Phone: 01730-781184 E-mail: n.hossain@mutualtrustbank.com Address: MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan 1, Dhaka 1212
(d)	Date of incorporation:	September 29, 1999
(e)	Date of commencement of Business:	October 24, 1999
(f)	Authorized capital:	BDT 10,000,000,000 (as on December 31, 2021)
(g)	Paid-up capital:	BDT 8,124,956,590 (as on December 31, 2021)
(h)	Total equity:	BDT 19,654,773,315 (as on December 31, 2021)
(i)	Total liabilities:	BDT 286,846,018,576 (as on December 31, 2021)
(j)	Total financial obligations:	BDT 286,846,018,576 (Total Liability)
(k)	Total assets:	BDT 306,500,925,149 (as on December 31, 2021)
(l)	Total tangible assets:	BDT 5,394,493,735 (Fixed Asset including Premises, Furniture and Fixtures) (as on December 31, 2021)
(m)	Net worth:	BDT 19,654,773,315 (as on December 31, 2021)
(n)	Others:	Not Applicable

2. Particulars of Issue Manager: Not Applicable

3. Particulars of the issue:

(a)	Name of the issue:	MTB 5 th Subordinated Bond
(b)	Type of instruments to be issued:	Tier 2 Eligible Non-Convertible Fully-redeemable coupon-bearing Unsecured Subordinated Bond
(c)	Purpose of the issue:	The issuance is to generate liquidity to strengthen Tier II capital of the bank
(d)	Number of securities and total size of the issue to be offered:	Number of securities being offered: 500 (Five Hundred) no. Total issue amount: BDT 5,000,000,000 (Five Billion Taka)
(e)	Face value and issue price of securities mentioning discount or premium thereof:	Face value: BDT 10,000,000 Issue price: BDT 10,000,000
	Coupon rate/discount rate and YTM:	Benchmark Rate: Latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day.



		<p>(The Benchmark 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); plus Margin: 2.00% p.a. Coupon Floor Rate: 6.00% p.a. Coupon Ceiling Rate: 9.00% p.a.</p> <p>Coupon Payment: Semi-annual coupon payment starting at the end of 6 months from the date of drawdown</p>																								
(g)	Tenor	7 years from the date of issuance																								
(h)	Details of conversion/exchange option features:	Not applicable as the bond is Non-Convertible																								
(i)	Mode of redemption or conversion/exchange	<p>The bond is Fully redeemable. Principal redemptions will be in 5 (five) equal annual instalments commencing at the end of 3rd year (36th month) from the date of drawdown in the following manner;</p> <table border="1"> <thead> <tr> <th>Year</th><th>Repayment</th><th>Balance</th></tr> </thead> <tbody> <tr> <td>End of 1st Year</td><td>-</td><td>5,000,000,000</td></tr> <tr> <td>End of 2nd Year</td><td>-</td><td>5,000,000,000</td></tr> <tr> <td>End of 3rd Year</td><td>1,000,000,000</td><td>4,000,000,000</td></tr> <tr> <td>End of 4th Year</td><td>1,000,000,000</td><td>3,000,000,000</td></tr> <tr> <td>End of 5th Year</td><td>1,000,000,000</td><td>2,000,000,000</td></tr> <tr> <td>End of 6th Year</td><td>1,000,000,000</td><td>1,000,000,000</td></tr> <tr> <td>End of 7th Year</td><td>1,000,000,000</td><td>-</td></tr> </tbody> </table>	Year	Repayment	Balance	End of 1 st Year	-	5,000,000,000	End of 2 nd Year	-	5,000,000,000	End of 3 rd Year	1,000,000,000	4,000,000,000	End of 4 th Year	1,000,000,000	3,000,000,000	End of 5 th Year	1,000,000,000	2,000,000,000	End of 6 th Year	1,000,000,000	1,000,000,000	End of 7 th Year	1,000,000,000	-
Year	Repayment	Balance																								
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End of 5 th Year	1,000,000,000	2,000,000,000																								
End of 6 th Year	1,000,000,000	1,000,000,000																								
End of 7 th Year	1,000,000,000	-																								
(j)	Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	Not applicable as the bond is non-convertible and fully redeemable																								
(k)	Rate of return	<p>Benchmark Rate: Latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day; plus Margin: 2.00% p.a. Coupon Floor Rate: 6.00% p.a. Coupon Ceiling Rate: 9.00% p.a. (excluding risk premium in case of rating trigger fall and late payment penalty in case of late payment)</p>																								
(l)	Applicable tax rate	As per applicable Tax Laws of Bangladesh																								
(m)	Default protection, if any	Not applicable																								
(n)	Type of collateral securities being offered, if any:	Unsecured																								
(o)	Status of securities holders in case of priority of payment	The Bonds shall constitute direct, subordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.																								
(p)	Period within which securities to be issued:	As per regulatory approvals																								
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board /ATB/any other platform, mentioning the name of the stock exchange)	Alternative Trading Board (ATB)																								
		<p>Rating Trigger: If the credit rating of the issue falls below the minimum investment grade i.e. 'BBB' in the long term or "ST-3" in</p>																								

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Raza
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a risk premium as mentioned in the table below:

Issue Rating	Risk Premium to be Added
BB	0.5%
B	1.0%
C	1.5%
D	2.0%

4. Particulars of the Trustee:

(a)	Name of the trustee:	UCB investment Limited
(b)	Paid-up capital of the trustee:	BDT 1,000,000,000 (as on December 31, 2021)
(c)	Net worth of the trustee:	BDT 1,132,493,978 (as on December 31, 2021)
(d)	Name of the issue(s) where performing as trustee:	<ul style="list-style-type: none"> • NRBC Bank Subordinated Bond-1 • Bank Asia Perpetual Bond • Mercantile Bank Perpetual Bond • Mir Akhter Zero Coupon Bond • Envoy Textiles Zero Coupon Bond • MTB 5th Subordinated Bond
(e)	Others:	Not Applicable

5. Particulars of the credit rating company:

(a)	Name of credit rating company:	Credit rating of the Issuer: Credit Rating Information and Services Limited (CRISL) Credit rating of the Issue: Emerging Credit Rating Limited (ECRL)	
(b)	Credit rating status of the issuer	Long Term Rating: AA Short Term Rating: ST-2 Outlook: Stable	
(c)	Credit rating status of the issue:	Long Term Rating: AA-B* Outlook: Stable *B denotes Bond	
(d)	Date and validity of rating along with surveillance rating for the issuer:	Issuer Rating Valid From: 12-May-2022 Validity Date: 11-May-2023	Issue Rating Valid From: 15-June-2022 Validity Date: 14-June-2023
(e)	Latest default rate of the credit rating company:	Rating category wise: 0.1% Rating band wise 10 years cumulative rate: 0.2%	
(f)	Average time to default of the rated category:	49 months	
(g)	Rating trigger, if any:	If the credit rating of the issue falls below the minimum investment grade i.e. 'BBB' in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a risk premium as mentioned in the table below:	

Issue Rating	Risk Premium to be Added
BB	0.5%
B	1.0%
C	1.5%
D	2.0%

UCB Investment Limited
 Managing Director & CEO
 Tanzim Alamgir

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 Group Company Secretary
 Mutual Trust Bank Limited
 Corporate Head Office, Dhaka

Syed Mahbubur Rahman
 Managing Director & CEO
 Mutual Trust Bank Limited



(h) Others: Not Applicable

6. Particulars of originators, if any: Not Applicable

7. Particulars of other contractual parties:

(a)	Name of the Lead Arranger:	RSA Advisory Limited
(b)	Legal status of the Lead Arranger:	Private limited company
(c)	Details of contact information of Lead Arranger:	<p>RSA Advisory Limited House 85, Level 04, Road 03, Block F, Banani, Dhaka-1213 Phone : 0967 733 3666, E-mail : info@rsacapital.com Website: https://www.rsacapital.com</p> <p>Contact Person Name: Md. Mueyedul Islam Mueyed Designation: Senior Officer Phone: 016 8800 6080 E-mail: mueyed@rsacapital.com Address: House 85, Level 04, Road 03, Block F, Banani, Dhaka-1213</p>
(d)	Name of the issue managed by the issue manager:	MTB 5 th Subordinated Bond
(e)	Name of the Co-Arranger:	MTB Capital Limited
(f)	Legal status of the Co-Arranger:	Private limited company
(g)	Details of contact information of Co-Arranger:	<p>MTB Capital Limited Chandrashila Suvastu Tower (2nd Floor) 69/1, Panthapath, Dhaka 1205 Phone: +880 2 964 1157 Fax: +880 2 964 1159 E-mail: info.mtbcap@mutualtrustbank.com Website: www.mtbcap.com</p> <p>Contact Person Name: Md. Ashadul Islam Designation: Board Secretary and Compliance Officer Phone: 018 1841 6284 E-mail: ashad@mutualtrustbank.com Address: Chandrashila Suvastu Tower (2nd Floor) 69/1, Panthapath, Dhaka 1205</p>
(h)	Paying Agent, Register, Transfer Agent	UCB Investment Limited
(i)	Legal Advisor	Lex Juris

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4 Detail Plan of the Utilization of Proceeds

4.1 Purpose of Issuance of MTB 5th 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.

4.2 Plan Regarding Utilization of Proceeds

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

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5 Features of the Debt Security

MTB 5th 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 MTB 5th Subordinated Bond are presented below:

5.1 Basic Features of the Instrument

Table 1: Basic Features of MTB 5th Subordinated Bond

Issuer:	Mutual Trust Bank Limited
The Issue:	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)
Name of the Instrument:	MTB 5 th Subordinated Bond
Mandated Lead Arranger:	RSA Advisory Limited
Arrangement Basis:	Best Efforts
Purpose:	To raise Tier-2 Capital
Investors:	Local Financial Institutions, Insurance Companies, Corporate etc and any other eligible investors.
Currency:	Bangladeshi Taka ("BDT")
Face Value:	BDT 10,000,000 (Ten Million) Per Bond
Denomination/Minimum Subscription:	BDT 10,000,000 (Ten Million Taka)
Mode of Placement:	Private Placement on a best effort basis
Issue Price:	100% at Par
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
Trustee:	UCB Investment Limited
Paying Agent, Register, Transfer Agent:	UCB Investment Limited
Legal Counsel:	Lex Juris
Credit Rating Agency:	Emerging Credit Rating Limited (ECRL)
Total Bonds to be issued:	500 (Five Hundred) no.
Investors:	Institutional investors and high net-worth individual investors
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 banks licensed after 2010 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

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All the features of MTB 5th Subordinated Bond are draft only and finalization of these features are subject to the approval of concerned regulators.



Quotation Day:	5 business days before the first day of any period for which a Coupon Rate is to be determined.																								
Coupon Margin:	2.0%																								
Range of Coupon Rate:	6.00% to 9.00% at all times. (excluding risk premium in case of rating trigger fall and late payment penalty in case of late payment)																								
Coupon Payment:	Semi-annually starting after 6 months from the drawdown date																								
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><tr><th>Year</th><th>Repayment</th><th>Balance</th></tr><tr><td>End of 1st Year</td><td>-</td><td>5,000,000,000</td></tr><tr><td>End of 2nd Year</td><td>-</td><td>5,000,000,000</td></tr><tr><td>End of 3rd Year</td><td>1,000,000,000</td><td>4,000,000,000</td></tr><tr><td>End of 4th Year</td><td>1,000,000,000</td><td>3,000,000,000</td></tr><tr><td>End of 5th Year</td><td>1,000,000,000</td><td>2,000,000,000</td></tr><tr><td>End of 6th Year</td><td>1,000,000,000</td><td>1,000,000,000</td></tr><tr><td>End of 7th Year</td><td>1,000,000,000</td><td>-</td></tr></table>	Year	Repayment	Balance	End of 1 st Year	-	5,000,000,000	End of 2 nd Year	-	5,000,000,000	End of 3 rd Year	1,000,000,000	4,000,000,000	End of 4 th Year	1,000,000,000	3,000,000,000	End of 5 th Year	1,000,000,000	2,000,000,000	End of 6 th Year	1,000,000,000	1,000,000,000	End of 7 th Year	1,000,000,000	-
Year	Repayment	Balance																							
End of 1 st Year	-	5,000,000,000																							
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End of 5 th Year	1,000,000,000	2,000,000,000																							
End of 6 th Year	1,000,000,000	1,000,000,000																							
End of 7 th Year	1,000,000,000	-																							
Credit Rating:	<u>Issuer Rating</u> AA (Long Term), ST-2 (Short Term), Outlook: Stable Validly Date: 11-May-2023 Rating Agency: Credit Rating Information and Services Limited (CRISL) <u>Issue Rating</u> AA-B Validity Date: 14-June-2023 Rating Agency: Emerging Credit Rating Limited (ECRL)																								
Rating trigger, if any:	If the credit rating of the issue falls below the minimum investment grade i.e. 'BBB' in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a risk premium as mentioned in the table below: <table><tr><th>Issue Rating</th><th>Risk Premium to be Added</th></tr><tr><td>BB</td><td>0.5%</td></tr><tr><td>B</td><td>1.0%</td></tr><tr><td>C</td><td>1.5%</td></tr><tr><td>D</td><td>2.0%</td></tr></table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.5%	D	2.0%														
Issue Rating	Risk Premium to be Added																								
BB	0.5%																								
B	1.0%																								
C	1.5%																								
D	2.0%																								
Listing:	Will be listed on Alternative Trading Board (ATB)																								
Governing Law:	Laws of Bangladesh.																								

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5.2 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 banks licensed after 2010 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:** 6.00%
- **Coupon Ceiling Rate:** 9.00%
- **Coupon payment:** Coupon to be paid semi-annually. First coupon will be paid after 6 months from the drawdown date.

5.3 Transferability/Liquidity;

Transferable in accordance with the provisions of Trust Deed.

5.4 Prepayment, Call, Refunding, Conversion or Exchange option;

The Bond is non-convertible and not-callable in nature and has no prepayment option.

5.5 Early redemption or 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.

5.6 Tax Features;

All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments, but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.

5.7 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 48.95 million. The details of the cost breakdown is given below:

Cost Associated with MTB 5 th Subordinated Bond	
Face value of MTB 5th bond	5,000,000,000
Arranger & Co-arranger Fee	25,000,000
VAT on arranger fee	3,750,000
BSEC consent fee	5,000,000
BSEC Application fee	10,000
Trustee application fee	50,000
Trustee registration fee	100,000

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Group Chief Financial Officer
Mutual Trust Bank Limited
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Mamun Muntasir Reza
Sr. Executive Vice President &
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Annual trustee fee to BSEC (7 years)	350,000
Trustee fee (7 years)	1,750,000
VAT on Trustee fee	262,500
Credit rating fee (7 years)	630,000
VAT on credit rating fee	47,250
Legal Counsel	150,000
VAT on legal counsel fee	22,500
Miscellaneous (stamp, printing ad)	50,000
(A) Total bond issuance fee	37,172,250

Listing Fee on ATB	
CDBL Fee (50000000000*0.00015)	750,000
CDBL Annual fee	50,000
DSE listing Fee (50000000000*0.15%)	7,500,000
DSE listing Annual fee	600,000
Total Listing fee	8,900,000
Issue manager fee for listing	2,500,000
VAT on issue manager	375,000
(B) Total listing fee	11,775,000
Total bond cost (A+B)	48,947,250

5.8 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 5th Subordinated Bond

MTB 5 th 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	1	30	5,000,000,000	0.00%	-	5,000,000,000
		36	5,000,000,000	20.00%	1,000,000,000	4,000,000,000
4 th	2	42	4,000,000,000	0.00%	-	4,000,000,000
		48	4,000,000,000	20.00%	1,000,000,000	3,000,000,000
5 th	3	54	3,000,000,000	0.00%	-	3,000,000,000
		60	3,000,000,000	20.00%	1,000,000,000	2,000,000,000
6 th	4	66	2,000,000,000	0.00%	-	2,000,000,000
		72	2,000,000,000	20.00%	1,000,000,000	1,000,000,000
7 th	5	78	1,000,000,000	0.00%	-	1,000,000,000
		84	1,000,000,000	20.00%	1,000,000,000	-

5.9 Call or put option, and premium or discount thereof, if any;

Not Applicable
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



5.10 Credit enhancement or guarantee, if any;
Not Applicable

5.11 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.

6 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 5th 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.

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24 | Page

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7 Rights Duties and Obligations of the Issuer

7.1 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 the Conditions, unconditionally pay or procure to be paid to or to

the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) 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 Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions *provided that:*

- 7.1.1 every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Bondholders shall satisfy, to the extent of such payment ;
- 7.1.2 if any payment of principal or interest 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 seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- 7.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 11.3 (*Covenant to comply with Trust Deed, Conditions and Schedules*.) and Clause 11.4 (*Covenants by the Issuer*) on trust for the Bondholders.

7.2 Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 (*Covenant to Repay*) and (so far as it concerns payments by the Issuer) Clause 19.2 of the Trust Deed (*Payment to Bondholders*) shall cease to have effect.

7.3 Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

- 7.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Condition 5 (*Covenants*)) and the other Schedules 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, 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 applicable to them.

- 7.3.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

- 7.3.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law 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.

7.4 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

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Md. Nurul Karim Reza
Sr. Executive Vice President &
Group Company Secretary
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Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



7.4.1 Books of account:

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

7.4.2 Event of Default:

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

7.4.3 Corporate Governance:

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

7.4.4 Information:

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

7.4.5 Execution of further Documents:

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

7.4.6 Notices to Bondholders:

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

7.4.7 Notification of non-payment:

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

7.4.8 Notification of late payment:

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

7.4.9 Notification of redemption or repayment:

14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

7.4.10 Authorised Signatories:

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

7.4.11 Payments:

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder

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Mutual Trust Bank Limited



8 Rights Duties and Obligations of the Trustee

8.1 Trustee's Rights

- 8.1.1 *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 Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
- 8.1.2 *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 (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;
- 8.1.3 *Resolution or direction of Bondholders:* the Trustee shall not be responsible for acting 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;
- 8.1.4 *Trustee not responsible for investigations:* save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 8.1.5 *Entry on the Register:* the Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;
- 8.1.6 *Events of Default:* save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and
- 8.1.7 *Right to Deduct or Withhold:* notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.
- 8.1.8 *Liability:* The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

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Managing Director & CEO
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- 8.1.9 *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, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.
- 8.1.10 *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. 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.
- 8.1.11 *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 properly 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, in each case as agreed pursuant to the Fee Letter (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);
- 8.1.12 *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 of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and
- 8.1.13 *Trustee may enter into financial transactions with the Issuer*: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.
- 8.1.14 *Trustee Liability*: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.
- 8.1.15 *Right to Sue*: The Trustee may sue and may be sued on behalf of the Bondholders.
- 8.2 Trustee's powers and duties**
- 8.2.1 *Applicable Law*: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
- 8.2.2 *Act for Bondholders*: Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;
- 8.2.3 *Monitoring*: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;
- 8.2.4 *Report to BSEC*: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;
- 8.2.5 *Grievances of the Bondholders*: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;



- 8.2.6 *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 this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;
- 8.2.7 *Determination of questions:* the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed 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;
- 8.2.8 *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, on reasonable ground have absolute and uncontrolled 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 (save as otherwise provided by applicable law) 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;
- 8.2.9 *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;
- 8.2.10 *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;
- 8.2.11 *Error of judgment:* the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;
- 8.2.12 *Agents:* Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed 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 (including the receipt and payment of money) with the consent of Issuer and 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 *provided that* the Trustee had exercised reasonable care in the appointment of such person;
- 8.2.13 *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 confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.
- 8.2.14 *Determination of Interest Rate:* the Trustee shall determine Applicable Interest Rate in accordance with Condition of the Bond.

8.3 Exercise of Discretion

- 7.3.1. 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 66²/₃ percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.
- 7.3.2. The Trustee will 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.

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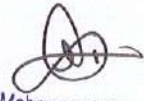
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

9 Rights Duties and Obligations of the Arranger

The Issuer has appointed RSA Advisory Limited as the Mandated Lead Arranger of the proposed Bonds. Rights and Obligations of the Arranger of MTB 5th Subordinated Bond include:

- 9.1 Due diligence of the issue prior to submission of the proposed bonds to external parties;
- 9.2 Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties;
- 9.3 Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators;
- 9.4 Engage with regulators and Issuer for approval of the bonds;
- 9.5 Support due diligence of prospective investors for investing in the bonds;
- 9.6 Complete documentation of the bonds prior to subscription of the bonds;
- 9.7 Monitor compliance with conditions precedent prior to issuance of the bonds.

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30 | Page
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10 Rights Duties and Obligations of the Bondholders

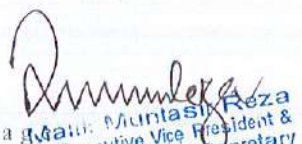
- 10.1 Each Bondholder has the right to demand information from the Issuer as set out in the Trust Deed and the Condition attached in Schedule 1 Part B of the Trust Deed (*Terms and Conditions of the Bonds*).
- 10.2 Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 of the Trust Deed (*Terms and Conditions of the Bonds*).
- 10.3 Each Bondholder has the right to receive interest on the Bond on the Interest Payment Date as set out in the Condition attached in Schedule 1 of the Trust Deed (*Terms and Conditions of the Bonds*).
- 10.4 Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 of the Trust Deed (*Meetings of Bondholders, Modification, Waiver and Substitution*).

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Managing Director & CEO
UCB Investment Limited



Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

31 | P a g e



Md. Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

11 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

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Over the past 22 years of operation, the Issuer has laid a strong foundation to create a strong brand image and strengthen its foothold in the highly regulated banking industry. MTB is equipped with strong delivery channels consisting of 119 branches & 33 Sub-branches, 201 Agent Banking Centers, 18 kiosks, 310 modern ATMs including 6 CRM Booths, 4 Air Lounges, over 3,220 Point of Sales (POS) machines, located

in prime commercial, urban and rural areas. MTB offers fully integrated real time Online Banking Services, 24/7 modern Contact Centre and Internet and SMS Banking to its growing clientele, through a dedicated team of experienced Relationship Managers and Alternate Delivery Channels (ADC). Currently there are 2,418 number of employees working for the Bank.

11.1 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.

11.1.1 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 and converted into public limited company in the year 2015 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 out 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.

11.1.2 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.

11.1.3 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.

11.2 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 (73.8%) have been financed by deposits and other accounts.

Table 4: Sources of Issuer's Fund

	As of 31 December, 2021	
	BDT million	
Liabilities	286,846.02	
Borrowings from other banks, FIs and agents	35,205.78	
Mutual Trust Bank Subordinated & perpetual Bond	12,600.00	
Deposits and other accounts	211,782.42	
Other liabilities	27,257.81	

Total Equity	19,654.77
Paid-up capital	8,124.96
Statutory reserve	5,696.35
Share Premium	1,095.30
General reserve	786.78
Revaluation reserve	457.93
Retained earnings	3,488.74
Foreign Currency Translational Gain	4.70
Total Liabilities and Shareholders' Equity	306,500.92

The Issuer maintains appropriate capital adequacy, which enables it to confront various risk factors it may be exposed to. The current CRAR of 14.41% on 31 December, 2021 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 30,343.19 million as on 31 December, 2021 against the risk weighted assets of BDT 210,635.87 million.

Table 5: Regulatory Capital of the Issuer

	As of 31 December, 2021
	BDT Million
Total Risk Weighted Assets	210,635.87
Core capital (Tier- I)	20,312.24
Supplementary capital (Tier-II)	10,030.95
Total Capital	30,343.19
Total Required Capital	21,063.58
Capital Surplus/(Shortfall)	9,279.60
Capital Adequacy Ratio	14.41%
Core capital to Risk Weighted Assets	9.64%
Supplementary capital to Risk Weighted Assets	4.76%

Issuer's total paid up capital stood at BDT 8,124.96 million at the end of 31 December, 2021 which was divided into **812,495,659** number of ordinary shares with a face value of BDT 10 per share. Out of the total shares, 32.8% (266,547,829 number of shares) were held by Sponsors of the Issuer.

Table 6: Shareholding Structure of the Issuer

Particulars	As on 31 December, 2021		
	No. of Shares	Share Value (BDT mn)	% of Holding
Sponsors	266,547,829	2,665,478,290	32.8061%
Foreign Investors (NORFUND)	77,415,576	774,155,760	9.5281%
Institutions	186,861,530	1,868,615,300	22.9985%
General Public	281,670,724	2,816,707,240	34.6674%
Total	812,495,659	8,124,956,590	100.00%

11.3 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.

11.3.1 Products & Services

11.3.1.1 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 Overdraft (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 Overdraft (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.

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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.

11.3.1.2 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

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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.

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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.

11.3.1.3 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.

11.3.1.4 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.

11.3.1.5 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 sub-divided 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.

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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.

11.4 Business Analysis Based on Solo Financials

11.4.1 Asset Size & Growth

MTBL's total assets grew significantly during the last 10 years of its operation. At the end of 31 December, 2021, total assets of the company stood at BDT 306,501 million which is 13.8% higher than that of December 31, 2020. During the last 10 years MTB's asset size grew to 3.29 times at 14.1% compound annual growth rate (CAGR).

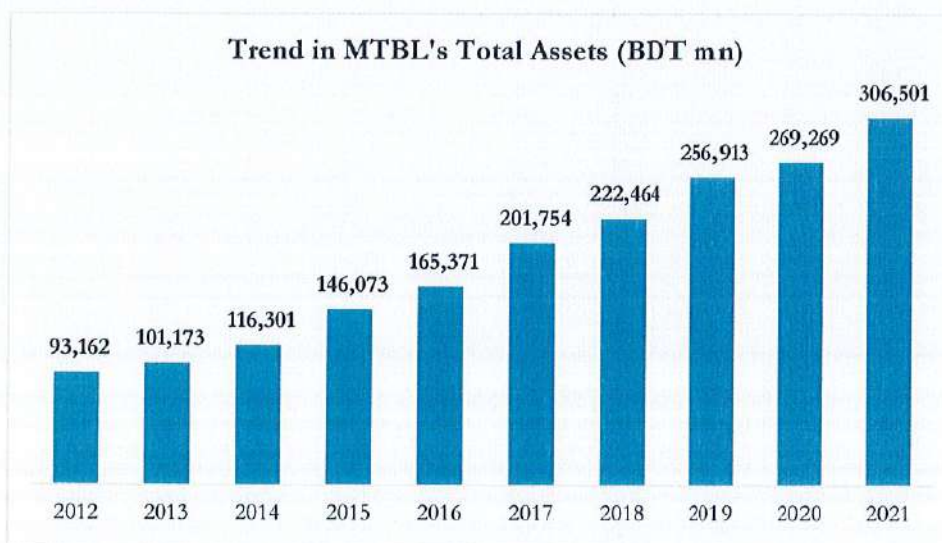


Figure 1: Issuer's Total Assets Size & Growth

11.4.2 Growth of Loans & Advances

At the end of 31 December, 2021 total loans and advances of the Bank stood at BDT 226,012 million which is 10.9% higher than that of December 31, 2020. During the last 10 years, MTBL's total loans and advances size grew to 4 times at 16.7% CAGR.

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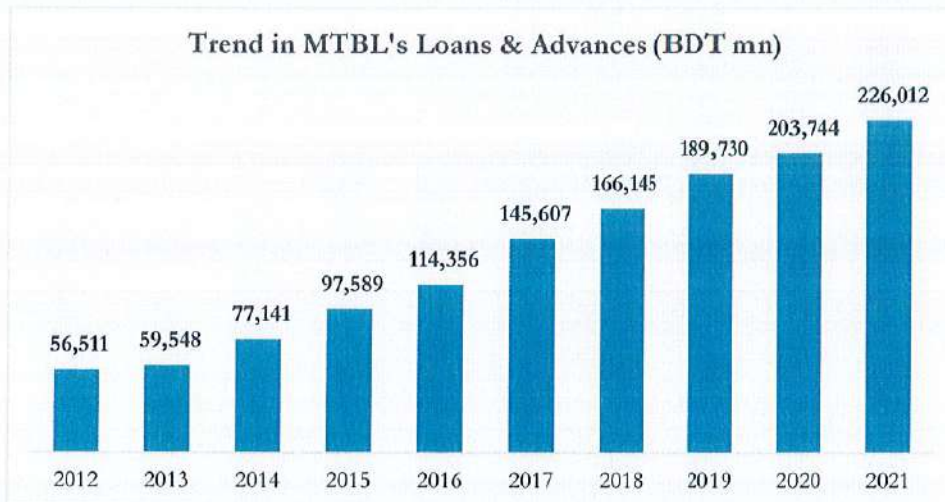


Figure 2: Issuer's Total Loans & Advances and Growth

11.4.3 Growth of Deposits

MTBL's deposits and other accounts grew by 12.2% in 2021 compared to its preceding year to stand at BDT 211,782 million. During the last 10 years, the Issuer's total deposit grew to 2.89 times at 12.5% CAGR.

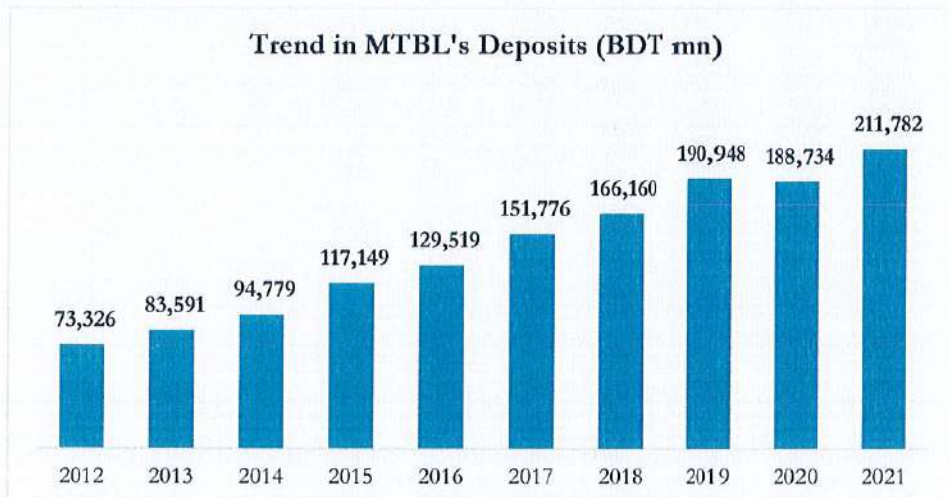


Figure 3: Issuer's Deposit Size and Growth

The Issuer has managed to keep its advance deposit ratio (ADR) at 82.42% at the end of 31 December, 2021.

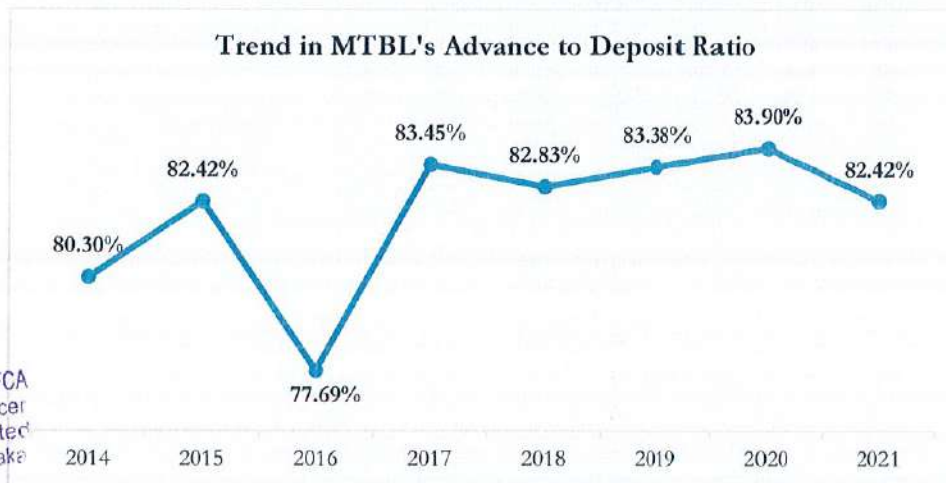


Figure 4: Historical Advance Deposit Ratio

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11.4.4 Operational Performance

In BDT million otherwise stated

	2021	2020	2019	2018	2017	2016
NIM	5,747	3,945	5,430	5,251	4,308	3,878
Profit before provision	5,661	3,518	5,240	4,884	3,916	3,408
Total Provision	2,122	1,690	2,140	2,342	1,656	947
Profit before tax	3,539	1,829	3,099	2,542	2,259	2,461
Net profit after tax	2,973	970	1,338	1,734	1,980	1,464
Cost to Income (ratio)	55.79%	64.77%	53.21%	50.31%	53.82%	54.65%

Table 7: MTB's Operating Performance

Cost income ratio was 50.79% in 2021 which is a lot lower than previous year's ratio indicating the increase in efficiency. 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 55.43% over the period from 2016 to 2019.

MTB's return on assets (ROA) and return on equity (ROE) were 1.03% and 16.22% respectively. Other Key Ratios for Last 5 years is given below:

	2021	2020	2019	2018	2017	2016
CRAR	14.41%	12.92%	12.91%	12.86%	13.76%	11.29%
Loan-Deposit	82.42%	83.90%	83.38%	82.83%	83.45%	77.69%
NPL	5.80%	4.61%	5.39%	5.39%	4.30%	4.36%
Cost-income ratio	55.79%	64.77%	53.21%	50.31%	53.82%	54.65%
Return on Average Assets	1.03%	0.37%	0.56%	0.82%	1.08%	0.94%
Return on Average Equity	16.22%	5.83%	9.03%	13.83%	18.35%	15.61%
Earnings per share (BDT)	3.66	1.31	2.03	3.03	3.89	3.30
NAV per share (BDT)	24.19	23.03	23.16	23.24	23.08	19.26

Table 8: Key Ratios for Last 5 years

11.5 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. Wakiluddin, Chairman
- Mr. Md. Abdul Malek, Vice Chairman
- Mr. Syed Manzur Elahi, Director (Founding Chairman)
- Mr. Md. Hedayetullah, Director
- Mr. Rashed Ahmed Chowdhury, Director
- Dr. Arif Dowla, Director
- Ms. Khwaja Nargis Hossain, Director
- Ms. Anika Chowdhury, Director
- Mr. Daniel Donald de Lange, Director
- Ms. Nasreen Sattar, Independent Director
- Mr. Faruq Ahmad Siddiqi, Independent Director
- Syed Mahbubur Rahman, Managing Director & CEO


Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited


Mark Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Mr. Md. Wakiluddin, Chairman

Mr. Md. Wakiluddin is the Chairman of the Board of Mutual Trust Bank Limited (MTB) and its subsidiaries, MTB Securities Ltd. (MTBSL) and MTB Capital Limited (MTBCL). He is also the Chairman of Baridhara Corporation Ltd. & Baridhara Agro & Food Processing Ltd.

He is presently serving as:

- Managing Director of Swadesh Properties Ltd.
- Swadesh Global Media Ltd.
- Managing Director of HURDCO International School
- Director of Swadesh Land Developers Ltd.

Mr. Md. Abdul Malek, Vice Chairman

Mr. Md. Abdul Malek is the Vice Chairman of the Board of Mutual Trust Bank Ltd. (MTB), obtained B.Sc. Engineering (Civil) from BUET, a renowned engineering institution of the country. He has vast experience and special skills and expertise in structuring and developing along with a glorious tradition in construction of multistoried 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 earned a good recognition both locally and internationally. He has also vast experience in the Garments sector.

Mr. Syed Manzur Elahi, Director (Founding Chairman)

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

Mr. Elahi is currently the Chairman of

- | | |
|----------------------------|--------------------------------------|
| • Apex Tannery Ltd. | • Grey Advertising (Bangladesh) Ltd. |
| • Apex Footwear Ltd. | • Quantum Consumer Solutions Ltd. |
| • Apex Pharma Ltd. | • ManusherJonno Foundation |
| • Blue Ocean Footwear Ltd. | • Sunbeams School Ltd. |
| • Apex Enterprises Ltd. | • MTB Foundation |

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

Mr. Md. Hedayetullah, Director

Mr. Md. Hedayetullah is the Chairman of the Executive Committee of Mutual Trust Bank Ltd. (MTB). Prior to his new role, he was the Chairman of the Board of MTB.

He is presently serving as the:

Chairman of Hedayetullah Securities Ltd.
Managing Director of FB Footwear Ltd.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

[Signature]

[Signature]
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Matik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

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

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

Mr. Rashed Ahmed Chowdhury, Director

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

Mr. Chowdhury is the:

- Chairman of Banga Garments Ltd.
- Chairman of ABC Building Products Ltd.
- Founder Trustee and former Chairman of the Board of Trustees of IUB
- Founding member and past President of Cadet College Club Limited
- Member of the Management Committee of Ispahani Islamia Eye Institute and Hospital (IIIEI&H)
- Member of the Board of Trustees of the Corporate Social Responsibility (CSR) Centre
- Member of the Board of Trustees of the Bangladesh Business & Disability Network (BBDN)
- Senior Vice President of Bangladesh Squash Rackets Federation.

He is also:

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

Dr. Arif Dowla, Director

Dr. Arif Dowla has served as Chairman of Mutual Trust Bank Ltd. (MTB) from January 17, 2012 to February 26, 2014. Dr. Dowla is the Managing Director of the renowned conglomerate, Advanced Chemical Industries (ACI) Ltd., ACI Logistics Limited and Stochastic Logic Limited.

He is Director of:

- ACI Formulations Limited
- ACI Motors Limited
- ACI Pure Flour Limited
- ACI Agrolink Limited
- Premiaflex Plastics Limited
- ACI Foods Limited

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

Ms. Khwaja Nargis Hossain, Director

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

Ms. Hossain received Master's Degree in Islamic History from the University of Dhaka.

She is also:

- Managing Director of SAHCO Securities Limited.

Tanzim Alamgir
Managing Director & CEO
UCS Investment Limited

Mohammad Nazmul Hossain, POA
Group Chief Financial Officer
Mutual Trust Bank Ltd.
Corporate Head Office, Dhaka


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

Ms. Anika Chowdhury, Director

Ms. Anika Chowdhury is a Director of Mutual Trust Bank Limited (MTB), grand daughter of the iconic and legendary MTB Chairman, 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 a Managing Director of Square Health Limited, Director of Square Fashions Ltd., Management Coordinator of Square Group the leading business conglomerate in Bangladesh and Director (Business Development) of Square Pharmaceuticals Ltd

Mr. Daniel Donald de Lange, Director

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

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

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

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

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

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

Ms. Nasreen Sattar, Independent Director

Ms. Nasreen Sattar presently sits in the Board of Mutual Trust Bank as an Independent Director and the Chairman of the MTB Board Audit Committee. She is involved in training & developing professional women in enhancing their leadership skills, aspirations, achieving goals, discovering their own strengths and exploiting them. Prior to the current role she served as Independent Director and Audit Committee

Member of IPDC Finance Ltd. Ms. Nasreen is an international banking professional having over 23 years of experience. She started her career with ANZ Grindlays Bank in 1986, which was acquired by Standard

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Manubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Chartered Bank in 2000. Soon after the acquisition she became Regional Head for Development Organizations covering South Asia.

Her last assignment was as CEO for Standard Chartered Bank, Afghanistan from 2007 to 2009 where she successfully led the Bank over challenging and difficult times. She not only grew business but, more importantly developed the local human resources.

Mr. Faruq Ahmad Siddiqi, Independent Director

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

He served Bangladesh Securities and Exchange Commission from 2006 to 2009 as Chairman. Mr. Faruq also served Posts & Telecommunication, Education and Commerce Ministries of the People's Republic of Bangladesh as Secretary. He served National Board of Revenue as Member, Jamuna Bridge Multipurpose Authority as Director (Accounts & Finance) from 1997 to 1999 and RAJUK as Member (Finance) from 1990 to 1992. He also served Commissioner of Taxes.

Syed Mahbubur Rahman, Managing Director & CEO

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

Currently, he is serving as the Vice Chairman of the Board of IIDFC, Vice Chairman of Primary Dealers Bangladesh Limited (PDBL), Director of LIC of Bangladesh Ltd. He started his career with Saudi Bangladesh Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking from 1996 to 1998 and Standard Chartered Bank as Relationship Manager, Corporate Banking from 1998 to 2000. In 2002, he joined Citibank N.A. as Resident Vice President and left the bank in 2008 when he was a Director of the bank and was serving as the Head of Financial Institutions Group.

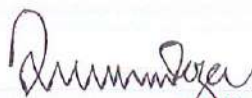
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

11.6 Profile of Senior Management

Mr. Chowdhury Akhtar Asif Additional Managing Director & GCRO

Chowdhury Akhtar Asif has been appointed as Additional Managing Director & Group Chief Risk Officer (GCRO) of Mutual Trust Bank Limited (MTB). Currently he is the Acting Managing Director of MTB. Prior to joining MTB, he was the Deputy Managing Director (DMD) and Chief Risk Officer (CRO) of BRAC Bank Limited. Before joining BRAC Bank Limited, he served ONE Bank Limited as the Head of Credit Risk Management & Senior Executive Vice President. He also served Eastern Bank Limited as the Unit Head, Corporate Unit.

After completing Master of Commerce in Finance from the University of Dhaka, he started his career with IFIC Bank Limited as a Probationary Officer in 1992 and served the bank till 2014. He served IFIC Bank Limited as the Head of Credit Risk Management (CRM) from 2013 to 2014 and the Head of Corporate Risk, CRM Division from 2011 to 2012.

Goutam Prosad Das Deputy Managing Director & Group Head of ICC

Goutam Prosad Das has been promoted to the rank of Deputy Managing Director of Mutual Trust Bank Limited (MTB) with effect from November 1, 2016. Prior to this elevation, he was the Senior Executive Vice President (SEVP) and Head of MTB Group Internal Control & Compliance (GICC) Division. Das joined MTB on September 26, 2012 and since then has made significant contributions to the bank.

Md. Khalid Mahmood Khan DMD, Corporate & Commercial Business

Md. Khalid Mahmood Khan has recently been promoted to the rank of Deputy Managing Director (DMD) of Mutual Trust Bank Limited (MTB) with effect from April 01, 2021. Prior to this elevation, Khalid was serving Mutual Trust Bank Limited as Senior Executive Vice President & Head of Wholesale Banking Division – 02. Out of 21 years of his service duration at MTB, he has successfully served the bank as the Manager of three important branches of MTB such as Principal Branch, Dilkusha Branch & Panthapath Branch for 13 years.

Rais Uddin Ahmad Deputy Managing Director & CAMLCO

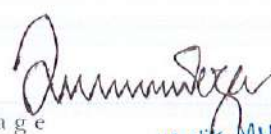
Rais Uddin Ahmad has been appointed as Deputy Managing Director & CAMLCO of Mutual Trust Bank Limited (MTB). Rais has been working in the banking sector since 1994. He started his career with ANZ Grindlays Bank, Bangladesh as a Management Trainee. He joined BRAC Bank Limited on March 2005 as Company Secretary, Head of Risk Management & CAMLCO. He also worked with Standard Chartered Bank from 2002 to 2003 as Acting Head of Legal & Compliance. Concurrently, he was the Integration Manager for SCB & ANZ Grindlays Bank. He has 27 years of working experience in Business, Regulatory, Risk Management and Company Matters in the banking sector.

Md. Bakhteyar Hossain Head of Transaction Banking

Mr. Hossain is a seasoned banker with over twenty-six 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 MTB, he looks after the Transaction Banking, Financial Institutions, Offshore Banking Unit (operations), SWIFT, MNC Banking and MTB NRB Division.



Mohammad Nazmul Hossain, FCA
 Group Chief Financial Officer
 Mutual Trust Bank Limited
 Corporate Head Office, Dhaka



Syed Mahbubur Rahman
 Managing Director & CEO
 Mutual Trust Bank Limited

Malik Muntasir Reza
 Sr. Executive Vice President &
 Group Company Secretary
 Mutual Trust Bank Limited
 Corporate Head Office, Dhaka.

Md. Shamsul Islam
Group Head of Treasury

Mr. Md. Shamsul Islam, Senior Executive Vice President and Head Of Treasury Department joined MTB on July 01, 2013 as Senior Vice President and since then he has made significant contributions to the bank. Before joining MTB, he worked in National Bank Limited at International Division as Senior Vice President. Mr. Shamsul Completed his M.Com from University of Dhaka and subsequently completed MBA from "National Louis University" USA. He possess 22 years' Experience in banking profession. His core concentration was with Treasury function.

Malik Muntasir Reza
Group Company Secretary

Mr. Malik Muntasir Reza is the Group Company Secretary of Mutual Trust Bank Limited (MTB) since July 1, 2015. Mr. Muntasir joined MTB as Executive Vice President on March 24, 2015. Muntasir brings in over 19 years of banking experience with him.

He received the MTB Board of Directors' appreciation for working as a member of the Deal Team and accomplishing the Norfund's equity investment, successfully. The highest ever equity FDI by an International Organization (9.53% shares held in MTB) in a Bangladeshi Bank. He also received appreciation for amending and updating the Articles of Association of bank.

Mr. Muntasir has completed his M. Com. in Accounting under National University. He is a Fellow Member of The Institute of Chartered Secretaries of Bangladesh (ICSB).

Usman Rashed Mueen
Head of Credit Risk Management

Usman Rashed Mueen has been appointed as the Head of Credit Risk Management & Senior Executive Vice President (SEVP) of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the Head of Credit Risk Management of Eastern Bank Limited (EBL). Mueen is an Omega (UK) Certified Credit professional who brings with him more than 23 years in banking in different capacities.


Md. Shafquat Hossain
Head of Retail Banking Division

Mr. Md. Shafquat Hossain has joined as the Head of SME & Retail Banking Division and Senior Executive Vice President of Mutual Trust Bank Limited (MTB). Shafquat has 23 years of extensive experience in Retail, Cards and Branch Banking, holding various positions in Retail and Branch Banking which included the Head of Retail Banking and Wealth Management of HSBC in Bangladesh, Head of Products and Segments in Standard Chartered Bank in Bangladesh and more recently Head of Retail Banking and Card Division at Dhaka Bank Limited. He has attended different professional training and development programs at home and abroad.

Masud Mushfiq Zaman
Group Head of Human Resources

Masud Mushfiq Zaman has joined Mutual Trust Bank Limited (MTB) on September 21, 2020 as Senior Vice President. He is the Group Head of Human Resources of MTB. Mr. Mushfiq has 17 years of extensive experience in Human Resources, holding various positions in Leadership, HR Strategy & Culture, Learning & Talent Management, Recruitment & Selection, Training & Development, which included the Associate Director, Head of Learning & Talent Management at BRAC HR & Learning Division, National Consultant A2i in Prime Minister's Office, Head of Strategic Business Partner, Technology Division, People & Organization at Grameen Phone.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka


Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.


Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Azam Khan
Group Chief Communication Officer

Azam Khan has been appointed as the Head of Communications & Senior Vice President (SVP) of Mutual Trust Bank Limited (MTB). He brings with him more than 20 years in banking and 12 years in development sector in different capacities.

Mohammad Nazmul Hossain
Group Chief Financial Officer

Mohammad Nazmul Hossain, FCA, CSRS has joined Mutual Trust Bank Limited (MTB) on January 11, 2022 as Group Chief Financial Officer (GCFO). He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Bangladesh (ICAB) and completed his Chartered Accountancy training from KPMG Bangladesh (Rahman Rahman Huq). He is also qualified as a Certified Sustainability Reporting Specialist (CSRS) awarded by the National Center for Sustainability Reporting, Jakarta, Indonesia – a certified training partner of Global Reporting Initiative (GRI). Nazmul has more than 15 years of extensive diversified experience in Accounts and Finance, holding various positions in Banks, and service providing industries.

12 Description of Encumbered and Unencumbered Assets with Value Thereof

12.1 Encumbered Assets

Mutual Trust Bank Ltd. has no encumbered assets as on 31 December, 2021.

12.2 Unencumbered Assets

All the assets of the Issuer including all fixed assets are unencumbered as on 31 December, 2021.

13 Description of Assets and Liabilities

13.1 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 31 December, 2021 total assets of MTB stood at BDT 304,742.53 million. Details breakdown of total assets are given below.

Table 9: Composition of Total Asset

Types of Assets	31 December, 2021
	BDT mn
Cash	14,800.35
Balance with Other Banks & Financial Institutions	3,713.67
Money at Call and Short Notice	200.00
Investments	45,776.42
Loans and Advances	222,924.20
Fixed Asset including Premises, Furniture & Fixture	5,203.87
Other Assets	12,124.02
Total Assets	304,742.53

Cash:

MTB's Cash & Cash equivalents at the end of 31 December, 2021 stood at BDT 14,800.35 million and most of that was kept with Bangladesh Bank.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Muntasir Reza
Managing Director & CEO
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Table 10: Details of Cash

	31 December, 2021
	BDT mn
In Hand (Including foreign currency)	3,602.71
Local Currency	3,509.79
Foreign Currency	69.13
Islamic Banking Branches	23.80
Balance with Bangladesh Bank and its Agent Bank	11,197.64
Balance with Bangladesh Bank (Local Currency)	9,642.19
Balance with Bangladesh Bank (Foreign Currency)	1,201.41
Balance with Agent Bank	243.31
Islamic Banking Branches	110.73
Total Cash & Cash Equivalent	14,800.35

Balance with Other Banks & Financial Institutions:

MTB's total Balance with other banks and financial institutions stood at BDT 3,713.67 million on solo basis at the end of 31 December, 2021, out of which BDT 2,169.98 million was outside Bangladesh.

Table 11: Balance with Other Banks & Financial Institutions

	31 December, 2021
	BDT mn
In Bangladesh	1,543.69
Outside Bangladesh	2,169.98
Balance with Other Banks & Financial Institutions	3,713.67

Investments:

MTB's total investments of 31 December, 2021 was BDT 45,776.42 million of which 88% were invested government securities.

Table 12: Details of Investments

	31 December, 2021
	BDT mn
Government Securities	40,432.15
Treasury Bills	219.05
Treasury Bonds	40,209.43
Prize Bonds	3.65
Others	4,924.29
Investment in Quoted Shares	1,256.81
Investment in Un-quoted Shares	179.88
Funds	267.59
Subordinated Bond	670.00
Perpetual Bond	1,050.00
Investment in Preference Share	1,500.00
Total Investment	45,776.42

Loans and Advances:

Out of the BDT 222,924.20 million total loans and advances, BDT 81,537.22 million was Term Loan (36.6%).

Table 13: Details of Loans and Advances

	31 December, 2021
	BDT mn
Overdraft	19,602.01
Cash Credit	27,811.00
Continuous Loans	8,930.34
Demand Loans	47,689.84

Term Loans	81,537.22
Short term Agri. Credit and Microcredit	5,968.59
Packing Credit	639.47
Credit Cards	3,072.73
Staff Loan	848.34
Lease Finance	424.30
Offshore Banking Unit	22,515.59
Islamic Banking Branches	344.92
Others loan	12.14
Bills Purchased & Discounted	3,527.71
Total Loans and Advances	222,924.20

Fixed assets:

MTB's fixed assets include land, buildings, machineries & equipment and furniture and fixtures among others. At the end of 31 December, 2021 MTB's total net fixed assets stood at BDT 5,203.87 million.

Table 14: Details of Fixed Assets

	31 December, 2021
	BDT mn
Land	104.25
Immovable Property	1,455.74
Furniture & Fixtures	1,652.60
Office Equipment	2,762.69
Motor Vehicles	214.38
Intangible Assets	915.27
Right-of-use assets	1,826.97
Islamic Banking Branches	28.61
Total Cost	8,960.52
Less: Accumulated Depreciation	3,756.65
Book value at the end of the year	5,203.87

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 31 December, 2021 stood at BDT 12,124.02 million on solo basis.

Table 15: Details of Other Assets

	31 December, 2021
	BDT mn
Income generating	3,528.39
Non-income generating other assets	8,595.63
Total Other assets	12,124.02

13.2 Description of Liabilities (Solo)

At the end of 31 December, 2021, total liabilities of Mutual Trust Bank Limited stood at BDT 285,581.62 million. Description of these liabilities are given below:

Table 16: Description of Liabilities

	31 December, 2021
	BDT mn
Borrowing From Other Banks, Financial Institutions and Agents	35,205.78
Deposit and Other Accounts	212,956.94
Bond	12,600.00

Other Liabilities	24,818.90
Total	285,581.62

Borrowing From Other Banks, Financial Institutions and Agents:

MTB's borrowing from other banks, financial institutions & agents stood at BDT 35,205.78 million at the end of 31 December, 2021. MTB borrowed BDT 33,515.37 million in Bangladesh and BDT 8,764.62 million from outside Bangladesh.

Table 17: Description of Borrowings

	31 December, 2021 BDT mn
In Bangladesh	33,515.37
Outside Bangladesh	8,764.62
Less: Inter transaction with Offshore Banking Unit	(7,074.21)
Borrowing From Other Banks, Financial Institutions and Agents	35,205.78

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 31 December, 2021, MTB's total deposits & other accounts stood at BDT 212,956.94 million.

Table 18: Description of Deposits and Other Accounts

	31 December, 2021 BDT mn
Current Deposit & Other Accounts	26,915.62
Bills Payable	1,975.09
Savings deposits	42,589.74
Fixed deposits	91,528.35
Special Noticed Deposits	26,332.45
Deposit Products	23,615.68
Total Deposit & Other Accounts	212,956.94

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.

The bank issued its MTB 4th Non-convertible Subordinate Bond amounting to BDT 5,000 million on January 2020 through private placement. The Coupon is semi-annually payable, and it ranges from 7.00% to 10.00%.

The Bank issued a contingent-convertible Perpetual bond amounting to BDT 4,000 million as additional Tier-1 capital in December, 2020 through private placement. The coupon is Semi-annually payable, and it ranges from 6% to 10%, where the reference rate is 20-year treasury bond rate along with 2% margin.

At the end of 31 December, 2021, outstanding amount from the issuance of above-mentioned subordinated bonds stood at BDT 12,600 million.

Table 19: Outstanding Balance of Subordinated Bonds & perpetual Bonds

SL No.	Name of Subordinated Bond	Outstanding Amount (BDT mn.)
1	MTB 2nd Subordinated Debt	600
2	MTB 3rd Subordinated Debt	3,000
3	MTB 4th Subordinated Debt	5,000
4	MTB Perpetual Bond	4,000
Total subordinated & perpetual bond liability		12,600

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 31 December, 2021, MTB's other liabilities stood at BDT 24,818.90 million.

Table 20: Description of Other Liabilities

Provision for Loans and Advances	7,406.59
Provision for Off Balance Sheet Items	1,147.89
Provision for Income Tax	5,279.02
Interest Suspense	5,323.15
Leasehold Liabilities Under IFRS 16	1,404.49
Interest Payable on Deposits and Other Accounts	789.50
Others	3,468.26
	24,818.90

Tanzim Alamgir
 Managing Director & CEO
 UCS Investment Limited

Mohammad Nazmul Hossain, FCA
 Group Chief Financial Officer
 Mutual Trust Bank Limited
 Corporate Head Office, Dhaka

Malik Muntasir Reza
 Sr. Executive Vice President &
 Group Company Secretary
 Mutual Trust Bank Limited
 Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
 Managing Director & CEO
 Mutual Trust Bank Limited

14 Description of Previously Issued Debt or Equity Securities

14.1 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.

14.2 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.

14.3 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 March 31, 2022)
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	-

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Managing Director & CEO
UCB Investment Limited

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

14.4 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 March 31, 2022)
1	Sonali Bank Limited	100	80	20
2	BRAC Provident Fund	50	40	10
3	Bank Asia Limited	40	32	8
4	Uttara Bank Limited	30	24	6
5	BRAC	25	20	5
6	BRAC Bank Limited	25	20	5
7	NRB Commercial Bank Limited	20	16	4
8	United Finance Limited	10	8	2
Total		300	240	60

14.5 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 March 31, 2022)
1	Pubali Bank Limited	95	57	38
2	Dhaka Bank Limited	90	54	36
3	Sonali Bank Limited	75	45	30

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Managing Director & CEO
UCB Investment Limited

4	Southeast Bank Limited	65	39	26
5	Janata Bank Limited	50	30	20
6	Agrani Bank Limited	30	18	12
7	Eastern Bank Limited	30	18	12
8	Rupali Bank Limited	20	12	8
9	Delta Life Insurance Company Limited	20	12	8
10	Standard Bank Limited	15	9	6
11	United Finance Limited	10	6	4
	Total	500	300	200

14.6 MTB 4th 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 5,000,000,000 (Five Hundred Crore) through private placement on 14 September 2020. The tenor of the bond was 07 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS-29/2015/549, dated December 31, 2019 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2019-10070 dated December 5, 2019 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 9 institutional investors and 1 high net worth individual on 14 September 2020. 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 March 31, 2022)
1	Eastern Bank Limited	100	-	Full
2	BRAC Bank Limited	40	-	Full
3	Square Pharmaceuticals Limited	200	-	Full
4	Agrani Bank Limited	50	-	Full
5	Sonali Bank Limited	50	-	Full
6	Community Bank Bangladesh Limited	10	-	Full
7	Shadharan Bima Corporation	10	-	Full
8	Guardian Life Insurance Limited	10	-	Full
9	Ms. Monisha Anwar Huq	20	-	Full
10	Shimanto Bank Limited	10	-	Full
	Total	500	-	Full

14.7 MTB Perpetual Bond

Mutual Trust Bank Limited issued 4000 (Four Thousand) fully redeemable non-convertible unsecured subordinated bonds of BDT 1,000,000 (Ten Lac) each totaling BDT 4,000,000,000 (Four Hundred Crore) through private placement on 12 August 2021. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS-114/2019/298, dated December 23, 2020 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2020-7418 dated September 14, 2020 had given consent to MTB (Mutual Trust Bank Limited) to raise Additional Tier-1 Capital through issuance of this perpetual bond. MTB collected BDT 4000,000,000 (Four Hundred Crore) from 5 institutional investors and 1 high net worth individual on 12

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Managing Director & CEO
UCB Investment Limited



August 2021. 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 March 31, 2022)
1	Trust Bank Limited	65	-	Full
2	Bank Asia Limited	100	-	Full
3	Eastern Bank Limited	100	-	Full
4	Ms. Afroza Sultana	10	-	Full
5	Mercantile Bank Limited	40	-	Full
6	Prime Bank Limited	85	-	Full
	Total	400	-	Full

15 Comparative Financial Statements of MTB for the Last 3 (Three) Years

15.1 Comparative Balance Sheet (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries Consolidated Balance Sheet As on December 31			
	2021	2020	2019
	BDT Mn	BDT Mn	BDT Mn
PROPERTY AND ASSET			
Cash	14,815	11,781	14,557
In hand (incl. FCs)	3,617	2,840	2,887
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	11,198	8,942	11,670
Balance with others bank and financial institutions	3,965	5,031	3,385
In Bangladesh	1,795	3,323	648
Outside Bangladesh	2,170	1,708	2,737
Money at call and on short notice	200	1,114	207
Investment	47,417	36,657	34,200
Government	40,852	32,826	31,064
Others	6,565	3,831	3,135
Loans, advances and lease/investments	226,012	203,744	189,730
Loans, cash credits, overdrafts, etc./Investments	222,484	201,997	186,991
Bills purchased and discounted	3,528	1,747	2,738
Fixed assets incl. premises, furniture and fixtures	5,394	4,896	4,301
Other Asset	8,697	6,046	10,534
TOTAL ASSETS	306,501	269,269	256,913
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks & FIs and agents	35,206	30,847	21,701
Bond	12,600	10,850	6,800
Deposits and other accounts	211,782	188,734	190,948
Current Deposit & Other Accounts	26,915	19,214	16,351
Bills payable	1,975	1,988	1,644
Savings Deposit	42,590	36,213	29,885
Fixed deposit	91,528	75,322	91,061
Other deposits	48,774	55,997	52,008
Other Liability	27,258	21,827	21,174
Total Liabilities	286,846	252,258	240,623
Capital/Shareholders' Equity			
Paid-up Capital	8,125	7,386	7,035
Statutory Reserve	5,696	5,038	4,692
Share Premium	1,095	1,095	1,095
Foreign Currency Translational Gain	5	4	5
Retained Earnings	3,489	2,166	2,254
Other Reserve	1,245	1,322	1,209
Minority Interest	0.133	0.132	0.130
Total Equity	19,655	17,011	16,290
TOTAL LIABILITY AND EQUITY	306,501	269,269	256,913

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



15.2 Comparative Balance Sheet (Solo)

Mutual Trust Bank Limited Balance Sheet As on December 31

	2021 BDT Mn	2020 BDT Mn	2019 BDT Mn
PROPERTY AND ASSET			
Cash	14,800	11,762	14,544
In hand (incl. FCs)	3,603	2,821	2,875
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	11,198	8,942	11,670
Balance with others bank and financial institutions	3,714	4,656	3,239
In Bangladesh	1,544	2,948	502
Outside Bangladesh	2,170	1,708	2,737
Money at call and on short notice	200	1,114	207
Investment	45,776	35,382	33,195
Government	40,852	32,826	31,064
Others	4,924	2,556	2,130
Loans, advances and lease/investments	222,924	200,848	186,769
Loans, cash credits, overdrafts, etc./Investments	219,396	199,101	184,030
Bills purchased and discounted	3,528	1,747	2,738
Fixed assets incl. premises, furniture and fixtures	5,204	4,831	4,228
Other Asset	12,124	9,320	13,874
TOTAL ASSETS	304,743	267,913	256,056
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks & FIs and agents	35,206	30,847	21,701
Bond	12,600	10,850	6,800
Deposits and other accounts	212,957	189,221	191,369
Current account and other accounts	26,916	19,221	16,351
Bills payable	1,975	1,988	1,644
Savings bank deposits	42,590	36,215	29,885
Fixed deposit	91,528	93,477	91,161
Other deposits	49,948	38,320	52,329
Other Liability	24,819	20,423	20,265
Total Liabilities	285,582	251,341	240,135
Capital/Shareholders' Equity			
Paid-up Capital	8,125	7,386	7,035
Statutory Reserve	5,696	5,038	4,692
Share Premium	1,095	1,095	1,095
Foreign Currency Translational Gain/Loss	1	(0)	1
Retained Earnings	3,046	1,779	1,938
Other Reserve	1,197	1,274	1,161
Minority Interest			
Total Equity	19,161	16,572	15,921
TOTAL LIABILITY AND EQUITY	304,743	267,913	256,056

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Group Chief Financial Officer
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Matik Montasir Reza
Sr. Executive Vice President
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mabbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

15.3 Comparative Profit & Loss Account (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries Consolidated Profit and Loss Account For the year ended 31			
	2021	2020	2019
	BDT Mn	BDT Mn	BDT Mn
OPERATING INCOME			
Interest income/profit on investments	14,562	15,565	18,394
Interest Expenses	8,815	11,620	12,964
Net interest income	5,747	3,945	5,430
Income from Investment	3,670	3,461	2,536
Commission, exchange and brokerage	2,488	1,922	2,630
Other operating income	899	658	612
	7,057	6,042	5,777
Total operating income	12,804	9,987	11,207
OPERATING EXPENSES			
Salary and allowances	4,058	3,632	3,276
Rent, taxes, insurance, electricity, etc	727	578	671
Legal expenses	5	2	5
Postage, stamps, telecommunication, etc.	21	7	17
Stationery, printing, advertisement, etc.	117	77	136
Chief executive's salary and fees	29	26	23
Directors' fees	4	3	3
Auditors' fees	2	3	2
Depreciation and repairs of Bank's assets	841	804	633
Other expenses	1,340	1,336	1,200
Total operating expenses	7,143	6,469	5,967
Profit before provision	5,661	3,518	5,240
Provision for Classified Loan and Advance	733	880	178
Other provisions	1,389	810	1,962
Total provision	2,122	1,690	2,140
Profit before tax	3,539	1,829	3,099
Less: Income tax expenses	566	859	1,762
Current Tax	1,449	857	1,660
Deferred Tax expense / (Income)	(883)	2	102
Net Profit	2,973	970	1,338
Shareholders' of the bank	2,973	970	1,338
Minority Interest	0	0	0
Retained surplus brought forward	2,166	2,254	2,176
	5,139	3,224	3,514
Appropriations			
Bonus share issued	739	352	664
Dividend Paid during the year	224	352	-
Transferred to statutory reserve	659	346	596
Transferred to Start-Up Fund	29	9	-
	1,651	1,058	1,260
Retained surplus carried forward	3,489	2,166	2,254
Earnings Per Share (EPS)	3.66	1.19	1.81

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

60 | Page

Mahmud Masir Raza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

15.4 Comparative Profit & Loss Account (Solo)

Mutual Trust Bank Limited
Profit and Loss Account
For the year ended 31

	2021	2020	2019
	BDT Mn	BDT Mn	BDT Mn
OPERATING INCOME			
Interest income/profit on investments	14,330	15,472	18,275
Interest Expenses	8,821	11,635	12,990
Net interest income	5,508	3,837	5,285
Income from Investment	3,392	3,389	2,481
Commission, exchange and brokerage	2,087	1,757	2,471
Other operating income	862	633	584
Total operating income	11,850	9,617	10,821
OPERATING EXPENSES			
Salary and allowances	3,951	3,532	3,177
Rent, taxes, insurance, electricity, etc	706	540	633
Legal expenses	5	2	5
Postage, stamps, telecommunication, etc	20	6	16
Stationery, printing, advertisement, etc	114	76	134
Managing Director's salary and fees	29	26	23
Directors' fees	2	2	2
Auditors' fees	1	2	2
Depreciation and repairs of Bank's assets	833	796	625
Other expenses	1,311	1,311	1,176
Total operating expenses	6,974	6,293	5,793
Profit before provision	4,876	3,323	5,028
Provision for Classified Loan and Advance	733	880	178
Other provisions	849	716	1,870
Total provision	1,582	1,596	2,048
Profit before tax	3,294	1,728	2,980
Income Tax Expenses	376	829	1,716
Current Tax	1,260	826	1,614
Deferred Tax	(883)	2	102
Net Profit	2,918	899	1,264
Retained Surplus brought forward	1,779	1,938	1,934
	4,697	2,837	3,198
Appropriations			
Bonus share issued	739	352	664
Dividend Paid during the year	224	352	-
Transferred to statutory reserve	659	346	596
Transferred to Start-Up Fund	29	9	-
	1,651	1,058	1,260
Retained surplus	3,046	1,779	1,938
Earnings Per Share (EPS)	3.59	1.11	1.71

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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



15.5 Comparative Cash Flow Statement (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries Consolidated Cash Flow Statement As at December 31			
	2021	2020	2019
	BDT Mn	BDT Mn	BDT Mn
Cash flows from operating activities			
Interest receipts	18,945	15,159	20,554
Interest payments	(11,160)	(10,761)	(12,033)
Dividend receipts	434	26	67
Fees and commission receipts	2,488	1,922	2,630
Recoveries of loans previously written off	45	35	45
Payments to employees	(4,087)	(3,658)	(3,300)
Payments to suppliers	(117)	(77)	(136)
Income taxes paid	(1,155)	(1,220)	(1,082)
Receipts from other operating activities	1,852	1,756	987
Payments for other operating activities	(2,209)	(2,012)	(1,996)
	5,036	1,169	5,736
Increase / (decrease) in operating assets and liabilities			
Loans and advances to customers	(22,268)	(10,998)	(23,563)
Other assets	(3,595)	7	(486)
Deposits from other banks / borrowings	3,950	(5,500)	(5,400)
Deposits from customers	21,437	2,546	29,288
Borrowing from Other Banks, Financial Institutions & Agents	4,358	9,146	2,060
Other liabilities	2,645	3,352	1,239
Operating profit	6,527	(1,447)	3,139
Net cash from operating activities	11,564	(278)	8,876
Cash flows from investing activities			
Investments in T. Bills, T. Bonds and other	(8,101)	(1,649)	(7,078)
Investments in Shares & Bonds	(2,735)	(695)	(149)
Purchase of Fixed Assets (Net)	(1,199)	(1,297)	(1,689)
Net cash used in investing activities	(12,035)	(3,641)	(8,917)
Cash flows from financing activities			
Issue of new share with premium	-	-	1,732
Subordinated debts & Perpetual bond	1,750	4,050	-
Dividend for Perpetual Bondholders	(224)	(352)	(600)
Net cash used in financing activities	1,526	3,698	1,132
Net increase / (decrease) in cash and cash equivalents	1,055	(220)	1,092
Effects of exchange rate changes on cash and cash Equivalents	1	(1)	(1)
Cash and cash equivalents at beginning of the year	17,928	18,150	17,059
Cash and cash equivalents at end of the year *	18,984	17,928	18,150
*Cash and cash equivalents:			
Cash	3,617	2,840	2,887
Balance with Bangladesh Bank and its agent bank(s)	11,198	8,942	11,670
Balance with other banks and financial institutions	3,965	5,031	3,385
Money at call and short notice	200	1,114	207
Prize bonds	4	2	2
	18,984	17,928	18,150
Net Operating Cash Flows Per Share	14.23	(0.34)	12.02

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



15.6 Comparative Cash Flow Statement (Solo)

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

	2021	2020	2019
	BDT Mn	BDT Mn	BDT Mn
Cash flows from operating activities			
Interest receipts	18,712	15,066	20,436
Interest payments	(11,166)	(10,776)	(12,059)
Dividend receipts	383	4	39
Fees and commission receipts	2,087	1,757	2,471
Recoveries of loans previously written off	45	35	45
Payments to employees	(3,981)	(3,558)	(3,201)
Payments to suppliers	(114)	(76)	(134)
Income taxes paid	(1,086)	(1,202)	(1,042)
Receipts from other operating activities	1,588	1,680	932
Payments for other operating activities	(2,159)	(1,946)	(1,929)
Operating profit	4,310	984	5,558
Increase / (decrease) in operating assets and liabilities			
Loans and advances to customers	(22,076)	(11,064)	(23,465)
Other assets	(3,817)	54	(522)
Deposits from other banks / borrowings	3,950	(5,500)	(5,400)
Deposits from customers	19,786	2,611	29,169
Borrowing from Other Banks, Financial Institutions & Agents	4,358	9,146	2,060
Other liabilities	4,678	2,982	1,349
	6,879	(1,770)	3,191
Net cash from operating activities	11,189	(786)	8,748
Cash flows from investing activities			
Investments in T. Bills, T. Bonds and other	(8,101)	(1,649)	(7,078)
Investments in Shares & Bonds	(2,368)	(425)	38
Purchase of Fixed Assets (Net)	(1,063)	(1,295)	(1,688)
Net cash used in investing activities	(11,533)	(3,369)	(8,728)
Cash flows from financing activities			
Issue of new share with premium	-	-	1,732
Subordinated debts & Perpetual bond	1,750	4,050	-
Dividend for Perpetual Bondholders	(224)	(352)	(600)
Net cash used in financing activities	1,526	3,698	1,132
Net increase / (decrease) in cash and cash equivalents	1,182	(457)	1,153
Effects of exchange rate changes on cash and cash Equivalents	1	(1)	0
Cash and cash equivalents at beginning of the year	17,534	17,992	16,839
Cash and cash equivalents at end of the year *	18,718	17,534	17,992
*Cash and cash equivalents:			
Cash	3,603	2,821	2,875
Balance with Bangladesh Bank and its agent bank(s)	11,198	8,942	11,670
Balance with other banks and financial institutions	3,714	4,656	3,239
Money at call and short notice	200	1,114	207
Prize bonds	4	2	2
	18,718	17,534	17,992
Net Operating Cash Flows Per Share	13.77	(0.97)	11.84

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Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

16 Financial Ratios for last 3 (Three) Years

Table 21: Financial Ratios of MTB for Last Three Years

Sl.	Particulars	Metric	2021	2020	2019
1	Current Ratio	Ratio	1.05	1.04	1.00
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	Ratio	14.59	14.83	14.77
6	Debt to Total Asset Ratio	Ratio	93.59	93.68	93.66
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	%	7.05%	8.02%	9.40%
10	Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
11	Cost to Income Ratio	%	55.79%	64.77%	53.21%
12	Operating Profit Ratio	%	26.18%	16.28%	21.69%
13	Net Profit Margin	%	23.22%	9.72%	11.95%
14	Net Operating Cash Flow to Net Income	Ratio	3.89	(0.29)	6.63
15	Debt to Tangible Assets Ratio	Ratio	41.90	41.61	44.11
16	Cost of Fund	%	6.46%	7.92%	9.55%
17	Loan Deposit Ratio	%	82.42%	83.90%	83.38%
18	Cost Income Ratio	%	55.79%	64.77%	53.21%
19	Return Avg. Assets (ROA)	%	1.03%	0.37%	0.56%
20	Tier I Capital Ratio	%	9.64%	8.17%	7.76%
21	Tier II Capital Ratio	%	4.76%	4.75%	5.15%
22	Capital Adequacy Ratio	%	14.41%	12.92%	12.91%
23	Non-performing Loan Ratio (NPL)	%	5.80%	4.61%	5.39%
24	Return on Avg. Equity (ROE)	%	16.22%	5.83%	9.03%
23	Earnings Per Share	BDT	3.66	1.31	2.03
24	Price Earning Ratio	Times	5.36	18.34	13.03
25	NAV per Share	BDT	24.19	23.03	23.16
26	Dividend Coverage Ratio	Ratio	3.66	1.31	1.90

* 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.

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Managing Director & CEO
UCB Investment Limited

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Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Matik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

17 Credit Rating Summary with Rating Rationale of the Issuer and the Issue

17.1 Credit Rating Summary of the Issuer

Date of Declaration	Valid Till	Rating Type	Long Term	Short Term	Rated by	Outlook
May 12, 2022	May 11, 2023	Entity Rating	AA	ST-2	CRISL	Stable

17.2 Rating Rationale of the Issuer

Credit Rating Information and Services Limited (CRISL) has reaffirmed the Long Term Rating to 'AA' (pronounced as double A) and the Short Term Rating to 'ST-2' of Mutual Trust Bank Limited (MTB) through an in-depth analysis of the operational and the financial performance of the bank along with all its relevant quantitative and qualitative factors. The basis of its evaluation was financials of the bank up to December 31, 2021, IQ of 2022 and other prevailing factors up to the date of the rating. The above ratings have been assigned after due consideration of MTB's position in the areas of financial performance, asset quality, capital adequacy, liquidity, risk management practice, portfolio management, compliance, governance practice, robustness of IT infrastructure & IT risk management, HR development practice and above all MTB's strategy to address future contingency. While assigning the rating CRISL also factored the operational performance and fund management efficiency of the bank through its capital market subsidiaries as well as the performance of exchange house operation.

CRISL assigned the above ratings in consideration of its fundamentals such as its average financial performance, compliance of capital adequacy in line with Bangladesh Bank circular, good IT infrastructure, good branch network, experienced top management, etc. CRISL, however, observed few limitations which include moderate asset quality and operating performance, dominance of high-cost deposit in funding mix, etc. However, these factors are not expected to have any significant impact on MTB during the rating validity period.


Overall financial performance of MTB has been found average in 2021. The earnings per share (EPS) of the Bank improved to Tk. 3.66 in YE2021 from Tk. 1.19 at YE2020. Operating profit of the bank improved and out of total operating income in 2021, 44.88% income generated from net interest income, 28.66% from investment in share and securities, 19.43% from commission, exchange & brokerage income and rest 7.02% from other operating income. After accommodating the increase in expenditure, the net profit after tax stood at Tk. 2,973.20 million in YE2021 against Tk. 970.39 million in YE2020.

The overall asset quality of the bank has been found moderate. As on December 31, 2021, the consolidated asset of the Bank has grown by 13.83%. Gross non-performing loan (NPL) has increased to 5.88% in 2021 due to comply with the Bangladesh Bank's loan classification circular, the Bank classify significant amount of investment facility through consulting with the client during 2021.

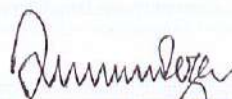
The overall liquidity of MTB with all its indicators has been improved during 2021. The loans and advance to deposit ratio stood at 82.42% (with regulatory adjustment ADR was 85.00%) as on December 31, 2021 against 83.90% as on December 31, 2020. The Liquidity Coverage Ratio and Net Stable Funding Ratio of the Bank stood at 115.14 % and 106.68% respectively on December 31, 2021, which was found to be satisfactory considering regulatory standards. However, because of high inflation rate, there are indications that the financial and banking industries might have to face remarkable instability in the coming months.

Overall Capital to Risk Weighted Asset Ratio (CRAR) of the Bank stood at 14.41% which is in line with the requirement under risk based capital adequacy framework. CRISL found that the Capital to Risk Weighted Asset Ratio (CRAR) stood at 13.34% (Solo) as on March 31, 2022.

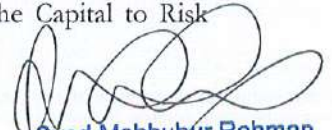
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Banks rated in this category are adjudged to be of high quality, offer higher safety, and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The Short term rating indicates a high certainty of timely repayment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

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17.3 Credit Rating Summary of the Issue

Date of Declaration	Valid Till	Rating Type	Long Term	Rated by	Outlook
June 15, 2022	June 14, 2023	Initial	AA-B	ECRL	Stable

17.4 Rating Rationale of the Issue

Emerging Credit Rating Limited (ECRL) has assigned **AA-B** (Pronounced as 'Double A minus Bond') long term credit rating to MTB 5th Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue") to be issued by Mutual Trust Bank Limited (MTB). The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bond rating.

The rating reflects the strengths of the bank and prospective performance of the bond which are backed by good capital base, growth in total asset base and loan portfolio, income diversification through strengthening investment portfolio, compliance with the CRR and SLR requirement. However, ECRL is concerned that the bond market is competitive with limited subscribers, non-performing loan (NPL) growth of the bank as well as provision deferral facility which would limit the future profit of the bank. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer and trustee provided by the entity in discussion and the rating may significantly change if the covenants in those documents are altered.**

The proposed bond will be repayable in seven years with five equal installments starting from the end of year three. Semi-annual coupon payment will be paid starting at the end of 6 months from the date of drawdown. The interest rate for the bond is between 7.00% to 9.00% p.a. Coupon rate of the bond will be determined by the benchmark rate/ reference rate plus 2.00% p.a. Moreover, RSA Advisory Limited will act as the mandated lead arranger, MTB Capital Limited will act as the co-arranger and UCB Investment Limited will act as the trustee for this issue. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's loan and advance portfolio.

In terms of performance of the issuer, Mutual Trust Bank Limited has improved its capital base recently through issuance of perpetual bond of BDT 4,000 million as well as 10% bonus share in FY2021 (10% in FY2020). A good growth of retained earnings has also facilitated to strengthen the capital base in FY2021 as a result, the capital to risk weighted assets ratio (CRAR) reached to 14.16% (12.75% in FY2020) which was well above the regulatory requirement of 12.50%.

The total loans portfolio of MTB reached to BDT 222,924.20 million in FY2021 from BDT 200,848.10 million a year back with a growth of 10.99% (7.54% in FY2020) as the demand for loan has increased recently. Besides, the investment portfolio of MTB has had fluctuating growth in the recent four financial years with a remarkable 29.38% growth in FY2021. Since the interest rate cap was established, banks in the country have begun to focus more on diversifying their income streams and asset base by paying close attention to their investment portfolio. MTB has increased its investment in government's treasury bonds by 36.13% in FY2021 to BDT 40,209.43 million from BDT 29,538.19 million in FY2020.

On the other hand, NPL ratio of the bank remained at 5.88% in the latest year in review which was 4.67% in FY2020 and 5.48% in FY2019. Gross NPL has increased by 39.62% and 28.16% in 2021 as compared to FY2020 and FY2019 respectively. It is concerning that the performance of loan may further deteriorate in FY2022 due to the withdrawal of provided relaxation on loan repayment.

The bank rescheduled a total of BDT 759.59 million worth of loan as compared to BDT 403.21 million loans in FY2020 and BDT 4,201.00 million loans in FY2019. The bank wrote off BDT 362.06 million, BDT 924.85 million and BDT 334.96 million bad loans respectively in last three years i.e. 2021, 2020 and 2019. NPL along with reschedule and written off loan altogether comprise 6.38% of loans & advances in FY2021 whereas the rates were 5.34% and 7.90% in the year 2020 and 2019 respectively. The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has declined from a year ago. The number of such large loan accounts was 26 individual accounts with total outstanding

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amounting to BDT 73,336.40 million in FY2021 in contrast to the 28 accounts with total outstanding amount of BDT 91,205.00 million in FY2020.

The deposit composition of the bank has changed recently and nowadays MTB is focusing more on low cost or no cost fund i.e. current account—saving accounts (CASA) thus, the CASA funding has improved to 46.74% of the total deposit in FY2021 as opposed to 38.67% and 38.39% in FY2020 and FY2019 respectively. Loan to deposit ratio of the bank has been always within the regulatory limit (currently 87%) in last four years indicating a good balance between the deposit collection and loan disbursement.

MTB has kept 4.08% CRR and 21.61% SLR at the end of FY2021 with a surplus CRR of BDT 168.36 million and surplus SLR of BDT 18,036.28 million against the requirement in FY2021. The maturity-based asset and liabilities profile of MTB are distributed over different time horizons. The bank had net liquidity gap in 1- 5 years bracket in FY2021 and shown surplus net liquidity in the other brackets. However, the total net liquidity comprising all maturity periods in FY2021 has surplus liquidity.

From the profitability perspective, MTB has regained its pace in FY2021 after a sharp decline of net interest income in FY2020. Net interest income significantly increased by 43.55% in FY2021 as opposed to a 25.45% decline in FY2020. However, comparing with the FY2019 income, net interest income of the bank only grew by 4.22%. The interest expense of the bank fell by 24.18% as a consequence of increasing low-cost funding (i.e. CASA) in the deposit mix as well as the excess liquidity in the banking sector in FY2021. On the other hand, the bank has continued its growth in non-interest income portion through good growth in commission/fees, exchange and other operating income in FY2021. Consequently, the overall operating income of the bank improved with a rate of 23.22% to BDT 11,849.75 million in FY2021 from BDT 9,616.57 million in FY2020. Operating expense, however, increased by 10.81% which ultimately resulted the pre-provision profit of BDT 4,876.19 million in FY2021 from BDT 3,323.40 million a year ago with a record growth of 46.72% year-on-year.

The bank is under the provision deferral facility and as per Bangladesh Bank letter in April, 2022, the provision of BDT 2,567.34 million has been deferred which is equivalent to the shortfall amount at the end of year 2021. For its classified loan full provision was kept but unclassified loan has provision deficit of BDT 2,567.34 million in FY2021 for which deferral facility has been taken. The deferred provision will be maintained in next three (03) years. In FY2021, the bank had deferred tax income of BDT 883.20 million (specific provision caused huge deferred tax income) which underpins the profit in that year. Therefore, post-tax profit had a sudden gain and reached BDT 2,917.83 million in FY2021 from BDT 1,263.71 million in FY2019 with 130.89% increase (BDT 899.32 million in FY2020).

ECRL views MTBL's outlook as **Stable** due to the current position of the bank and good capital base.

Financial Highlights: Mutual Trust Bank Limited(MTB)

FY 31 December	2021	2020	2019	2018
Total Asset (BDT million)	304,742.53	267,913.21	256,056.00	221,827.58
Asset Growth (%)	13.75	4.63	15.43	10.21
Gross Loans (BDT Million)	222,924.20	200,848.10	186,768.62	163,281.71
Gross Loans Growth (%)	10.99	7.54	14.38	14.33
Deposits (BDT Million)	212,956.94	189,220.78	191,369.29	166,700.99
Deposit Growth (%)	12.54	(1.12)	14.80	9.50
Gross NPL Ratio (%)	5.88	4.67	5.48	5.48
Loan to Deposit Ratio (%)	82.42	83.90	83.38	82.83
Net Interest Income (BDT million)	5,508.26	3,837.11	5,285.13	5,090.84
Net Interest Income Growth (%)	43.55	(27.40)	3.82	19.88
Non-Interest Income (BDT million)	6,341.50	5,779.46	5,535.80	4,300.03
Non-Interest Income Growth (%)	9.72	4.40	28.74	12.40
Pre-Tax Profit (BDT million)	3,294.16	1,727.85	2,979.75	2,368.90
Post-Tax ROAE (%)	32.66	5.54	8.73	12.81
CRAR (%)	14.16	12.75	12.86	12.82

For detailed Credit Rating Report of the Issue, please see Annexure 3.



18 Latest Default Matrix and Transition Statistics of CRC

Average Time (Month) to Default from Original Rating

Original Band	Defaulted Issuers	Average Months from Original Rating
AAA	0	n a
AA	0	n a
A	1	57
BBB	3	60
BB	2	30
B	0	n a
C	0	n a
*High Grade	1	57
**High Yield	5	48
All Corporate	6	49

* High Grade represents AAA, AA & A ratings

**High Yield represents BBB, BB, B & C ratings



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ECRL Default Studies 2021

Default Summary by Rating Category

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

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19 Description of the Trustee

UCB Investment Limited (UCBIL) shall act as the Trustee for MTB 5th Subordinated Bond subject to regulatory approval.

19.1 Overview to the Trustee

UCB Investment Limited (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSC&F), vide registration number: C-94654/11 dated 03 August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Securities and Exchange Commission on 5th October, 2020.

The company has been inaugurated on 29th November 2020. The company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS-(A)- 1, Gulshan Avenue, Dhaka-1212.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment landscape. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future and promote unique financial solutions for some of the nation's most successful institutions.

19.2 Board of Directors:

Mr. Habibur Rahman, Chairman

Mr. Habibur Rahman is the Chairman of UCB Investment Limited. He is acting as Deputy Managing Director of United Commercial Bank Limited. Prior to joining UCB Ltd., he was Senior Executive Vice President at the Corporate Banking division of Eastern Bank Limited.

Mr. Rahman has vast experience in home and abroad in diverse sectors of banking for over 24 years working in different financial institutions like Bank Indosuez, ANZ Grindlays, Standard Chartered, Toronto Dominion (TD), HSBC, City and EBL. He worked as Deal Administration Manager in TD Securities (Wholesale Banking) at TD Bank Canada. His credentials also include as relationship manager in Corporate Banking at ANZ Grindlays Bank, Standard Chartered bank and HSBC Bangladesh.

Mr. Md. Shah Alam Bhuiyan, Director

Mr. Md. Shah Alam Bhuiyan is one of the directors of UCB Investment Limited (nominated Director of United Commercial Bank Limited). He is a distinguished banking professional with 32 years of experience of which over 27 years covering experience in the financial service industry with both foreign and local Banks. He is the Deputy Managing Director of United Commercial Bank Limited.

Mr. Bhuiyan joined the service of United Commercial Bank Limited in the rank and capacity of Senior Executive Vice President (SEVP) & Head of Special Asset Management Division (SAMD) of the Bank in 2017. He obtained graduation in Management, Accounting & Costing from the University of Dhaka and Executive MBA from NIBM, India.

Mr. N. Mustafa Tarek, Director

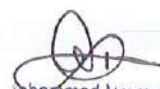
Mr. N. Mustafa Tarek is one of the directors of UCB Investment Limited (nominated Director of United Commercial Bank Limited). He is serving as Deputy Managing Director of United Commercial Bank Limited since 14th May, 2018.

Mr. Tarek, having 29 years of professional experience in Government, Multinational, Telecommunications, Local Conglomerate and financial institutions, joined United Commercial Bank Limited on 5th January, 2012 as Executive Vice President. He has a long professional track record in Human Resource and Industrial Relations, Administration, Project Management, Supply Chain and Safety, Health and Environment.

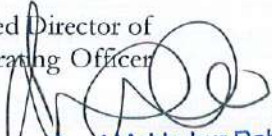
Mr. Md. Abdullah Al Mamoon, Director

Mr. Md. Abdullah Al Mamoon is one of the directors of UCB Investment Limited (nominated Director of United Commercial Bank Limited). He is the Deputy Managing Director and Chief Operating Officer

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(COO) of United Commercial Bank Limited. Mr. Mamoon joined United Commercial Bank Limited on 01/03/2017 as Senior Executive Vice President with over 30 years of multi-disciplinary experiences in diversified professional domains with Government and Financial Institutions.

Mr. Touhid Shipar Rafiquzzaman, Independent Director

Mr. Touhid Shipar Rafiquzzaman is the Independent Director of UCB Investment Limited. Mr. Rafiquzzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience working in emerging markets.

Mr. Tanzim Alamgir, Managing Director & CEO

Tanzim Alamgir is the founding Managing Director and Chief Executive Officer (CEO) of UCB Investment Limited. Prior to joining UCB Investment Limited, he was the Chief Operating Officer (COO) of City Bank Capital and looked after the overall operations of the company. There he completed numerous first of its kind deals such as perpetual bonds, bank guarantee backed bonds, preference share of the first private LNG terminal in Bangladesh, first subordinated bond for a state-owned bank- Agrani Bank Limited, and many more which led the investment banking division to reach its highest peak. His tremendous efforts for City Bank Capital also led the bank to win the Finance Asia 2020 Best Investment Bank in Bangladesh Award.

With deep business and industry expertise, Mr. Alamgir puts special focus on fund raising for large, local, and multinational corporate houses in the country. He is a seasoned professional having diversified exposure in finance, operations and strategy for more than 13 years, which in turn developed great relationships with banks, NBFIs and corporates in different industries.

19.3 Product and Services

With its group of versatile financial consultants, UCBIL covers all investment banking services, including Corporate Advisory, Fixed Income Securities, Syndicate Loans, IPO Management, Issue Management Service, Underwriting and Portfolio Management. The entity aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

19.3.1 Fixed Income Securities:

When we act as Arranger and Issue Manager, we provide full-fledged support to our clients –starting from analyzing the requirement and structuring the product, accordingly, preparing prospectus as per the latest rules and regulations, negotiating terms with the investors, assisting to get all necessary regulatory approvals, fund raising, completing documentation and listing of the bonds as and when required.

19.3.2 Local and Foreign Loan Syndication:

At UCB Investment Limited (UCBIL), we cater to the need of clients whose needs are complex and unconventional. Our Structured Finance team helps them in every step of their transaction. From preparing necessary documents to funding, raising and collaborating with suitable local and foreign financial institutes, we serve on our best effort basis.

19.3.3 Issue Management and Underwriting:

UCB Investment Limited provides a high quality of Issue Management services to their clients. Our Issue Management services include- Initial Public Offering (IPO), Rights Offering, Repeat Public Offering (RPO), Qualified Investors Offer (QIO), etc.

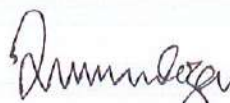
19.3.4 Portfolio Management:

In Discretionary Portfolio Management, our investment managers look after client's portfolio with their best judgment and outlook of the market. We also provide Non-Discretionary Portfolio Management services where experts do all the market-related research and recommendations the clients but the clients have absolute discretionary power to make the final decision.

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Mutual Trust Bank Limited

19.3.5 Corporate Advisory

Our Corporate Advisory services include a review of capital structure and providing necessary advisory services for appropriate financial restructuring, structuring of the transaction, assisting in a formal capital planning exercise for clients, thorough due diligence for preparation of the offering, resolving legal and regulatory issues, advising on the timing of the placement and offering of the securities etc.

19.3.6 Merger and Acquisition

The professional advisers of UCB Investment provide 360-degree due diligence of transferor and transferee companies for developing Amalgamation Schemes. At UCBIL, our experts assess the intrinsic value of a business. As a reliable M&A adviser, we structure the transaction, conduct valuation, conduct due diligence, assess all material agreements, negotiate the best price for our client and ensure closing the deal.

19.3.7 Business Valuation

Valuation of Business is the process of revealing the economic value of a company. Business Valuation is required for numerous reasons- be it a regulatory requirement for investment or repatriation of funds to a foreign country, taxation reporting, determining the sales/purchase price of a company or any other ad-hoc requirement of clients; UCB Investment caters to all segments of valuation. Our valuation service includes analysis of the company's management, its capital structure, its future earnings prospects and evaluation of the market value of its assets.

19.3.8 Agency and Trustee

At UCB Investment Limited (UCBIL), our experienced team provides the service of a Trustee, Facility and Security Agent and Issuing and Paying Agent to ease financial transactions by ensuring different compliance requirements.

As a Trustee or Agency, we conduct due diligence on the financial and transactional documents as and when required as per relevant law of the country, act in the best interest of the Investors and Lenders as per relevant trust deeds and Agency Agreements, monitor and administrate the trust, act as a point of contact between Issuer/Borrower and Investors/Lenders group, ensure timely and seamless transactional supports, coordinate legal procedures on behalf of the Investors and Lenders within the scope of relevant law and agreements.

19.3.9 Placement and Transfer Agent Services

The dynamic team of UCB Investment is equipped to provide out-of-the-box services to you such as acting as placement agent and Transfer Agent Services. This service of UCBIL is unique because we are ready to be by your side –even when you appoint another Arranger to raise funds and they struggle to do so ! As a placement agent we would find investors/lenders for you and help you to close the deal – be it a debt instrument or syndication/club financing transaction; with the help of our strong network and partnership with local and foreign investor/lender groups. As a transfer agent, we can also help our clients to find a buyer/seller to offload certain investments in absence of active secondary market.

19.4 Key Operational Results

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

Table 22: Key Financials of the Trustee

In BDT Million

Particulars	December 31, 2021	December 31, 2020	December 31, 2019
Total Assets	1,225.38	370.40	356.36
Shareholders' Equity	1,132.49	312.19	316.36
Paid up Capital	1,000.00	250.00	250.00
Investments	233.22	193.88	300.75
Total Operating Income	136.96	(1.75)	36.42
Profit Before Provision	96.61	(6.32)	36.38
Net Profit After Tax	70.30	(4.17)	19.32

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Matik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Below are the name of the issues where UCB Investment Limited is working as trustee:

SL	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion of subscription	Value of debt (BDT Million)	Repayment Amount (BDT Million)	Outstanding as of May 31, 2022 (BDT Million)	Default (If Any)
1	NRBC Bank Subordinated Bond-1	07 years	November 23, 2021	December 26, 2021	3,000	-	3,000	Nil
2	Bank Asia Perpetual Bond	Perpetual	March 02, 2022	N/A	5,000	-	5,000	Nil
3	Mercantile Bank Perpetual Bond	Perpetual	May 24, 2022	N/A	5,000	-	5,000	Nil
4	Mir Akhter Zero Coupon Bond	04 Years	April 04, 2022	N/A	2,499	-	2,499	Nil
5	Envoy Textiles Zero Coupon Bond	05 Years	May 24, 2022	N/A	2,000	-	2,000	Nil
6	Eastern Bank Limited 3 rd Subordinated Bond	07 years	-	N/A	5,000	-	5,000	Nil
7	MTB 5 th Subordinated Bond	07 years	-	N/A	5,000	-	5,000	Nil

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Raza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

20 Modus Operandi of the Issue

20.1 Application Procedure:

The Bonds shall be distributed 100% through private placement. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

20.2 The Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

The Bond shall be rated by the Credit Rating Agency and its periodical surveillance rating shall be done by the Credit Rating Agency in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption or conversion of the issued securities.

20.3 Allotment:

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

20.4 Refund

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

20.5 Transfer

Bonds are transferable subject to the Terms and Conditions set out in the Trust Deed.

20.6 Repayment and Redemption features of the Bond

Coupon on the Bonds shall be paid on semi-annual basis on the Interest Payment Dates. The Interest Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

20.7 Details of conversion or exchange option

Not Applicable.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

75 | Page

Matik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

22 Details of Fees Structure and Expenses

Total costs for issuing the bond (considering BDT 5,000 million is successfully raised) have been estimated to be BDT 48.95 million. The details of the cost breakdown are given below:

Cost Associated with MTB 5 th Subordinated Bond	
Face value of MTB 5th bond	5,000,000,000
Arranger & Co-arranger Fee	25,000,000
VAT on arranger fee	3,750,000
BSEC consent fee	5,000,000
BSEC Application fee	10,000
Trustee application fee	50,000
Trustee registration fee	100,000
Annual trustee fee to BSEC (7 years)	350,000
Trustee fee (7 years)	1,750,000
VAT on Trustee fee	262,500
Credit rating fee (7 years)	630,000
VAT on credit rating fee	47,250
Legal Counsel	150,000
VAT on legal counsel fee	22,500
Miscellaneous (stamp, printing ad)	50,000
(A) Total bond issuance fee	37,172,250

Listing Fee on ATB	
CDBL Fee (50000000000*0.00015)	750,000
CDBL Annual fee	50,000
DSE listing Fee (50000000000*0.15%)	7,500,000
DSE listing Annual fee	600,000
Total Listing fee	8,900,000
Issue manager fee for listing	2,500,000
VAT on issue manager	375,000
(B) Total listing fee	11,775,000

Total bond cost (A+B)	48,947,250
------------------------------	-------------------

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Mst. Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Annexure 1: Issue Application as per Schedule A

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

77 | Page

Malik Muntasir Roza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



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MTB/CHO/GF/2022/88

September 08, 2022

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

Subject: Application for Issuance of Fully Redeemable Non-Convertible Unsecured Floating Rate MTB 5th Subordinated Bond of BDT 5,000 Million.

Dear Sir,

Please accept best compliments from Mutual Trust Bank Limited.

The Board of Directors of Mutual Trust Bank Limited in its 276th meeting held on Monday, May 30, 2022 decided to issue 500 nos. coupon-bearing non-convertible fully redeemable unsecured Subordinated Bonds of BDT 5,000,000,000 (Five billion Bangladeshi Taka), subject to necessary regulatory approvals. The purpose of the proposed subordinated bond is to enhance the capital strength of Mutual Trust Bank Limited by increasing Tier-2 Capital.

1. Particulars of the issuer are given below:

Name:	Mutual Trust Bank Limited
Legal status:	Public company limited by shares
	Corporate Office: MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan 1, Dhaka 1212
	Phone : 880 (2) 984 6966, 984 2429,
	Fax : 880 (2) 984 4303
	E-mail : info@mutualtrustbank.com
	Website: https://www.mutualtrustbank.com
Details of contact information:	Contact Person
	Name: Mohammad Nazmul Hossain, FCA
	Designation: Group Chief Financial Officer
	Phone: 01730-781184
	E-mail: n.hossain@mutualtrustbank.com
	Address: MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan 1, Dhaka 1212
Date of incorporation:	September 29, 1999
Date of commencement of Business:	October 24, 1999
Authorized capital:	BDT 10,000,000,000 (as on December 31, 2021)
Paid-up capital:	BDT 8,124,956,590 (as on December 31, 2021)

1. Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer

Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212

Phone : 880 (2) 5881 2288/222 283 966, Fax : 880 (2) 222 264 303, SWIFT : MTBL BD DH E-mail : info@mutualtrustbank.com

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Malik Muntasir
Sr. Executive Vice President &
Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.



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Total equity:	BDT 19,654,773,315 (as on December 31, 2021)
Total liabilities:	BDT 286,846,018,576 (as on December 31, 2021)
Total financial obligations:	BDT 286,846,018,576 (Total Liability)
Total assets:	BDT 306,500,925,149 (as on December 31, 2021)
Total tangible assets:	BDT 5,394,493,735 (Fixed Asset including Premises, Furniture and Fixtures) (as on December 31, 2021)
Net worth:	BDT 19,654,773,315 (as on December 31, 2021)

2. Particulars of the arrangers are given below:

Name of the Lead Arranger:	RSA Advisory Limited
Name of the Co-Arranger:	MTB Capital Limited
Legal status of the Lead Arranger:	Private limited company
Legal status of the Co-Arranger:	Private limited company
Details of contact information of Lead Arranger:	<p>RSA Advisory Limited House 85, Level 04, Road 03, Block F, Banani, Dhaka-1213 Phone : 0967 733 3666, E-mail : info@rsacapital.com Website: https://www.rsacapital.com</p> <p>Contact Person Name: Md. Mueyedul Islam Mueyed Designation: Senior Officer Phone: 016 8800 6080 E-mail: mueyed@rsacapital.com Address: House 85, Level 04, Road 03, Block F, Banani, Dhaka-1213</p> <p>MTB Capital Limited Chandrashila Suvastu Tower (2nd Floor) 69/1, Panthapath, Dhaka 1205 Phone: +880 2 964 1157 Fax: +880 2 964 1159 E-mail: info.mtbcap@mutualtrustbank.com Website: www.mtbcap.com</p> <p>Contact Person Name: Md. Ashadul Islam Designation: Board Secretary and Compliance Officer Phone: 018 1841 6284 E-mail: ashad@mutualtrustbank.com Address: Chandrashila Suvastu Tower (2nd Floor) 69/1, Panthapath, Dhaka 1205</p>
Details of contact information of Co-Arranger:	
Name of the issue managed by the issue manager:	MTB 5 th Subordinated Bond

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Nazmul Hossain, Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan-3, Dhaka-1212
Phone : 880 (2) 5881 2298, 222 283 966, Fax : 880 (2) 222 264 303, SWIFT : MTBL BD DH

Malik Muntasir Reza
Sr. Executive Vice President & Sr. Company Secretary
Mutual Trust Bank Limited
E-mail: info@mutualtrustbank.com



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3. Key information regarding the proposed issue are summarized below:

Name of the issue:	MTB 5 th Subordinated Bond												
Type of instruments to be issued:	Tier 2 Eligible Non-Convertible Fully-redeemable coupon-bearing Unsecured Subordinated Bond												
Purpose of the issue:	To raise Tier-2 Capital												
Number of securities and total size of the issue to be offered:	Number of securities being offered: 500 (Five Hundred) no. Total issue amount: BDT 5,000,000,000 (Five Billion Taka)												
Face value and issue price of securities mentioning discount or premium thereof:	Face value: BDT 10,000,000 Issue price: BDT 10,000,000 Benchmark Rate: Latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day.												
Coupon rate/discount rate and YTM:	(The Benchmark 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); <u>plus</u> Margin: 2.00% p.a. Coupon Floor Rate: 6.00% p.a. Coupon Ceiling Rate: 9.00% p.a.												
Coupon Payment:	Semi-annual coupon payment starting at the end of 6 months from the date of drawdown Principal redemptions will be in 5 (five) equal annual instalments commencing at the end of 3 rd year (36 th month) from the date of drawdown in the following manner;												
Redemption:	<table border="1"> <thead> <tr> <th>End of Year</th><th>Redemption Rate</th></tr> </thead> <tbody> <tr> <td>3rd Year</td><td>20%</td></tr> <tr> <td>4th Year</td><td>20%</td></tr> <tr> <td>5th Year</td><td>20%</td></tr> <tr> <td>6th Year</td><td>20%</td></tr> <tr> <td>7th Year</td><td>20%</td></tr> </tbody> </table>	End of Year	Redemption Rate	3 rd Year	20%	4 th Year	20%	5 th Year	20%	6 th Year	20%	7 th Year	20%
End of Year	Redemption Rate												
3 rd Year	20%												
4 th Year	20%												
5 th Year	20%												
6 th Year	20%												
7 th Year	20%												
Mode of redemption:	Cash												
Tenor:	7 years from the date of issuance												
Details of conversion/exchange option features:	Non-Convertible												
Mode of redemption or conversion/exchange	Fully redeemable												
Mode of option (call or put), if any, in case of redemption or conversion/exchange and discount or premium thereof	Non-Convertible, Non-Callable												
Rate of return	Benchmark Rate: Latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day.												

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212
Phone: 880 (2) 5881 2298, 222 283 966, Fax: 880 (2) 222 264 303, SWIFT: MTBBDT, E-mail: info@mutualtrustbank.com



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	<p>day; plus Margin: 2.00% p.a. Coupon Floor Rate: 6.00% p.a. Coupon Ceiling Rate: 9.00% p.a.</p> <p>(excluding risk premium in case of rating trigger fall and late payment penalty in case of late payment)</p>										
Applicable tax rate	As per the laws of Bangladesh										
Default protection, if any	Unsecured										
Type of collateral securities being offered, if any:	Unsecured										
Status of securities holders in case of priority of payment	The Bonds shall constitute direct, subordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves.										
Period within which securities to be issued:	As per regulatory approvals										
Nature of tradability or listing in the stock exchange(s) (Main Board / ATB /any other platform, mentioning the name of the stock exchange):	Alternative Trading Board (ATB)										
Others:	<p>Rating Trigger: If the credit rating of the issue falls below the minimum investment grade i.e. 'BBB' in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a risk premium as mentioned in the table below:</p> <table border="1"> <thead> <tr> <th>Issue Rating</th><th>Risk Premium to be Added</th></tr> </thead> <tbody> <tr> <td>BB</td><td>0.5%</td></tr> <tr> <td>B</td><td>1.0%</td></tr> <tr> <td>C</td><td>1.5%</td></tr> <tr> <td>D</td><td>2.0%</td></tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.5%	D	2.0%
Issue Rating	Risk Premium to be Added										
BB	0.5%										
B	1.0%										
C	1.5%										
D	2.0%										

4. Particulars of the Trustee are given below:

Name of the trustee:	UCB investment Limited
Paid-up capital of the trustee:	BDT 1,000,000,000 (as on December 31, 2021)
Net worth of the trustee:	BDT 1,132,493,978 (as on December 31, 2021)
Name of the issue(s) where performing as trustee:	<ul style="list-style-type: none"> • NRBC Bank Subordinated Bond-1 • Bank Asia Perpetual Bond • Mercantile Bank Perpetual Bond • Mir Akhter Zero Coupon Bond • Envoy Textiles Zero Coupon Bond • MTB 5th Subordinated Bond

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Syed Mahbubur Rahman
 Managing Director & CEO
 Mutual Trust Bank Limited



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5. Particulars of the credit rating company are given below:

Name of credit rating company:	Emerging Credit Rating Limited
Credit rating status of the issuer	AA (Long Term), ST-2 (Short Term)
Date and validity of rating along with surveillance rating for the issuer:	Valid From: 12-May-2022 Validity Date: 11-May-2023 Surveillance Rating: Rating Agency: Credit Rating Information and Services Limited (CRISL)
Credit rating status of the issue:	AA-B*
Date and validity of rating along with surveillance rating for the issue:	*B denotes Bond Valid From: 15-June-2022 Validity Date: 14-June-2023 Surveillance Rating: Rating Agency: Emerging Credit Rating Limited (ECRL)
Latest default rate of the credit rating company:	Rating category wise: 0.1% Rating band wise 10 years cumulative rate: 0.2%
Average time to default of the rated category:	49 months
Rating trigger, if any:	If the credit rating of the issue falls below the minimum investment grade i.e. 'BBB' in the long term or "ST-3" in the short term, then the Issuer shall pay an additional fee on top of the stipulated Coupon Rate as a risk premium as mentioned in the table below:

Issue Rating	Risk Premium to be Added
BB	0.5%
B	1.0%
C	1.5%
D	2.0%

6. Particulars of originators, if any: Not Applicable

7. Particulars of other contractual parties:

Paying Agent, Register, Transfer Agent	UCB Investment Limited
Legal Advisor	Lex Juris

With our previous application Ref: MTB/CHO/GF/2022/57 dated June 16, 2022, we have enclosed the necessary documents and Pay Order No. 1675406 dated June 16, 2022 for BDT 10,000 (ten thousand only) in favor of Bangladesh Securities and Exchange Commission as per rule 4 of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. The bank has followed relevant rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission.

Mohammad Nasim Hossain, Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212, Bangladesh. Phone: 880 (2) 5881 2298, 222 283 966, Fax: 880 (2) 222 264 303, SWIFT: MTBLBD DH. E-mail: info@mutualtrustbank.com

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mustasir Reza
Executive Vice President & Secretary
Mutual Trust Bank Limited



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We, therefore, request you to accord your kind consent to issue MTB 5th Subordinated Bond and allow us to strengthen the capital base.

Thanking You.

Yours sincerely,

Syed Mahbubur Rahman

Managing Director & CEO

Enclosed:

1. Draft Information Memorandum prepared as per Schedule 'B' of the Securities and Exchange Commission (Debt Securities) Rules, 2021
2. Draft Deed of Trust prepared as per Schedule 'C' of the Securities and Exchange Commission (Debt Securities) Rules, 2021

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212
Phone : 880 (2) 5881 2298, 222 283 966, Fax : 880 (2) 222 264 303, SWIFT : MTBLBD11, E-mail : info@mutualtrustbank.com

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Annexure 2: Audited Financial as of 31 December 2021

Auditors' Report Along with Audited Financial Statements of Mutual Trust Bank Limited & its Subsidiaries For the year ended 31 December, 2021

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

78 | Page

Malik Muntesir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



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Mutual Trust Bank Ltd.

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED & SEPARATE
FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED
31 DECEMBER 2021**

AUDITORS'

M. J. ABEDIN & CO
Chartered Accountants
National Plaza (3rd Floor)
109 Bir Uttam C. R. Datta Road
Dhaka - 1205

An independent member firm of
MOORE GLOBAL
NETWORK LIMITED

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Independent Auditor's Report To the Shareholders of Mutual Trust Bank Ltd.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Mutual Trust Bank Ltd. (MTB) and its subsidiaries (the "Group") as well as the separate financial statements of Mutual Trust Bank Ltd. (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements, consolidated and separate statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated of the Group and separate financial statements of the bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note #2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Reza
Sr. Executive Vice President &
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Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

An independent member firm of



The key audit matters	How the matter was addressed in our audit.
Measurement of Provision for Loans and Advances	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provisions certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 226.01 billion (2020: BDT 203.74 billion) and BDT 222.92 billion (2020: BDT 200.85 billion) respectively and provision for loans and advances of BDT 8.89 billion (2020: BDT 7.72 billion) and BDT 8.17 billion (2020: BDT 7.37 billion) respectively.</p> <p>See note # 2.2.3, 7, 7.a, 12.01, 12.a.1 and 12.a.2 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL) <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Tested a selection of loans and advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, provision for non-performing loans and compliance with relevant Bangladesh Bank guidelines; and • Finally, assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Loans and advances	
<p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>See note # 2.2.3, 7 and 7.a to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Recognition of Interest income from loans and advances

Recognition of interest income has significant and wide influence on financial statements.

Recognition and measurement of interest income has involvement of complex IT environment.

We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.

We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.

We performed test of operating effectiveness on automated control in place to measure and recognize interest income.

We have also performed substantive procedure to check whether interest income is recognized completely and accurately.

We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.

Valuation of Treasury Bill and Treasury Bond

The classification and measurement of treasury bonds require judgment and complex estimates.

In the absence of a quoted price in an active market, the fair value of treasury bills and treasury bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.

See note # 2.2.2, 6.a.1.1 and 6.a.1.2 to the financial statements.

We tested the design and operating effectiveness of key controls focusing on the classification and measurement of treasury bills and treasury bonds. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques applicable in the circumstances.

Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

Recognition and subsequent measurement of IFRS 16 Leases

IFRS 16 Leases became effective for annual reporting beginning on or after 01 January 2019 which replaced IAS 17 Leases. The application of the lease standard resulted in the recognition and subsequent measurement, a right-of-use (ROU) asset at BDT 1,330.13 million (net present value) (2020: BDT 1,325.99 million) (Annexure C(i)) and lease liabilities at BDT 1,404.50 million (2020: BDT 1,096.76 million).

The recognition and subsequent measurement of IFRS 16 Leases is considered a key audit matter, as the balances recorded are material, management had to apply several judgments and estimates such as lease period, incremental borrowing rate, measurement basis among others and consider a significant data analysis to summarize the lease information used in their lease calculation model.

See note # 2.2.8, 8, 8.a, 12.a.8, 35.a and 36.a to the financial statements.

In responding to the identified key audit matter, we completed the following audit procedures:

- Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the bank;
- Assessed the appropriateness of the incremental borrowing rate;
- Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment and;
- Assessed the disclosures given in the financial statements.

For identifying the individual lease contract as 'low value item' the Bank has applied a threshold of Tk 20 million for each lease and also considered the probability of exercising non-renewal option of those lease contract.

**Legal and Regulatory Matters**

We focused on legal and regulatory matters because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

We tested the design and operating effectiveness of key controls over the legal provision and contingencies process.

We inquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We inquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Group's provisions and contingent liabilities disclosure.

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the business environment and changes to the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included:

- testing that requests for access to systems were appropriately reviewed and authorized
- testing the Bank's periodic review of access rights
- inspecting requests of changes to systems for appropriate approval and authorization

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the consolidated and separate Financial Statements and Internal Control.

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a. internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank (other than matters disclosed in these financial statements);
- iii) consolidated financial statements for the year ended 31 December 2021 of Mutual Trust Bank Limited's subsidiaries namely, MTB Securities Limited and MTB Capital Limited have been audited by Shafiq Basak & Co., Chartered Accountants and MTB Exchange (UK) Limited has been audited by Jahan & Co. Chartered Management Accountants and have been properly reflected in the consolidated financial statements. The auditors have expressed an unqualified opinion for both companies.
- iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the year;
- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery as explained in Note 7.a.8.
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,700 person hours; and
- xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

The engagement partner on the audit resulting in this independent auditor's report is **Hasan Mahmood FCA**.

Dated, Dhaka
25 April 2022

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrolment no. 564

DVC:

2204260564AS877635

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
PROPERTY AND ASSETS			
Cash	3.00	14,815,134,486	11,781,494,720
Cash In Hand (Including Foreign Currency)		3,617,498,521	2,839,955,309
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		11,197,635,965	8,941,539,411
Balance with other Banks & Financial Institutions	4.00	3,965,379,148	5,030,965,937
In Bangladesh		1,795,397,175	3,322,877,323
Outside Bangladesh		2,169,981,973	1,708,088,615
Money at Call on Short Notice	5.a	200,000,000	1,114,100,000
Investments	6.00	47,417,383,858	36,656,698,182
Government		40,852,130,399	32,828,020,472
Others		6,565,253,459	3,830,677,710
Loans and Advances/Investments	7.00	226,011,574,670	203,743,505,572
Loans, Cash Credits, Overdrafts, etc./Investments		222,483,861,585	201,996,814,197
Bills Purchased and Discounted		3,527,713,085	1,746,691,375
Fixed Asset including Premises, Furniture and Fixtures	8.00	5,394,493,735	4,896,306,425
Other Assets	9.00	8,696,959,252	6,046,188,739
Non-Banking Assets		-	-
Total Property and Assets		306,500,925,149	269,269,259,576
LIABILITIES AND CAPITAL			
Borrowing from other Banks, Financial Institutions and Agents	10.00	35,205,781,006	30,847,308,439
Deposits and Other Accounts	11.00	211,782,425,769	188,733,999,714
Current Deposit & Other Accounts		26,914,905,893	19,213,979,562
Bills Payable		1,975,092,979	1,988,092,081
Savings Deposit		42,589,740,210	36,213,478,525
Fixed Deposits		91,528,348,348	75,321,877,215
Special Noticed Deposits		25,158,661,767	15,364,633,356
Deposit Products		23,615,686,572	40,631,938,974
Other Liabilities	12.00	27,257,811,801	21,826,658,949
Bond	13.a	12,600,000,000	10,850,000,000
Perpetual Bond		4,000,000,000	650,000,000
Subordinated Debts		8,600,000,000	10,200,000,000
Total Liabilities		286,846,018,576	252,257,967,102
Capital/Shareholders' Equity			
Paid up Capital	14.a	8,124,956,590	7,386,324,180
Statutory Reserve	15.a	5,696,354,496	5,037,523,366
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	17.00	457,933,517	535,041,698
Foreign Currency Translational Gain/Loss		4,699,421	3,937,871
General Reserve	18.a	786,777,324	786,777,324
Surplus in Profit and Loss Account/Retained Earnings	19.00	3,488,747,189	2,166,251,505
Total Shareholders' Equity		19,654,773,315	17,011,160,723
Non-Controlling Interest	20.00	133,258	131,751
Total Liabilities and Total Equity		306,500,925,149	269,269,259,576
Net Asset Value (NAV) per share (2020 Restated)	49.00	24.19	20.94

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Murtasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

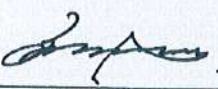
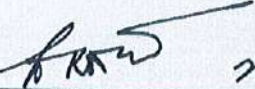
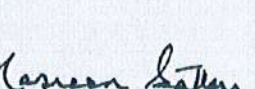

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
Off-Balance Sheet Items			
Contra & Contingent Assets & Liabilities:	21.a		
Acceptances and endorsements		44,841,639,706	25,672,241,302
Letter of guarantee		40,349,440,573	34,887,687,852
Irrevocable letters of credit		36,766,759,417	25,753,147,769
Bills for collection		10,053,512,136	7,282,893,368
Other contingent liabilities		-	-
Total Off-Balance Sheet Items		132,011,351,831	93,595,970,291
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		132,011,351,831	93,595,970,291

The annexed accounting policies and other notes form an integral part of these financial statements

 Chairman
 Director
 Director
 Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
25 April 2022

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

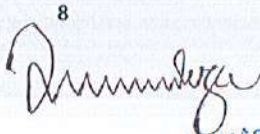


Hasan Mahmood FCA
Enrolment No. 564
DVC:

2204260564AS 877635

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammed Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

8


Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

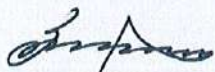

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Profit and Loss Account
For the Year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
Interest Income/profit on investments	23.00	14,562,481,415	15,565,020,609
Interest paid/profit shared on deposits and borrowings etc.	24.00	8,815,395,843	11,619,768,190
Net Interest Income/profit on investments		5,747,085,772	3,945,252,419
Investment income	25.00	3,669,781,318	3,461,032,548
Commission, Exchange and Brokerage	26.00	2,487,897,409	1,922,450,368
Other Operating Income	27.00	899,345,586	658,266,767
Total Other Income		7,057,024,313	6,041,749,683
Total Operating Income		12,804,110,085	9,987,002,102
Less: Operating Expenses:			
Salary and Allowances	28.00	4,057,920,030	3,631,941,364
Rent, Taxes, Insurance, Electricity etc.	29.00	726,521,483	578,276,894
Legal Expenses	30.00	5,167,512	2,178,599
Postage, Stamps, Telecommunication etc.	31.00	20,852,310	6,929,554
Stationery, Printings, Advertisements etc.	32.00	116,627,488	77,259,229
Chief Executive's salary and fees	28.a.1	29,390,987	26,266,028
Director's Fees	33.00	3,633,000	2,710,949
Auditor's Fees	34.00	2,158,389	2,844,200
Depreciation and repair of bank's assets	35.00	841,347,591	803,922,989
Other Expenses	36.00	1,339,687,789	1,336,211,099
Total Operating Expenses		7,143,306,579	6,468,540,905
Profit Before Provision		5,660,803,506	3,518,461,197
Less: Provision for Loans, Investment & Other	37.00		
Provision for Unclassified Loan and Advances		13,729,058	168,823,498
Special General Provision-COVID-19		475,868,961	408,639,000
Provision for Classified Loan and Advance		732,840,719	879,759,262
Provision for Off-Balance Sheet items		335,592,653	60,626,571
Provision for Diminution in Value of Investments		540,000,000	95,500,000
Provision for Other Assets		24,000,000	76,200,000
Total Provision		2,122,031,391	1,689,548,331
Profit Before Tax		3,538,772,115	1,828,912,866
Less: Provision for Taxation			
Current Tax Expenses	38.00	565,571,688	858,525,258
Deferred Tax Expenses/(Income)	38.01	1,448,834,228	856,546,014
		(883,262,540)	1,979,243
Net Profit After Tax		2,973,200,427	970,387,608
Shareholders' of the Bank		2,973,198,920	970,385,702
Non-Controlling Interest		1,507	1,906
Retained Surplus Brought Forward		2,973,200,427	970,387,608
		2,166,251,505	2,253,888,060
		5,139,450,425	3,224,273,762
Appropriations:			
Bonus Shares Issued during the year		738,632,410	351,729,720
Cash Dividend Paid during the year		-	351,729,722
Dividend for Perpetual Bondholders		224,061,356	-
Transferred to Statutory Reserve		658,831,130	345,669,587
Transferred to Start-Up Fund		29,178,340	8,993,228
		1,650,703,236	1,058,022,257
Retained Surplus, Carried Forward		3,488,747,189	2,166,251,505
Earnings Per Share (EPS) (2020 Restated)	39.00	3.66	1.19

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
25 April 2022

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrolment No. 584
DVC:

2204260564AS 877635


Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.


Syed Mahbubur Rahmar
Managing Director & CEO
Mutual Trust Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Mutual Trust Bank Limited and Its Subsidiaries

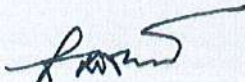
Consolidated Statement of Cash Flow

For the Year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
A) Cash Flows From Operating Activities:			
Interest receipts/investment income receipts in cash		18,944,916,404	15,158,811,147
Interest payments/profit paid on Deposits, Borrowings, etc.		(11,159,731,807)	(10,761,122,434)
Dividend receipts		434,224,337	25,751,994
Fees & Commission receipts in cash		2,487,897,409	1,922,450,368
Recoveries on loans/investment previously written off		44,858,845	34,559,987
Cash payments to employees		(4,087,311,017)	(3,658,207,392)
Cash payments to suppliers		(116,627,488)	(77,259,229)
Income taxes paid		(1,154,524,080)	(1,220,193,713)
Receipts from other operating activities	40.00	1,851,555,617	1,756,224,264
Payments for other operating activities	41.00	(2,209,003,263)	(2,011,691,831)
Operating profit before changes in operating assets and liabilities:		5,036,254,958	1,169,323,162
Increase/Decrease in operating assets and liabilities			
Loans and Advances/investment to customers		(22,268,069,098)	(10,998,195,216)
Other Assets		(3,595,334,472)	6,734,227
Deposits from other banks		3,950,000,000	(5,499,850,000)
Deposits from customers		21,437,384,419	2,545,719,536
Borrowing from Other Banks, Financial Institutions & Agents		4,358,472,567	9,146,130,952
Other Liabilities		2,644,890,387	3,352,162,063
Cash generated from operating assets and liabilities		6,527,343,804	(1,447,298,439)
Net Cash Flows from Operating Activities		11,563,598,761	(277,975,277)
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(8,101,431,299)	(1,648,684,520)
Investments in Shares & Bonds		(2,734,575,749)	(695,447,373)
Purchase of Fixed Assets (Net)		(1,198,552,120)	(1,296,556,181)
Net Cash Flow from Investing Activities		(12,034,559,168)	(3,640,688,074)
C) Cash Flow from Financing Activities:			
Subordinated debts		1,750,000,000	4,050,000,000
Dividend for Perpetual Bondholders		(224,061,356)	(351,729,722)
Net Cash Flow from Financing Activities		1,525,938,644	3,698,270,278
D) Net Increase in Cash and Cash Equivalents		1,054,978,238	(220,393,073)
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		761,550	(1,454,368)
F) Opening Cash and Cash Equivalents		17,928,429,557	18,150,276,998
Closing Cash and Cash Equivalents (D+E+F)		18,984,169,345	17,928,429,557
The above closing Cash and Cash Equivalents include:			
Cash in Hand (Including Foreign Currency)		3,617,498,523	2,839,955,309
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		11,197,635,965	8,941,539,411
Balance with Other Banks & Financial Institutions		3,965,379,148	5,030,965,937
Money at Call and Short Notice		200,000,000	1,114,100,000
Prize Bond		3,655,710	1,868,900
		18,984,169,345	17,928,429,557
Net Operating Cash Flows Per Share (2020 Restated)	50.00	14.23	(0.34)

The annexed accounting policies and other notes form an integral part of these financial statements

 Chairman

 Director

 Director

 Managing Director & CEO

Dated, Dhaka
25 April 2022

Signed as per annexed report on even date

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrolment No. 564
DVC:

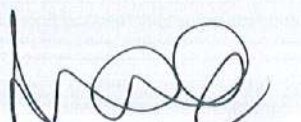
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

10

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.


Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited


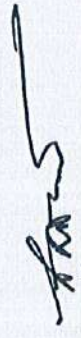

Mutual Trust Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
As at 31 December 2021

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Surplus in Profit and Loss Account/Retained Earnings	Total	Non-Controlling Interest	Total Shareholders Equity
Balance as at January 01, 2021	7,386,324,180	5,037,523,366	1,095,304,778	535,041,698	3,937,871	786,777,324	2,166,251,505	17,011,160,723	131,751	17,011,292,474
Revaluation Reserve transferred during the period	-	-	-	(77,108,182)	-	-	-	(77,108,182)	-	(77,108,182)
Currency Translation differences	-	-	-	-	761,550	-	-	761,550	-	761,550
Net Profit for the period after Tax	-	-	-	-	-	-	2,973,198,920	2,973,198,920	1,507	2,973,200,427
Appropriation made during the period	-	658,831,130	-	-	-	-	(558,831,130)	-	-	-
Transferred to Start-Up Fund	-	-	-	-	-	-	(29,178,340)	-	-	(29,178,340)
Dividend for Perpetual Bondholders	-	-	-	-	-	-	(224,061,356)	-	-	(224,061,356)
Bonus Share Issued during the period	738,632,410	-	-	-	-	-	(738,632,410)	-	-	-
Balance as at 31 December 2021	8,124,956,590	5,696,354,496	1,095,304,778	457,933,517	4,699,421	786,777,324	3,488,747,189	19,654,773,315	133,258	19,654,906,573

Consolidated Statement of Changes in Equity
As at 31 December 2020

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Surplus in Profit and Loss Account/Retained Earnings	Total	Non-Controlling Interest	Total Shareholders Equity
Balance as at January 01, 2020	7,034,594,460	4,691,953,779	1,095,304,778	421,956,410	5,392,239	786,777,324	2,253,888,060	16,289,867,050	129,845	16,289,996,895
Revaluation Reserve transferred during the period	-	-	-	113,085,288	-	-	-	113,085,288	-	113,085,288
Currency Translation differences	-	-	-	-	(1,454,368)	-	-	(1,454,368)	-	(1,454,368)
Net Profit for the period after Tax	-	-	-	-	-	-	970,385,702	970,385,702	1,906	970,387,608
Appropriation made during the period	-	345,569,587	-	-	-	-	(345,569,587)	-	-	-
Transferred to Start-Up Fund	-	-	-	-	-	-	(8,993,228)	-	-	(8,993,228)
Cash Dividend Paid during the period	-	-	-	-	-	-	(351,729,722)	-	-	(351,729,722)
Bonus Share Issued during the period	351,729,720	-	-	-	-	-	(351,729,720)	-	-	-
Balance as at 31 December 2020	7,386,324,180	5,037,523,366	1,095,304,778	535,041,698	3,937,871	786,777,324	2,166,251,505	17,011,160,723	131,751	17,011,292,474

The annexed accounting policies and other notes form an integral part of these financial statements

 Chairman
 Director
 Managing Director & CEO

Dated, Dhaka
25 April 2022

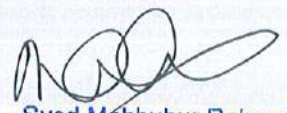
Signed as per annexed report on even date

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrollment No. 564
DVC:

2204260564 AS 877635


Malik Murtasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

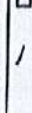

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited


Mutual Trust Bank Limited and Its Subsidiaries
Consolidated Liquidity Statement
As at 31 December 2021

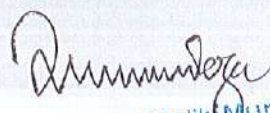
Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Amount in BDT Total
ASSETS:						
Cash	5,492,814,487				9,322,320,000	14,815,134,487
Balance with other Banks and Financial Institutions	2,466,615,112	1,066,897,009	364,371,059	35,125,261	32,370,706	3,965,379,148
Money at Call & Short notice	200,000,000					200,000,000
Investments	1,774,211,700	1,955,166,977	1,576,683,147	7,465,369,108	34,645,952,926	47,417,383,858
Loans and Advances	23,909,226,234	51,481,419,528	61,695,675,482	59,247,212,011	29,678,041,416	226,011,574,670
Premises and Fixed Assets	57,580,080	115,160,160	518,220,720	2,763,843,840	1,939,688,935	5,394,493,735
Other Assets	1,814,666,867	439,506,355	2,285,944,671	4,008,720,679	148,120,680	8,696,959,252
Non-Banking Assets						
Total Assets	35,715,114,481	55,058,150,027	66,440,895,079	73,520,270,899	75,766,494,662	306,500,925,149
LIABILITIES:						
Borrowing From Other Banks, Financial Institutions & Agents						
Deposit and Other Account	3,932,080,698	9,880,275,963	12,931,301,053	7,117,612,473	1,344,510,819	35,205,781,006
Provision & Other Liabilities	28,554,346,989	42,316,720,914	45,585,097,451	61,122,424,862	34,203,835,553	211,782,425,769
Subordinated Debts	747,988,157	679,558,792	3,984,684,847	6,088,480,112	15,757,099,892	27,257,811,801
Total Liabilities	33,234,415,844	52,876,555,670	63,501,083,351	80,928,517,447	56,305,446,264	286,846,018,576
Net Liquidities	2,480,698,637	2,181,594,358	2,939,811,728	(7,408,246,548)	19,461,048,398	19,654,906,573

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Managing Director & CEO



Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Balance Sheet
As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
PROPERTY AND ASSETS			
Cash	3.a	14,800,349,000	11,762,169,061
Cash In Hand (Including Foreign Currency)		3,602,713,035	2,820,629,650
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		11,197,635,965	8,941,539,411
Balance with other Banks & Financial Institutions	4.a	3,713,667,620	4,655,988,556
In Bangladesh		1,543,685,647	2,947,899,942
Outside Bangladesh		2,169,981,973	1,708,088,615
Money at Call on Short Notice	5.a	200,000,000	1,114,100,000
Investments	6.a	45,776,422,353	35,381,949,449
Government		40,852,130,399	32,826,020,472
Others		4,924,291,954	2,555,928,977
Loans and Advances/Investments	7.a	222,924,200,254	200,848,104,834
Loans, Cash Credits, Overdrafts, etc./Investments		219,398,487,169	199,101,413,459
Bills Purchased and Discounted		3,527,713,085	1,746,691,375
Fixed Asset Including Premises, Furniture and Fixtures	8.a	5,203,874,445	4,830,768,592
Other Assets	9.a	12,124,015,514	9,320,133,085
Non-Banking Assets		-	-
Total Property and Assets		304,742,529,186	267,913,213,577
LIABILITIES AND CAPITAL			
Borrowing from other Banks, Financial Institutions and Agents	10.a	35,205,781,006	30,847,308,439
Deposits and Other Accounts	11.a	212,956,942,491	189,220,776,373
Current Deposit & Other Accounts		26,915,622,914	19,221,032,349
Bills Payable		1,975,092,979	1,988,092,081
Savings Deposit		42,589,740,210	36,214,718,059
Fixed Deposits		91,528,348,348	93,476,844,770
Special Noticed Deposits		26,332,451,468	15,744,357,228
Deposit Products		23,615,686,572	22,575,731,886
Other Liabilities	12.a	24,818,899,708	20,423,196,275
Bond	13.a	12,600,000,000	10,850,000,000
Perpetual Bond		4,000,000,000	650,000,000
Subordinated Debts		8,600,000,000	10,200,000,000
Total Liabilities		285,581,623,205	251,341,281,087
Capital/Shareholders' Equity			
Paid up Capital	14.a	8,124,956,590	7,386,324,180
Statutory Reserve	15.a	5,696,354,496	5,037,523,366
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	17.a	409,820,227	486,928,408
Foreign Currency Translational Gain/Loss		1,366,243	(121,129)
General Reserve	18.a	786,777,324	786,777,324
Surplus in Profit and Loss Account/Retained Earnings	19.a	3,046,326,323	1,779,195,562
Total Shareholders' Equity		19,160,905,981	16,571,932,490
Total Liabilities and Total Equity		304,742,529,186	267,913,213,577
Net Asset Value (NAV) per share (2020 Restated)	49.a	23.58	20.40

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

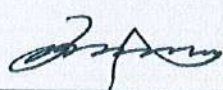
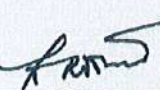
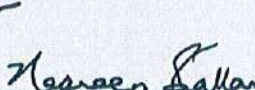

Mutual Trust Bank Limited

Balance Sheet

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
Off-Balance Sheet Items			
<u>Contra & Contingent Assets & Liabilities:</u>	21.a		
Acceptances and endorsements		44,841,639,706	25,672,241,302
Letter of guarantee		40,349,440,573	34,887,687,852
Irrevocable letters of credit		36,766,759,417	25,753,147,769
Bills for collection		10,053,512,136	7,282,893,368
Other contingent liabilities		-	-
Total Off-Balance Sheet Items		132,011,351,831	93,595,970,291
<u>Other Commitments</u>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		-	-
<u>Other Memorandum Items</u>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		132,011,351,831	93,595,970,291

The annexed accounting policies and other notes form an integral part of these financial statements

 Chairman
 Director
 Director
 Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
25 April 2022

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrolment No. 564

DVC: 2204260564 AS 877635

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

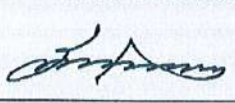
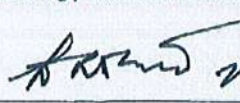
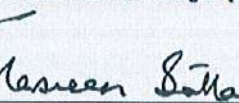

Mutual Trust Bank Limited

Profit and Loss Account

For the Year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
Interest Income/profit on investments	23.a	14,329,716,118	15,471,885,194
Interest paid/profit shared on deposits and borrowings etc.	24.a	8,821,458,698	11,634,779,535
Net Interest Income/profit on investments		5,508,257,420	3,837,105,659
Investment income	25.a	3,392,199,216	3,388,576,110
Commission, Exchange and Brokerage	26.a	2,087,348,334	1,757,459,306
Other Operating Income	27.a	861,948,128	633,428,267
Total Other Income		6,341,495,678	5,779,463,683
Total Operating Income		11,849,753,098	9,616,569,342
Less: Operating Expenses:			
Salary and Allowances	28.a	3,951,379,176	3,531,820,176
Rent, Taxes, Insurance, Electricity etc.	29.a	708,146,335	540,460,541
Legal Expenses	30.a	5,167,512	2,178,599
Postage, Stamps, Telecommunication etc.	31.a	20,047,383	5,982,584
Stationery, Printings, Advertisements etc.	32.a	113,860,499	76,181,943
Chief Executive's salary and fees	28.a.1	29,390,987	26,266,028
Director's Fees	33.a	2,217,600	1,628,149
Auditor's Fees	34.a	1,495,000	2,267,500
Depreciation and repair of bank's assets	35.a	832,571,524	795,878,261
Other Expenses	36.a	1,311,290,039	1,310,509,294
Total Operating Expenses		6,973,566,055	6,293,173,075
Profit Before Provision		4,876,187,043	3,323,396,267
Less: Provision for Loans, Investment & Other	37.a		
Provision for Unclassified Loan and Advances		13,729,058	168,823,498
Special General Provision-COVID-19		475,868,961	408,639,000
Provision for Classified Loan and Advance		732,840,719	879,759,262
Provision for Off-Balance Sheet items		335,592,653	60,626,571
Provision for Diminution in Value of Investments		-	1,500,000
Provision for Other Assets		24,000,000	76,200,000
Total Provision		1,582,031,391	1,595,548,331
Profit Before Tax		3,294,155,652	1,727,847,935
Less: Provision for Taxation		376,321,654	828,525,183
Current Tax Expenses	38.a	1,259,525,860	826,244,660
Deferred Tax Expenses/(Income)	38.a.1	(883,204,205)	2,280,523
Net Profit After Tax		2,917,833,997	899,322,753
Retained Surplus Brought Forward		1,779,195,562	1,937,895,066
		4,697,029,559	2,837,217,818
Appropriations:			
Bonus Shares Issued during the year		738,632,410	351,729,720
Cash Dividend Paid during the year		-	351,729,722
Dividend for Perpetual Bondholders		224,081,356	-
Transferred to Statutory Reserve		658,831,130	345,569,587
Transferred to Start-Up Fund		29,178,340	8,993,228
		1,650,703,236	1,058,022,257
Retained Surplus, Carried Forward		3,046,326,323	1,779,195,562
Earnings Per Share (EPS) (2020 Restated)	39.a	3.59	1.11

The annexed accounting policies and other notes form an integral part of these financial statements

Chairman

Director

Director

Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka

25 April 2022

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

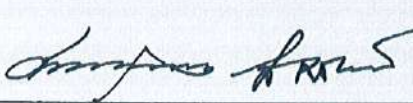
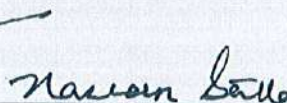


Hasan Mahmood FCA
Enrolment No. 564

DVC: 2204260564 AS 877635

Mutual Trust Bank Limited
Statement of Cash Flow
For the Year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		2021	2020
A) Cash Flows From Operating Activities:			
Interest receipts/investment income receipts in cash		18,712,151,107	15,065,675,732
Interest payments/profit paid on Deposits, Borrowings, etc.		(11,165,794,863)	(10,776,133,779)
Dividend receipts		382,870,434	4,229,268
Fees & Commission receipts in cash		2,087,348,334	1,757,459,306
Recoveries on loans/investment previously written off		44,858,845	34,559,987
Cash payments to employees		(3,980,770,163)	(3,558,086,204)
Cash payments to suppliers		(113,860,499)	(76,181,943)
Income taxes paid		(1,085,671,535)	(1,202,006,907)
Receipts from other operating activities	40.a	1,588,129,960	1,880,452,053
Payments for other operating activities	41.a	(2,158,922,080)	(1,946,199,770)
Operating profit before changes in operating assets and liabilities:		4,310,139,541	983,767,743
Increase/Decrease in operating assets and liabilities			
Loans and Advances/investment to customers		(22,076,095,420)	(11,063,895,266)
Other Assets		(3,817,298,934)	54,488,095
Deposits from other banks		3,950,000,000	(5,499,850,000)
Deposits from customers		19,786,166,118	2,610,907,349
Borrowing from Other Banks, Financial Institutions & Agents		4,358,472,567	9,146,130,952
Other Liabilities		4,677,649,387	2,982,429,697
Cash generated from operating assets and liabilities		6,878,893,698	(1,769,789,173)
Net Cash Flows from Operating Activities		11,189,033,239	(786,021,430)
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(8,101,431,299)	(1,648,684,520)
Investments in Shares & Bonds		(2,368,362,978)	(425,491,243)
Purchase of Fixed Assets (Net)		(1,063,119,166)	(1,295,122,101)
Net Cash Flow from Investing Activities		(11,532,913,443)	(3,369,297,863)
C) Cash Flow from Financing Activities:			
Subordinated debts		1,750,000,000	4,050,000,000
Dividend for Perpetual Bondholders		(224,061,356)	(351,729,722)
Net Cash Flow from Financing Activities		1,525,938,644	3,698,270,278
D) Net Increase in Cash and Cash Equivalents		1,182,058,441	(457,049,015)
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		1,487,371	(724,872)
F) Opening Cash and Cash Equivalents		17,534,126,517	17,991,900,404
Closing Cash and Cash Equivalents (D+E+F)		18,717,672,330	17,534,126,517
The above closing Cash and Cash Equivalents include:			
Cash In Hand (Including Foreign Currency)		3,602,713,035	2,820,629,650
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		11,197,635,965	8,941,539,411
Balance with Other Banks & Financial Institutions		3,713,667,620	4,655,988,556
Money at Call and Short Notice		200,000,000	1,114,100,000
Prize Bond		3,655,710	1,868,900
		18,717,672,330	17,534,126,517
Net Operating Cash Flows Per Share (2020 Restated)	50.a	13.77	(0.97)


The annexed accounting policies and other notes form an integral part of these financial statements

 Chairman
 Director
 Director
 Managing Director & CEO

Dated, Dhaka
 25 April 2022

Signed as per annexed report on even date

M. J. ABEDIN & CO.
 Chartered Accountants
 REG. No.: N/A


Hasan Mahmood FCA
 Enrolment No. 564
 DVC:

2204260564 AS 877635

Mutual Trust Bank Limited
Statement of Changes in Equity
As at 31 December 2021

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Surplus in Profit and Loss Account/Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2021	7,386,324,180	5,037,523,366	1,095,304,778	486,928,408 (77,108,182)	(121,129)	786,777,324	1,779,195,562	16,571,932,490 (77,108,182)
Revaluation Reserve transferred during the period								
Currency Translation differences					1,487,371			1,487,371
Net Profit for the year after tax							2,917,833,997 (658,831,130)	2,917,833,997
Appropriation made during the period		658,831,130					(29,178,340)	(29,178,340)
Transferred to Start-Up Fund							(224,061,356)	(224,061,356)
Dividend for Perpetual Bondholders							(738,632,410)	(738,632,410)
Bonus Share Issued during the period	738,632,410							
Balance as at 31 December 2021	8,124,956,590	5,696,354,496	1,095,304,778	409,820,227	1,366,243	786,777,324	3,046,326,323	19,160,905,981

Mutual Trust Bank Limited
Statement of Changes in Equity
As at 31 December 2020

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Surplus in Profit and Loss Account/Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2020	7,034,594,460	4,691,953,779	1,095,304,778	373,843,120	603,743	786,777,324	1,937,895,066	15,920,972,270
Revaluation Reserve transferred during the period				113,085,288				113,085,288
Currency Translation differences					(724,872)			(724,872)
Net Profit for the year after tax							899,322,753 (345,569,587)	899,322,753
Appropriation made during the period		345,569,587					(8,993,228)	(8,993,228)
Transferred to Start-Up Fund							(351,729,722)	(351,729,722)
Cash Dividend Paid during the period							(351,729,720)	(351,729,720)
Bonus Share Issued during the period	351,729,720							
Balance as at 31 December 2020	7,386,324,180	5,037,523,366	1,095,304,778	486,928,408	(121,129)	786,777,324	1,779,195,562	16,571,932,490

The annexed accounting policies and other notes form an integral part of these financial statements

Chairman
Dated, Dhaka
25 April 2022

Signed as per annexed report on even date

Managing Director & CEO

M. J. ABEDIN & CO.
Chartered Accountants
REG. No.: N/A

Hasan Mahmood FCA
Enrolment No. 564
DVC: 2204260564 AS 877635

Malik Mumtaz Raza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

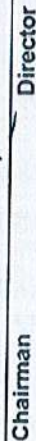
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

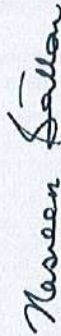
Mutual Trust Bank Limited
Liquidity Statement
As at 31 December 2021

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS:						
Cash	5,478,029,000				9,322,320,000	14,800,349,000
Balance with other Banks and Financial Institutions	2,398,117,721	952,734,689	295,319,243	35,125,261.26	32,370,706	3,713,667,620
Money at Call & Short notice	200,000,000					200,000,000
Investments	1,528,067,474	1,380,830,450	920,298,545	7,301,272,957	34,645,952,926	45,776,422,353
Loans and Advances	23,765,975,060	51,409,793,941	61,688,201,301	58,065,389,828	27,994,840,124	222,924,200,254
Premises and Fixed Assets	56,855,600	113,711,200	511,700,400	2,729,068,800	1,792,538,445	5,203,874,445
Other Assets	1,803,519,518	417,211,656	2,218,047,181	4,008,720,679	3,676,516,480	12,124,015,514
Non-Banking Assets						
Total Assets	35,230,564,373	54,274,281,936	65,633,566,670	72,139,577,525	77,464,538,681	304,742,529,186
LIABILITIES:						
Borrowing From Other Banks, Financial Institutions & Agents	3,932,080,698	9,880,275,963	12,931,301,053	7,117,612,473	1,344,510,819	35,205,781,006
Deposit and Other Account	28,555,084,010	42,816,720,914	47,258,897,152	60,122,424,862	34,203,835,553	212,956,942,491
Provision & Other Liabilities	503,653,757	417,101,459	2,608,545,126	6,021,168,273	15,268,431,093	24,818,899,708
Subordinated Debts			1,000,000,000	6,600,000,000	5,000,000,000	12,600,000,000
Total Liabilities	32,990,798,465	53,114,098,336	63,798,743,332	79,861,205,608	55,816,777,465	285,581,623,206
Net Liabilities	2,239,765,908	1,160,183,600	1,834,823,338	(7,721,628,083)	21,647,761,217	19,160,905,981

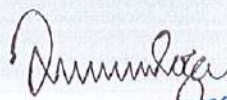
The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO



Malik Muhammad Raza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2021

Corporate Profile and Significant Accounting Policies

1.00 The Bank and its activities

1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTBL) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (and amendment thereon) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from 24 October 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 119 (One hundred nineteen) Branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 201 (Two Hundred One) Agent Banking Centre, 33 (Thirty Three) Sub Branch, 04 (Four) Air Lounge and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

1.02 Principal activities and nature of operation of Mutual Trust Bank Limited

The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, trade and services, issuing letter of Credit, treasury functions, inter bank borrowing and lending, dealing in government securities, equity shares, cash management, issuing debit and credit cards, SMS banking, internet banking, call centre, securities and custody services, remittance services, privilege banking services, etc.

1.03 Off-Shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit Permission vide Letter # BRPD (P-3)744(105)/2009-4470 dated 03 December 2009. The Bank commenced operation of this unit from 07 December 2009. This unit is governed under the policy, rules and guidelines of Bangladesh Bank vide reference no. BRPD Circular no. 02, dated 25 February 2019 and amendment thereon BRPD Circular no. 09 dated 27 May 2019 & BRPD Circular no. 31 dated 18 June 2020. The principal activities of the unit are to provide all kinds of commercial banking services to its customers in foreign currencies. Separate Financial Statements of Off-shore Banking Unit has been drawn up in Annexure H.

1.04 Agent Banking

The Bank obtained permission from Bangladesh Bank on 07/01/2016 vide reference no. BRPD (P-3) 745 (51)/2016-142 to start the operation of Agent Banking and subsequently started its commercial operation on 06/06/2016. Till December 31, 2020 there are 200 agent outlets launched around the country. The services that are currently being offered includes- Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

1.05 Subsidiaries

1.5.1 MTB Securities Limited (MTBSL)

MTB Securities Limited was incorporated in Bangladesh as a private limited company on 01 March 2010 vide its registration no. 82868/10 and converted into public limited company in the year 2015 under the Companies Act, 1994. The company has started its commercial operation on 23 September 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guidelines. Separate Financial Statements of MTB Securities Limited has been drawn up in the reports.

1.5.2 MTB Exchange (UK) Limited (MTB UK)

Bangladesh Bank vide their letter # BRPD (M)204/25/2010-289 dated 19 August 2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on 14 June 2010 under the Companies Acts 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses. Separate Financial Statements of MTB Exchange (UK) Limited has been drawn up in the reports.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Mumtaz Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

1.5.3 MTB Capital Limited (MTBCL)

The Bank obtained permission to embark upon Merchant Banking from the Bangladesh Securities and Exchange Commission (BSEC) vide its Certificate No. MB-55/2010 dated 06 December 2010 under the Securities and Exchange Commission Act, 1993. The operation was started as on 17 April 2011. Separate financial statements have been drawn up in the reports.

MTBCL offers the following services to the market:

- 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 rights issuance.
- Underwriting services for both debt and equity issues.

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

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of preparation

The separate financial statements of the Bank as at and for the year ended 31 December 2021 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (Parent company) and its subsidiaries (together referred to as 'the Group' and individually referred to as 'Subsidiaries'). There was no significant change in the nature of principal business activities of the Bank and the subsidiaries during the financial period.

2.1.1 Statement of Compliance

The consolidated financial statements of the Group and separate financial statements of the Bank and its subsidiaries as at and for the year ended 31 December 2021 have been prepared under the historical cost convention and in accordance with the "First Schedule" (section-38) of the Bank Companies Act, 1991 (and amendment thereon), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Financial Reporting Council of Bangladesh (FRC). In addition to this, the Bank complied with the requirements of following laws and regulations from various Government's bodies:

- The Bank Company Act, 1991 and amendment thereon;
- The Companies Act, 1994;
- Rules, regulations and circulars issued by Bangladesh Bank from time to time;
- Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Act 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- The Income Tax ordinance 1984 and amendment thereon;
- The Value Added Tax and Supplementary Duty Act 2012;
- Financial Reporting Act 2015;
- Dhaka Stock Exchange (DSE), Chattogram Stock Exchange (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations.

Departures from IAS/IFRS:

Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail. As such the Group and the Bank has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (and amendment thereon) and BRPD Circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and securities

IFRS: As per requirements of "IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income", where any change in the fair value (as

measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated 25 June 2003 of Bangladesh Bank, Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments; otherwise investments are recognized at cost. As such Mutual Trust Bank Limited measures and recognizes Investment in Quoted and Unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

iii) Revaluation gain/loss on Government securities

IFRS: As per requirement of IFRS 9: Financial Instruments, where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to Department of Offsite Supervision (DOS) Circular # 05 dated 26 May 2008 and subsequent clarification in DOS Circular # 05, dated 28 January 2009 of Bangladesh Bank, loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through Income accounts, but any gain on such revaluation should be recorded under revaluation reserve accounts. However, at the year-end if there is any revaluation gain for any particular held for trading T-bill/T-bond, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bill/T-bond. T-bill/T-bond designated as held to maturity are measured at amortized cost method but interest income/gain should be recognized through revaluation reserve.

iv) Provision on loans and advances

IFRS: As per IFRS 9: Financial Instruments, an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular # 63 dated 31 December 2020, BRPD Circular # 59 dated 30 December 2020, BRPD Circular # 56 dated 10 December 2020, BRPD Circular # 52 dated 20 October 2020, BRPD Circular # 17 dated 28 September 2020, BRPD Circular # 16 dated 21 July 2020, BRPD Circular # 13 dated 15 June 2020, BRPD Circular # 03 dated 21 April 2019, BRPD Circular # 01 dated 20 February 2018, BRPD Circular # 15 dated 27 September 2017, BRPD Circular # 08 dated 02 August 2015, BRPD Circular # 16 dated 18 November 2014, BRPD Circular # 05 dated 29 May 2013, BRPD Circular # 19 dated 27 December 2012, BRPD Circular # 14 dated 23 September 2012, and a general provision at 0.25% to 2% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loans, doubtful loans and bad losses, should be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD Circular # 10 dated 18 September 2007, BRPD Circular # 01 dated 03 January 2018, BRPD Circular # 07 dated 21 June 2018, and BRPD Circular # 13 dated 18 October 2018 a general provision at 1% should be provided for all off-balance sheet exposures except general provision against the LC for First Track Power Supply Projects, 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9: Financial Instruments and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

Bangladesh Bank: As per BRPD Circular # 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loan is not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

vi) Other comprehensive income

IFRS: As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a

single Other Comprehensive Income (OCI) Statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

vii) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments. As such full disclosure and presentation requirements of IFRS 7: Financial Instrument- Disclosures and IAS 32: Financial Instruments-Presentation cannot be made in the accounts.

viii) Repo and reverse repo transactions

IFRS: As per IFRS 9: Financial Instruments, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular Letter # 06 dated 15 July 2010 & subsequent clarification in DOS Circular # 02 dated 23 June 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees

IFRS: As per IFRS 9: Financial Instruments, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction cost that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

x) Cash and cash equivalents

IFRS: Cash and cash equivalents items should be reported as cash item as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, Cash and Cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks. Some cash and cash equivalent items such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

xi) Non-banking assets

IFRS: No indication of non-banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD Circular # 22 dated 20 September 2021, there is a separate balance sheet item titled as non-banking assets that exists in the standard format prescribed by BRPD Circular # 14 dated 25 June 2003.

xii) Cash flow statement

IFRS: Cash flow statement, which educates stakeholders about fund movement, can be prepared using either the direct method or the indirect method as per IAS 7: Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

xiii) Balance with Bangladesh Bank:

IFRS: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiv) Presentation of intangible assets

IFRS: Intangible assets must be identified and recognized, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular # 14 dated 25 June 2003.

xv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, off balance sheet items must be disclosed separately on the face of the balance sheet. Accordingly, the Bank has recognized the following off balance sheet items:

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Foreign exchange contracts

xvi) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit on the face of Statement of Comprehensive Income.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances. [Also refer to Note 2.16: Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)]

xviii) Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognize credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular # 07 dated 21 June 2018 and BRPD Circular # 14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

xix) Uniform Accounting Policy

In several case Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation and measurement requirements of IFRS 10 cannot be made in financial statements. [Also refer to Note 2.16 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs)].

2.1.2 Basis of consolidation

The financial statements of the Company and its subsidiaries, as mentioned in note no. 1.05 has been consolidated in accordance with IFRS 10: Consolidated Financial Statements. Intra-company transactions, balances and intra-group gains on transactions between group companies are eliminated on consolidation.

The total profit of the Company and its subsidiaries has been shown in the Consolidated Profit & Loss Account with the proportion of profit after taxation. All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated Balance Sheet. The consolidated financial statements are prepared to a common reporting year (also called 'accounting year') ended 31 December 2021.

Conversion Policy:

The conversion policy of Off-shore Banking Unit (OBU) and MTB Exchange (UK) Limited is given below:

Details	Price	Rate of GBP for MTB UK	Rate of USD for OBU	Rate of EURO for OBU
For assets & liabilities	Closing price	115.7271	85.8000	97.3830
For income & expenses	Average price	116.9723	85.1359	97.7796

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

2.1.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- a) Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to income statement.
- b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.

The accounting policies, unless otherwise stated have been consistently applied by the company and consistent with those of the previous year.

2.1.4 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

2.1.5 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the Bank's functional currency. All financial information presented in BDT has been rounded to the nearest BDT.

2.1.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most perilous estimates and judgments are applied to the Provision for impairment of loans & investments and Employees benefits.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.1.7 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the period.

2.1.8 Comparative information

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is reclassified and rearranged wherever necessary to conform to the current presentation.

2.1.9 Foreign currency transaction and commitments

a) Foreign currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the Bank are presented in BDT which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the ruling exchange rates on the dates of respective transactions as per IAS 21: The Effects of Changes in Foreign Exchange Rates. Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT. The resulting exchange transaction gains and losses are included in the profit and loss account.

c) Commitments

Commitments / Contingent liabilities for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of Bank have been translated at contracted rates.

Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in BDT at the rate of revaluation rate.

2.1.10 Statement of cash flows

Statement of cash flows has been prepared in accordance with IAS 7: Statement of Cash Flows and under the guideline of Bangladesh Bank BRPD Circular # 14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the financial period.

2.1.11 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with IAS 1: Presentation of Financial Statements and relevant guidelines of Bangladesh Bank & BRPD Circular # 14 dated 25 June 2003.

2.1.12 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the period as per following basis.

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their repayment schedule.
- c) Loans and advances/investments are on the basis of their repayment schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their realization/amortization.
- f) Borrowing from other banks, financial institutions and agents etc. are as per their maturity/repayment terms.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Provision and other liabilities are on the basis of their payments/adjustments schedule.

2.1.13 Accounting for contingent liabilities and contingent assets

The bank recognized provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the obligation can be made. No provision is recognized for:

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the bank; or
- b) Any present obligation that arises from past events but is not recognized because
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

2.1.14 Reporting period

These financial statements of the Bank and its subsidiaries cover the period from 01 January to 31 December 2021.

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.2.2 Investments

All investment in securities is initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

a) Held to maturity (HTM)

Investments which have 'fixed or determinable payments' and are intended to be 'held to maturity' other than those that meet the definition of 'held at amortized cost', are classified as held to maturity (HTM). These investments are subsequently measured at present value as per Bangladesh Bank guideline.

b) Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises.

c) **Revaluation**

As per the DOS Circular letter # 05 dated 26 May 2008 & subsequent amendment DOS Circular # 05 dated 28 January 2009 and DOS Circular # 21 dated 27 October 2009, HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognized in the statement of changes in equity. Gain/loss on revaluation of HFT securities is recognized in the profit and loss account on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

Valuation of investments has been shown as under Government treasury bills and bonds (HTM) at present value (using amortization concept), Government treasury bills and bonds (HFT) at present value (using marking to market concept).

d) **Investment in listed securities**

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment.

e) **Investment in unquoted securities**

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 15 June 2010 and DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting of unrealized gain/loss of shares from market price/ book value less cost price.

Besides, the Bank complied with BRPD Circular # 14 dated 25 June 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

f) **Investment in subsidiary**

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27: Separate Financial Statements.

g) **Value of investments has been shown as under:**

Investment class	Initial recognition	Measurement after recognition	Recording of change
Government treasury bills (HFT)	Cost	Marking to market/fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bills (HTM)	Cost	Amortized cost	Loss transferred to profit and loss account and gain transferred to revaluation reserve.
Government treasury bonds (HFT)	Cost	Marking to market/fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bonds (HTM)	Cost	Amortized cost	Amortized gain/loss transferred to revaluation reserve.
Zero coupon bond	Cost	Amortized cost	None
Prize bond	Cost	None	None
Debentures	Cost	At cost price	None
Unquoted shares and debenture	Cost	None	Loss transferred to profit and loss account but no unrealized gain recorded.
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

2.2.3

Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans & off-balance sheet exposures, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter-end review by the management and instruction contained in BRPD Circular # 63, 59, 56, 52, 17, 16, 13, 03, 01, 15, 08, 16, 05, 19, 14, 10, 01, 07 & 13 dated 31 December 2020, 30 December 2020, 10 December 2020, 20 October 2020, 28 September 2020, 21 July 2020, 15 June 2020, 21 April 2019, 20 February 2018, 27 September 2017, 02 August 2015, 18 November 2014, 29 May 2013, 27 December 2012, 23 September 2012, 18 September 2007, 03 January 2018, 21 June 2018, 18 October 2018 respectively.

Interest on loans and advances

Interest is calculated on daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss. Interest is calculated on unclassified loans and advances (only standard) and recognized as income during the period. Interest calculated on classified loans and advances (including special mention accounts) as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the period of its receipt from the defaulting borrowers.

Commission and discounts on bills purchased and discounted are recognized at the time of realization. Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

Provision for loans and advances

Provision for loans and advances are made on the basis of quarter as well as year-end review by the management following instructions contained in BRPD Circular # 14, 16 & 52 dated 23 September 2012, 21 July 2020 & 20 October 2020 respectively and subsequent changes of Bangladesh Bank. The percentage of provision on loans and advance are given below:

Rate of provision

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

Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified loans & advances are shown as liabilities in the Balance Sheet.

Security against Loans

- Project loan: Project land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.
- Working Capital: Goods are taken as security in the form of hypothecation along with land and building mortgage. Listed securities of stock exchange, fixed deposits, assignments of receivables etc. are also taken as security.

Bills Purchased and Discounted

- Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.:
 - Payable in Bangladesh;
 - Payable outside Bangladesh.
- The bills purchased and discounted have been analyzed as per the maturity grouping.

Written off loans and advances

Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss more than five years as per guidelines of Bangladesh Bank and (iii) special permission of Bangladesh Bank. These write off however, will not undermine/affect that claim amount against the borrowers. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.2.4 Property, plant and equipment

a) Recognition

The cost of an item of property, plant and equipment (Fixed assets) shall be recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment have been accounted for at cost less accumulated depreciation (except land) as per IAS- 16: Property, Plant and Equipment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost of enhancement of an existing asset is recognized as a separate asset, only when it is probable that future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are charged to the profit & loss account during the financial periods which are incurred.

b) Depreciation

Category of Fixed Assets	Method of Depreciation	Rate of Depreciation
Land	N/A	N/A
Immovable Property	Reducing balance method	2.50%
Furniture & Fixtures	Reducing balance method	10%
Office Equipment	Reducing balance method	20%
Motor Vehicles	Straight line method	20%
Books & Periodicals	Reducing balance method	10%
Intangible Assets	Reducing balance method	20%

c) Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gains or losses on such disposal are reflected in the profit and loss account as per provision of IAS 16: Property, Plant and Equipment.

d) Capital Work-in-Progress

Capital Work-in-Progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of building, system development, awaiting capitalization.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalized as part of the cost of the assets.

f) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expense in the profit and loss account.

2.2.5 Intangible assets

Software represents the value of computer application software licensed use of the Bank, other than software applied to the operation software system of computers. Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software. Software is amortized using the reducing balance method at the rate of 20%.

2.2.6 Other assets

Other assets include all assets not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the bank.

Provision for other assets

Other assets have been classified as per BRPD Circular # 14 dated 25 June 2001 of Bangladesh Bank and necessary provisions made thereon accordingly and for items not covered under the circular adequate provisions have been made considering their reliability.

2.2.7 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.2.8 Leases

The Bank follows IFRS 16 which has been effective from 01 January 2019. As IFRS 16 supersedes IAS 17: Leases, the Bank has made recognition, measurement and disclosure in the financial statements of 31 December 2021 both as Lessee and Lessor as per IFRS 16.

The Bank as Lessee

The Bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the Bank considers the contract as a lease contract.

The Bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The Bank recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the Bank considers the lease period as short term in line with the recognition threshold of ROU assets as per Fixed Asset

policy of the Bank. In case of low value of lease assets, the Bank has set a materiality threshold which is 0.10% of Total capital of the Bank. However, the bank used a flat threshold of BDT 20 million and above' which is 0.068% of total capital of the bank as of 31 December 2021. The reason behind considering the materiality threshold of BDT 20 million and above is that the Bank operates many ATM booths, sub-branches with short and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU):

The bank recognizes the right-of-use assets (ROU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, or remaining period of the lease term.

The bank assessed all lease contracts live in 2019 & up to December 2021 and recognized as RoU assets of all leases, except short term and low value of assets as parameter guided by Bangladesh Bank and Banks' own policy set as per IAS 16 and IFRS 16. The ROU assets are presented in the note no. 8 of these financial statements.

Lease Liabilities (Bank as a lessee):

At the commencement of the lease, the bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease.

In 2019 & up to December 2021, the bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2019. The lease liabilities are presented in the note 12.a.8 of these financial statements.

The Bank as Lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases (Note-7.03). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

2.2.9 Non-Banking Assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property. However, the bank has no non-banking assets.

2.3 Liabilities and provision

2.3.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowing redeemable at call, on-demand and short-term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance. Interest paid or payable on these borrowings is charged to the profit and loss account.

2.3.2 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposit redeemable at call, interests bearing on demand and short term deposits, savings deposit, term deposit, margin, bills payable etc. These items are brought to account at the gross value of the outstanding balances.

2.3.3 Other liability

Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance, 1984, IAS 37 and internal policy of the banks. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.4 Employee benefit scheme

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with provisions of IAS 19: Employee Benefits. Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Provident Fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly, a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone 3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income-tax Ordinance, 1984. The recognition took effect from 30 April 2001. The Fund is operated by a Board of Trustees consisting of 5 (five) members. All confirmed employees of the Bank contribute 10% of their basic salary as a subscription to the fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

b) Gratuity

The Bank operates a funded gratuity scheme approved by the National Board of Revenue. The Gratuity Fund is managed separately by "Mutual Trust Bank Limited Employees Gratuity Fund" and any investment decision out of this fund is also made by this trust.

As per gratuity scheme every permanent employee will get gratuity benefit as per following policy that rendering their service without break:

Completed years of Service	Payment of Gratuity
8 years & above	2.00 basic for each year of service in MTB
7 years	1.70 basic for each year of service in MTB
6 years	1.35 basic for each year of service in MTB
5 years	1.00 basic for each year of service in MTB

c) MTB Employees' Welfare Fund

The welfare fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund from time to time. The fund has been established to provide a token of appreciation or financial assistance to the employees and their family members for education, funeral function etc. The fund is governed and administered by the Board of trustees consisting of four (04) members.

d) MTB Employees' Medical Assistance Fund

Medical Assistance fund is subscribed by the employees as per policy. The Bank also contributes to the fund from time to time. The fund has been established to provide medical assistance to the employees with dependents. The fund is governed and administered by the Board of trustees consisting of four (04) members.

e) MTB Employees' Hospitalization and Group Life Policy

The Bank, as an adherence to the best practice in the banking industry and to strengthen its corporate culture, introduced the Group Life and Hospitalization policy for its employees and their dependents (spouse and kids) effective from 01 January 2019.

f) MTB Employees' Death Benefit Plan

The plan has been formed to provide financial benefit to the bereaved family of a deceased employee. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of four (04) members. In case of death of an employee while in active service, financial benefit is paid to the nominee of the deceased employee at a prescribed amount ranging from BDT 3 (three) lacs to 10 (ten) lacs.

g) MTB Foundation

The Bank, as part of corporate social responsibility, has established MTB Foundation for the benefit of the community in which it operates and as part of its said responsibility it commits itself to human development, poverty alleviation and overall national economic development. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of nine (09) members.

h) Incentive Bonus

Mutual Trust Bank Limited has started an incentive bonus scheme for its employees. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually and costs are accounted for the period to which it relates.

2.3.5 Debt securities

The Bank issued a contingent-convertible Perpetual bond as additional Tier-1 capital having received required approval from Bangladesh Bank and BSEC through private placement and bank issued 7-year non-convertible floating rate subordinated debts in two phases mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Outstanding balance against the Bonds are stated in the financial statements at principal amount and interest payable of which is reported under other liabilities. Details of debt securities is given in note no. 13.a & annexure-D of the financial statements.

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30

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Sr. Executive Vice President & Secretary
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

2.3.6 Taxation

a. Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other period or are never taxable or deductible. Bank's liability for current tax is calculated using tax rates that have been enacted the reporting period. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated.

b. Deferred tax

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh, as per IAS 12 (Income Taxes) and BRPD Circular no. 11 dated 12 December 2011. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred Tax liabilities are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Details of deferred tax assets or liabilities and amount recognized in profit and loss account for deferred tax income or expense are given in note 9.a.4.2.1 in the financial statements.

2.3.7 Provision for Nostro Accounts

As per instructions contained in the Circular Letter # FEPD (FEMO)/01/2005-677, dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, the Bank is not required to make a provision regarding the un-reconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no un-reconciled entries which are outstanding more than 3 months.

2.4 Capital and shareholders' equity

2.4.1 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the Bank. The Bank's finance and risk management department are key to implementing the Bank's capital strategy and managing capital. Capital is managed by using both regulatory control measure and internal matrix.

2.4.2 Paid-up capital

Paid-up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4.3 Statutory reserve

The Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (and amendment thereon).

2.4.4 Share Premium

Share premium is the capital that the Bank raises upon issuing shares that is in excess of the nominal value of the shares. The share premium shall be utilized in accordance with provisions of section 57 of the Companies Act, 1994 and as directed by Bangladesh Securities and Exchange Commission in this respect.

2.4.5 Revaluation Reserve on Govt. Securities

Revaluation reserve represent revaluation on Treasury bond (HFT and HTM) in accordance with the DOS Circular # 05 dated 26 May 2008 & DOS Circular # 05, dated 28 January 2009.

2.4.6 Non-Controlling Interest

Non-Controlling Interest in business is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.

Off Balance Sheet items

Under general banking transactions, liabilities against acceptance, endorsements and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off-Balance Sheet items. Provision for off balance sheet items is made as per BRPD Circular # 14 dated 23 September 2012 and BRPD Circular # 01 dated 03 January 2018.

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2.6 Memorandum items
Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

2.7 Revenue recognition
The Revenue during the period has been recognized according to the provision of IFRS 15: Revenue from Contracts with Customers, as well as Bangladesh Bank guidelines.

2.7.1 Interest income
In terms of the provisions of the IFRS 15: Revenue from Contracts with Customers, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

- a) Interest on unclassified loans and advances (except SMA) has been accounted for as income on accrual basis and calculated on daily product basis but charged and accounted for quarterly and in some cases yearly;
- b) Interest on classified loans and advances has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per instruction of Bangladesh Bank;
- c) No interest is charged on loans and advances which have been classified as bad/loss;
- d) Commission and discount on bills purchased and discounted are recognized at the time of realization; and
- e) Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

2.7.2 Investment income
Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

- Income on investment in treasury bills, bonds, preference shares and debenture etc. other than equity shares has been accounted for on accrual basis.
- Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.
- Dividend on equity shares is recognized during the period in which it is declared and duly approved.
- Net increase in securities held to maturity during the period due to the valuation at mark-to-market basis has been credited to income statement.

2.7.3 Fees and commission income

- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- Fees and Commissions on bills discounted, purchased & others are recognized at the time of realization.
- Foreign currency transactions are converted into BDT at prevailing on the dates of such transactions and exchange gains or losses arising out of such transactions are recognized as income or expense for the period and dealt with exchange account.

2.7.4 Dividend income on shares
Dividend income on shares is recognized during the period in which it is declared and ascertained.

2.7.5 Other operating income
Other operating income is recognized at the time when it is realized.

2.7.6 Interest paid on deposits and borrowings
Interest paid on deposits, borrowing and other expenses are recognized on accrual basis.

2.7.7 Operating expenses
Expenses incurred by the bank are recognized on accrual basis. Expenses incurred by the Bank shown in these financial statements are inclusive of VAT where applicable as per the Value Added Tax Act, 2012.

2.7.8 Other comprehensive income
Other comprehensive income is not prepared in accordance with IAS 1: Presentation of Financial Statements. However, elements of other comprehensive income, if any, are shown in the statement of changes in equity.

2.8 Earnings per share

Basic earnings per share

Basic earnings per share have been calculated in accordance with IAS 33: Earnings per Share which has been shown on the face of statement of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

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Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year. The basis of computation of number of shares is in line with the provision of IAS 33: Earnings per Share.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.9 Reconciliation of inter-bank/inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

2.10 Proposed dividend

Final dividend is recognized when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2021 has not been recognized as a liability in the balance sheet in accordance with IAS 10: Events after the Reporting Period. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

2.11 Operating segment

As per IFRS- 8: The Group has identified following five reportable segments which are the Group's major strategic business units/entities. The strategic business units offer different products and services, and are managed separately based on the management and internal reporting structure of the group. For each of the strategic business units, the Group's/Bank's Management Committee reviews internal management reports on quarterly basis. The following summary describes the operations in each of the reportable segments:

	Segment Name	Description
Solo	DBO (Domestic Banking Operation)	Deals with the full range of commercial banking products and services offered by four different business units: Corporate, Commercial, Retail Banking and Treasury.
	OBU (Offshore Banking Unit)	Deals with loans, deposits and other transactions and balances in freely convertible currencies with eligible corporate customers.
Consolidated	MTB Securities Limited	It buys, sells and deals in shares, debentures and other securities on behalf of customers and does margin lending etc.
	MTB Capital Limited	It offers issue management, underwriting, portfolio management, corporate advisory services to the clients including advisory services on merger and amalgamation, capital restructuring, bond services etc.
	MTB Exchange (UK) Limited	It deals with trade finance and off-shore banking business in United Kingdom.

Performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the Management Committee of the Bank. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments.

2.12 Litigation

The Bank is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The Bank, however, provides adequate provisions as per guidelines of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

2.13 Write-Off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus canceled and removed from ("written off") the bank's statement of financial position. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.14 Accounting for changes in policy, Accounting Estimates and Errors

According to IAS 8: Accounting policies, changes in accounting estimates and errors, the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

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2.15 Related Party disclosures

A party is related to the company if:

- directly or indirectly through one or more intermediaries, the party control, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- the party is an associate;
- the party is a joint venture;
- the party is a member of the key management personnel of the company or its parent;
- the party is a close member of the family of any individual referred to in (i) or (iv);
- the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

2.16 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Financial Reporting Council of Bangladesh (FRC) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). Mutual Trust Bank Limited has applied all the applicable IASs and IFRSs as adopted by the FRC while preparing the financial statements. Details are given below:

Name of the International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
International Financial Reporting Standards (IFRS)		IFRS No.
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied*
Regulatory Deferral Accounts	14	N/A
Revenue from contracts with customers	15	Applied
Leases	16	Applied

Bangladesh Bank is the prime regulatory body for banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the provision of IAS/IFRS as marked above and described in note 2.1.1 As such the bank has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

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2.17 Risk Management

Risk is an integral part of banking business, and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. MTB conducts its risk management activities following six core risk guidelines of Bangladesh Bank and Basel norms. At the directives of Bangladesh Bank, MTB has established a separate Risk Management Division (RMD) to identify, measure, monitor and manage risks more effectively and efficiently. MTB's Risk management process is accomplished at strategic level, managerial level and at operational level. At strategic level, MTB Board of Directors (BOD), through Board Risk Management Committee (BRMC) & senior management, sets up risk governance structure & risk philosophy, endorses risk strategies, reviews & approves risk policies as well as the threshold limits of risks that may be taken in line with Bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. At managerial level, policies and strategies formulated by BOD are implemented by middle management or divisions/departments/units devoted to risk reviews. RMD reports high-risk related matters, identified by the management-level risk committee to the BRMC. RMD also submits periodic stress testing results to the BOD as well. Operational level encompasses on-the-line risk management, where risks are actually created at front office or at credit desk of the bank.

MTB's risk management in the following areas, among others, is mentioned briefly:

(a) Credit Risk Management

Credit risk is the risk due to a borrower's inability to meet its financial obligations to the lender. The credit risk is generally made up of transaction risk or default risk and portfolio risk. We have standardized credit approval processes. Credit risk is controlled through segmental exposure limits to various industries and sectors, prudential exposure and substantial exposure ceiling and risk mitigation by obtaining collateral and guarantees.

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. In addition to Credit Risk Management Policy, the Bank has also framed Board approved credit policy and ensures compliance with regulatory requirements, more particularly in respect of Exposures norms, Assets Classification guidelines, Capital Adequacy guideline, etc. of Bangladesh Bank/other Statutory Authorities.

Credit Risk is monitored by the Bank account wise and compliance with the risk limits/exposure cap approved by the Board is ensured. The quality of internal control system is also monitored and in-house expertise has been built up to tackle all the facets of Credit Risk.

The Bank follows a well-defined multi layered discretionary power structure for sanction of loans. Credit Grid has been constituted at Head office level for considering fresh/enhancements proposals. The Bank assesses various risk factors for new products prior to its introduction.

(b) Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, equity and commodity prices.

i. Foreign Exchange Risk Management

Foreign Exchange Risk is a measure by the variance of the domestic currency value of an asset, liability or operating income that is attributable to unanticipated change in the exchange rates. Simply, it is the risk that relates to gains/losses that arise due to fluctuations in the exchange rates.

In view of the significance of the market risk and in order to aggregate all such risks at a single department and to bring expertise in such functions, the concept of treasury has evolved. Today's financial institutions engage in activities from import, export and remittance to complex derivatives involving basic foreign exchange and money market to complex structured products. All these require a high degree of expertise that is difficult to achieve in the transactions originating from departments and as such the expertise is housed in a separate department i.e. Treasury.

MTB has already segregated Treasury functions in three separate wings i.e. Front office, Back office and Mid office.

In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department is performing the foreign exchange dealing in an appropriate manner and managing risks of the organization's overall balance sheet as well as the capital of the Bank.

ii. Interest Rate Risk

MTB's focus is mainly on interest rate risk arising from conduct of normal business. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction threatens the very existence of the institutions. It is therefore, imperative for the bank to form a Asset Liability Management

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35
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Committee (ALCO)" with the senior management as its members to control and better manage its Balance Sheet Risk.

In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MTB has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM).

MTB ALM desk performs Money Market activities, manages liquidity and interest rate risk of the bank and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

iii. Equity Risk

Equity risk arises from movement in market value of securities. The investment committee monitors the risks under a well-designed policy framework.

(c) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control framework. Material losses are regularly analyzed by cause and actions are taken to improve system and controls to prevent recurrence in the future.

MTB has restructured Internal Control and Compliance Department (ICCD) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Department is comprised of three divisions; Audit and Inspection Division, Compliance Division and Monitoring Division. The Bank has developed Internal Control and Compliance Policy duly approved by the Board of Directors, complying with the directives of the revised guidelines of Bangladesh Bank on ICC in Banks.

As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank.

The Compliance and Monitoring Divisions of this department ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICCD reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

The ICCD also ensures clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within the organization with active guidance and supervision of senior management and Board of Directors.

Business entities today exist in a highly competitive world. They are constantly innovating to meet their business objectives providing essential and unique services to their customers. Technology advances have enabled them to achieve their varied strategies. And yet, the threats of disaster, on account of business interruption, are not extinct. In fact, they have also evolved along with the technology. Keeping that in mind MTB has taken up its Business Continuity Planning (BCP) as the most significant challenges working out a way to prevent, if possible, and manage the consequences of a disaster, limiting it to the extent that a business can afford. Besides BCP, the Bank is also focusing on combating security threats as well. In keeping with our centralized management model, each branch within the Bank has its own ICT systems. Actions taken include the updating of software and analyzing new software, enhancing ICT related controls, training of staff in system knowledge and sharing of best practices between branch users.

(d) Money Laundering Risk

Money Laundering risk of Financial Institutions lies with the involvement in any single transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities. So it is a major threat to the banks and non-bank financial institutions.

Mutual Trust Bank (MTB), as a compliant bank, is firmly determined not to let money launderers and terrorists or perpetrators to use it as a channel to launder money or finance terrorism in any possible way. Hence, MTB has its own Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT) compliance program which is designed considering the size & range of activities, complexity of operations and the nature & degree of Money Laundering & Terrorist Financing risks faced by the bank. Certainly, it is designed as per the prevailing laws (i.e. Money Laundering Prevention Act, 2012 (Amendment 2015), The Anti-Terrorism Act, 2009 (Amended- 2012 & 2013), rules (i.e. Money Laundering Prevention Rules, 2013, Anti-Terrorism Rules, 2013), BFIU guidelines (i.e. Money Laundering and Terrorist Financing Risk Management Guidelines), circulars & instruction and international standards. MTB applies risk sensitive Customer Due Diligence (CDD) measures,

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36
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monitors business relationships and records suspicious transactions pursuant to the national regulations and international standards.

MTB has developed its own Money Laundering (ML) & Terrorist Financing (TF) Risk Management Guideline entailing the customer acceptance policy and the ML & TF Risk Assessment Guideline. The customer acceptance policy incorporates the detail customer due diligence procedure for acceptance/rejection of customer, procedures to open & operate different types of account. The ML & TF Risk Assessment Guideline incorporates the risk register in line with BFIU guideline. Department has been reformed as 'Central Compliance Unit (CCU)' under the direct supervision of the MD & CEO which consists of 8 (eight) members having expertise in the field of general banking and information technology. Every year, the MD & CEO of the bank makes statement of commitment in writing to all employees that clearly sets forth MTB's policy against Money Laundering, Terrorist Financing & Proliferation Financing.

(e) Fraud and Forgeries

Fraud Detection and Management Process: The Bank has its board approved Fraud Management Policy. Internal Audit (IA) team conducts surprise audit on all MTB branches and offices of the Head Office at least once in a year (high risk branches are audited half-yearly basis). While auditing branches and offices, the Internal Audit (IA) teams thoroughly check the operational activities of the branches/offices including transactions in various accounts and search for any irregularities occurred in those accounts. IA teams also monitor the staff accounts and if necessary investigate the suspicious transactions and report the same to the management. IA teams also conduct investigation into specific allegations and submits reports to the management for action. Senior management of the bank also conducts regular visit to MTB branches and advises the branch officials to comply with all the regulatory instructions, policies and procedures of the bank.

2.18 Implementation of BASEL-III

Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel-III) vide its BRPD Circular 18 dated 21 December 2014 that Basel-III reporting start from January 2015 and full implementation will start from January 2021. The Basel-III rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio and promoting counter-cyclical buffers and addressing systemic risk and interconnectedness.

In 2021, the Bank is required to maintain minimum Common Equity Tier-1 (CET-1) capital ratio of 4.50%, capital conservation buffer 2.50%, minimum CET-1 plus conservation buffer of 7.00%, minimum Tier-1 capital ratio of 6.00%, minimum total capital ratio 10.00% and minimum total capital plus capital conservation buffer 12.50%

Pillar-I: Minimum Capital Requirement

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business. Mutual Trust Bank Limited has adopted the following measurement approaches for computing its Capital Adequacy Ratio:

- Standardized Approach for Credit Risk
- Basic Indicator Approach for Operational Risk, and
- Standardized Approach for Market Risk

Pillar-II: Supervisory Review Process (SRP)

The Supervisory Review Process (the Second Pillar of Basel-III) of the risk-based capital adequacy framework is intended to ensure that banks have adequate capital to support all the risks in the business and, concurrently, to encourage banks to develop and utilize superior risk management techniques in monitoring and managing risks. In compliance with the Pillar-II guidelines of the Bangladesh Bank under Basel-III framework, Mutual Trust Bank Limited has formulated its own Board approved Internal Capital Adequacy Assessment Process (ICAAP) to assess various risks that it is exposed to. Following Risk has to be assessed for Adequate Capital Requirement under ICAAP as per Bangladesh Bank Guideline:

- Residual Risk
- Concentration Risk
- Liquidity Risk
- Reputation Risk
- Strategic Risk
- Settlement Risk
- Evaluation of Core Risk Management
- Environmental & Climate Change Risk
- Other Material Risks

Pillar-III: Market Discipline

The purpose of market discipline is to establish transparency and discipline in the financial markets so that stakeholders can assess the position of a bank with respect to the assets held by it as well as to identify the risks relating to these assets and the capital adequacy to meet probable losses. For this purpose, banks have to develop a set of disclosures containing information on the assets, risk exposures, risk assessment processes and the capital adequacy to meet the risks. The Pillar-III Disclosures are published on a yearly basis on the Bank's website also published in the Bank's Annual Report.

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37
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2.19 Audit Committee

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 4 (Four) Directors of the Board.

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee
01.	Ms. Nasreen Sattar	Independent Director	Chairman
02.	Mr. M. A. Rouf JP	Director	Member
03.	Ms. Anika Chowdhury	Director	Member
04.	Mr. Daniel Donald de Lange	Director	Member
05.	Mr. Faruq Ahmad Siddiqi	Independent Director	Member

During the period, 04 (Two) meetings of the audit committee were held.

Audit committee reviews various audit/inspection reports at regular intervals. Upon scrutiny of the audit objections and compliance, the committee advised the management to remain within the policy guidelines and directives of the regulatory authorities.

As per circular, the committee places their report regularly to the board meetings of the Bank mentioning their activities & recommendations of the internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.20 Directors responsibility on statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.21 Credit rating of the Bank

As per BRPD Circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the audited financial statements as at and for the year ended 31 December 2020. The following ratings have been awarded:

Particulars	Periods	Date of rating	Validity Date	Long term	Short term
Entity rating	January to December 2020	23 May 2021	22 May 2022	AA	ST-2
Entity rating	January to December 2019	15 July 2020	14 July 2021	AA	ST-2

2.22 Events after the reporting period

Material events after the reporting period need to be considered and appropriate adjustments/ disclosures accordingly are always made in the financial statements as per IAS 10: Events after the Reporting Period. Board's recommendation for dividend distribution is a common item presented in the note no. 51.

2.23 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 25 April 2022.

2.24 General:

- These financial statements are presented in BDT, which is the Bank's functional currency. Figure appearing in these financial statements have been rounded off to the nearest BDT.
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- Figures of previous year have been rearranged whenever necessary to conform to current period's presentation.
- No Asset has been set off against any Liability except MTB General Account.

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38

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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
3.00 Consolidated cash		
i. Cash in hand (including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.1)	3,602,713,035	2,820,629,650
MTB Securities Limited	12,323,610	10,610,302
MTB Capital Limited	11,934	3,917
MTB Exchange (UK) Limited	2,449,942	8,711,439
	3,617,498,521	2,839,955,309
ii. Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.2)	11,197,635,965	8,941,539,411
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	11,197,635,965	8,941,539,411
	14,815,134,486	11,781,494,720
3.a Cash		
Cash In Hand (Including Foreign Currency)	3,602,713,035	2,820,629,650
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)	11,197,635,965	8,941,539,411
	14,800,349,000	11,762,169,061
3.a.1 Cash In Hand (Including Foreign Currency)		
Local Currency	3,509,787,858	2,772,015,187
Foreign Currency	69,126,089	48,614,463
	3,578,913,947	2,820,629,650
Islamic Banking Branches	23,799,088	-
	3,602,713,035	2,820,629,650
3.a.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)		
With Bangladesh Bank:		
Local Currency	9,642,188,956	8,556,504,979
Foreign Currency	1,201,410,389	232,837,558
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	243,309,042	152,196,873
	11,086,908,387	8,941,539,411
Islamic Banking Branches	110,727,578	-
	11,197,635,965	8,941,539,411

Bangladesh Bank Adjustment Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2021 is given below:

Period	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	51	10	(474,452,622)	8,188,794
3 months to Less than 6 months	0	0	-	-
6 months to Less than 12 months	0	0	-	-
12 months and more	0	0	-	-
Total	51	10	(474,452,622)	8,188,794

All unadjusted entries are subsequently adjusted on regular basis.

3.a.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of The Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank MPD circular no. 03 dated 09 April 2020, DOS circular no. 26 dated 19 August 2019 and BRPD (P-3)/744(27)/2020-4086 for Offshore Banking Unit.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020; bank has to maintain CRR 3.50% on daily basis and 4.00% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at 31 December 2021 is presented below.

B. Cash Reserve Requirement (CRR) for Offshore banking Unit

As per Bangladesh Bank circular no. BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020; Offshore banking unit has to maintain CRR 1.50% on daily basis and 2.00% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at 31 December 2021 is presented below.

i. Daily Bank's CRR Maintenance including Offshore Banking Unit

Required Reserve (3.50% of ATDTL) for DBO
Required Reserve (1.50% of ATDTL) for OBO

Actual Reserve Maintained
Surplus

Dec'2021		Dec'2020	
Ratio in %	BDT Million	Ratio in %	BDT Million
3.50%	6,980.17	3.50%	7,217.88
1.50%	149.03	1.50%	115.06
Total	7,129.20	Total	7,332.94
4.49%	9,175.92	4.01%	8,402.41
	2,046.72		1,069.47

ii. Bi-weekly Bank's CRR Maintenance*

Required Reserve (4.00% of ATDTL) for DBO
Required Reserve (2.00% of ATDTL) for OBO

Actual Reserve Maintained
Surplus

	Dec'2021		Dec'2020
4.00%	7,977.33	4.00%	8,249.00
2.00%	198.71	2.00%	153.41
Total	8,176.04	Total	8,402.41
4.08%	8,344.40	4.02%	8,443.93
	168.36		41.52

* Last bi-weekly average as of 31 December 2021

C. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 Issued by Bangladesh Bank with effect from February 1, 2014, bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the bank as at 31 December 2021 is presented below.

Required Reserve (13% of ATDTL) for DBO
Required Reserve (13% of ATDTL) for OBO

Actual Reserve Maintained
Surplus

Dec'2021		Dec'2020	
Ratio in %	BDT Million	Ratio in %	BDT Million
13.00%	25,926.34	13.00%	26,809.27
13.00%	1,291.63	13.00%	997.16
Total	27,217.97	Total	27,806.43
21.61%	45,254.25	16.90%	36,143.77
	18,036.28		8,337.34

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Corporate Head Office, Dhaka

Muhammad Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)		
Cash in Hand	3,578.91	2,820.63
Excess Cash Reserve*	999.88	344.94
Balance with Agent Bank (Sonali Bank Ltd)	243.31	152.20
Held to Maturity (HTM) Securities	35,532.25	26,055.44
Held for Trading (HFT) Securities	4,896.24	6,636.73
Other eligible securities	3.66	133.86
	45,254.25	36,143.80
*As per Bangladesh Bank DOS circular no. 26 dated 19 August 2019; Cash Reserve (if any) in excess of 3.50% of ATDTL calculated on bi-weekly average basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.		
4.00 Consolidated Balance with other Banks and Financial Institutions		
In Bangladesh		
Mutual Trust Bank Limited (Note-4.a.1)	1,543,685,647	2,947,899,942
MTB Securities Limited	1,412,381,790	843,199,205
MTB Capital Limited	13,846,460	18,554,835
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(1,174,516,722)	(486,776,659)
	1,795,397,175	3,322,877,323
Outside Bangladesh		
Mutual Trust Bank Limited (Note-4.a.2)	2,169,981,973	1,708,088,615
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,169,981,973	1,708,088,615
	3,965,379,148	5,030,965,937
4.a Balance with other Banks and Financial Institutions		
In Bangladesh (Note-4.a.1)		
Outside Bangladesh (Note- 4.a.2)	1,543,685,647	2,947,899,942
	2,169,981,973	1,708,088,615
	3,713,667,620	4,655,988,556
4.a.1 In Bangladesh		
Term Placement	111,200,000	2,800,000,000
Union Capital Limited	65,700,000	-
GSP Finance Company (Bangladesh) Limited	45,500,000	-
National Credit and Commerce Bank Limited	-	600,000,000
South Bangla Agriculture And Commerce Bank Limited	-	200,000,000
Social Islamic Bank Limited	-	500,000,000
One Bank Limited	-	500,000,000
Mercantile Bank Limited	-	600,000,000
Meghna Bank Limited	-	200,000,000
NRB Bank Limited	-	200,000,000
Special Notice Deposit (SND)	88,268,533	57,654,171
BASIC Bank Limited	34,565,391	33,798
Sonali Bank Limited	53,616,293	37,387,475
Agrani Bank Limited	82,194	741,539
Janata Bank Limited	2,144	19,491,360
NRBC Bank Limited	1,000	-
Islami Bank Bangladesh Limited	1,510	-
Current Deposits (CD)	254,217,113	90,245,770
bKash Limited	87,799,320	1,032,500
Arab Bangladesh Bank Limited	-	647,997
Southeast Bank Limited	647,997	1,510
Islami Bank Bangladesh Limited	-	13,065
Standard Chartered Bank (SCB)	15,824,163	-
Janata Bank Limited	16,455,417	88,550,698
Agrani Bank Limited	133,490,216	-
Offshore Banking Unit	-	-
Islamic Banking Branches	1,090,000,000	-
	1,543,685,647	2,947,899,942
4.a.2 Outside Bangladesh (NOSTRO Accounts)		
In current account		
Mashreq bank, New York	443,788,878	101,091,959
Standard Chartered Bank, New York	372,420,813	364,251,320
Habib American Bank, New York	36,008,955	403,398,862
Commerz Bank, Germany	31,018,824	32,766,083
Mashreq Bank London	-	3,996,725
KB Kookmin Bank	20,758,959	67,718,495
JP Morgan, New York	389,061,432	19,242,826
ICICI, Hong Kong	27,118,598	20,941,116
Standard Chartered Bank, Singapore	6,133,864	8,962,814
JP Morgan, London	7,707,625	7,200,063
Standard Chartered Bank, London	40,838,747	22,381,603
Habib American Bank, Zurich	9,005,217	17,371,305
Standard Chartered Bank, Tokyo	9,663,692	17,713,651
UBAF, Tokyo	-	554,697
Standard Chartered Bank, Germany	42,904,788	3,219,994
ICICI, Mumbai	600,309	640,297
Unicredit, Germany	13,680,835	16,532,143
Commerz Bank, Germany	102,797,452	56,970,447
United Bank of India, Kolkata	411,407	438,908
Standard Chartered Bank, Mumbai	10,992,285	32,875,060
Standard Chartered Bank, Kolkata	42,941,396	42,441,914
Standard Chartered Bank, Pakistan	27,758,960	21,952,563
Standard Chartered Bank, Colombo	13,275,444	9,075,357
Sonali Bank, Kolkata	3,827,504	7,315,446
Habib Metropolitan	21,562,866	12,927,756
Mashreqbank, Mumbai	36,851,944	37,081,756

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Reza
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Abdur Rahman
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements

For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
AB Bank, Mumbai	97,021,150	42,630,713
Axis Bank, Mumbai	45,839,398	34,772,639
ICICI, Mumbai	71,970,973	19,352,133
Himalayan Bank Ltd., Kathmandu	9,394,242	9,284,971
Nepal Bangladesh Bank Ltd.	11,323,378	11,191,668
United Bank of India, Kolkata	7,072,522	4,348,167
HDFC Bank, Mumbai	57,409,664	22,179,152
EMIRATES ISLAMIC BANK	10,083,688	59,328,492
MASHREQ BANK, UAE	51,859,978	85,426,107
Commerz Bank, Germany	2,764,364	5,019,070
Bank Al Bilad	9,075,716	9,760,863
Bank Al Rajhi	5,027,902	-
Riyadh Bank	2,399,680	-
	2,092,373,540	1,632,357,135
ICICI Bank Ltd., Mumbai - Term Deposit	28,032,607	28,032,607
	2,120,406,147	1,660,389,742
Offshore Banking Unit	49,575,826	47,608,873
	2,169,981,973	1,708,088,615
Details of NOSTRO accounts are shown in Annexure-A		
4.a.3 Maturity grouping of Balance with other Banks and Financial Institutions		
On Demand	2,398,117,721	3,006,625,743
Less than three months	952,734,689	1,184,485,416
More than three months but less than one year	295,319,243	370,254,733
More than one year but less than five years	35,125,261	44,038,086
More than five years	32,370,706	40,584,579
	3,713,667,620	4,655,988,556
5.a Money at Call on Short Notice		
Call Money		
With Banking Companies (Note 5.a.1)	200,000,000	-
With Non-Banking Financial Institutions (Note 5.a.2)	-	1,114,100,000
	200,000,000	1,114,100,000
5.a.1 Call Money-With Banking Companies		
Midland Bank Limited	200,000,000	-
	200,000,000	-
5.a.2 Call Money-With Non-Banking Financial Institutions		
Bangladesh Finance and Investment Company Limited	-	23,000,000
Union Capital Ltd	-	72,100,000
GSP Finance Company (Bangladesh) Limited	-	59,000,000
IPDC Finance Ltd	-	200,000,000
IDLC Finance Limited	-	290,000,000
Delta Brac Housing Finance Corporation Ltd	-	300,000,000
Lanka Bangla Finance Ltd	-	170,000,000
	-	1,114,100,000
6.00 Consolidated Investments		
Government Investment		
Mutual Trust Bank Limited (Note-6.a.1)	40,852,130,399	32,826,020,472
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	40,852,130,399	32,826,020,472
Other Investments		
Mutual Trust Bank Limited (Note-6.a.3)	4,924,291,954	2,555,928,977
MTB Securities Limited	1,268,830,421	1,011,754,622
MTB Capital Limited	372,131,084	262,994,112
MTB Exchange (UK) Limited	-	-
	6,565,253,459	3,830,677,710
	47,417,383,858	36,656,698,182
6.a Investments		
Government (Note 6.a.1)	40,852,130,399	32,826,020,472
Others (Note 6.a.3)	4,924,291,954	2,555,928,977
	45,776,422,353	35,381,949,449
6.a.1 Government (Investment in Govt. securities)		
Treasury Bills (Note 6.a.1.1)	219,059,856	3,153,969,176
Treasury Bonds (Note 6.a.1.2)	40,209,434,833	29,538,192,395
Sukuk Islamic Bond	-	131,990,000
Bangladesh Bank Bills	-	-
Prize Bonds	3,655,710	1,868,900
	40,432,150,399	32,826,020,472
Islamic Banking Branches	419,980,000	-
	40,852,130,399	32,826,020,472
6.a.1.1 Treasury Bills (at present value)		
Un-encumbered		
28 days treasury bills	-	-
91 days treasury bills	-	765,565,976
182 days treasury bills	-	898,458,300
364 days treasury bills	219,059,856	1,489,944,900
Sub-total	219,059,856	3,153,969,176
Encumbered		
91 days treasury bills	-	-
182 days treasury bills	-	-
364 days treasury bills	-	-
Sub-total	-	-
Total Treasury Bill	219,059,856	3,153,969,176

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Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
6.a.1.2 Treasury Bonds		
Un-encumbered		
2 Years Bangladesh Government treasury bonds	1,451,873,250	1,446,812,333
5 Years Bangladesh Government treasury bonds	2,854,036,245	3,070,187,652
10 Years Bangladesh Government treasury bonds	12,602,438,520	9,072,718,277
15 Years Bangladesh Government treasury bonds	9,102,199,215	5,476,128,992
20 Years Bangladesh Government treasury bonds	14,198,887,602	10,472,345,142
Sub-total	40,209,434,833	29,538,192,395
Encumbered		
2 Years Bangladesh Government treasury bonds	-	-
5 Years Bangladesh Government treasury bonds	-	-
10 Years Bangladesh Government treasury bonds	-	-
15 Years Bangladesh Government treasury bonds	-	-
20 Years Bangladesh Government treasury bonds	-	-
Sub-total	-	-
Total Treasury Bond	40,209,434,833	29,538,192,395
Islamic Banking Branches	419,980,000	-
	40,629,414,833	29,538,192,395
6.a.2 Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM) (Note 6.a.2.1)	35,952,231,911	26,055,435,906
Held for Trading (HFT) (Note 6.a.2.2)	4,896,242,778	6,636,725,666
Other Securities	4,927,947,664	2,689,787,877
	45,776,422,353	35,381,949,449
6.a.2.1 Held to Maturity (HTM)		
Treasury Bond		
2 Years	-	43,925,439
5 Years	2,209,742,445	2,846,157,457
10 Years	11,305,152,528	8,273,300,776
15 Years	8,601,000,926	4,540,972,240
20 Years	13,838,338,012	10,351,079,993
	35,952,231,911	26,055,435,906
6.a.2.2 Held for Trading (HFT)		
Treasury Bill		
91 days	-	765,565,976
182 days	-	898,458,300
364 days	219,059,856	1,489,944,900
Treasury Bond		
2 Years	1,451,873,250	1,402,886,894
5 Years	1,084,273,800	224,030,195
10 Years	1,297,285,992	799,417,500
15 Years	501,198,290	935,156,752
20 Years	382,551,591	121,265,149
	4,896,242,778	6,636,725,666
6.a.3 Other (Investment in other securities)		
Shares and Mutual Fund in quoted companies		
Shares in Quoted companies	1,160,536,014	165,337,483
Mutual Fund in Quoted companies	96,275,759	377,111,304
	1,256,811,773	542,448,787
Shares in unquoted companies (at face value)		
BD Venture Limited	20,000,000	20,000,000
Central Depository (BD) Limited	15,694,430	15,694,430
Energy pack Power Generation Limited	-	50,000,000
Industrial & Infrastructure Development Finance Company Limited	71,770,260	71,770,260
LIC Bangladesh	30,000,000	30,000,000
Central Counterparty Bangladesh Limited	37,500,000	37,500,000
The Bangladesh Rating Agency Limited	4,915,500	4,915,500
	179,880,190	229,880,190
Funds		
Unquoted Mutual Fund	267,599,991	217,600,000
	267,599,991	217,600,000
Subordinated Bonds		
AB Bank Subordinate Bond	-	16,000,000
One Bank Subordinated Bond	40,000,000	60,000,000
Trust Bank Subordinated Bond	40,000,000	60,000,000
UCB 3rd Subordinated Bond	150,000,000	200,000,000
Jamuna Bank Subordinated Bond	90,000,000	120,000,000
AIBL Second Mudaraba Bond	80,000,000	100,000,000
IPDC Subordinated Bond	120,000,000	160,000,000
NBL Subordinated Bond	150,000,000	200,000,000
	670,000,000	916,000,000
Perpetual Bonds		
Jamuna Bank Perpetual Bond	650,000,000	650,000,000
NCC Bank Perpetual Bond	400,000,000	-
	1,050,000,000	650,000,000
Investment in Preference Share		
United Jamalpur Power Ltd.	1,500,000,000	-
	1,500,000,000	-
Total other investments	4,924,291,954	2,555,928,977
(Details are shown in Annexure-B)		

6.a.4 There was no Re-Purchase Agreement (Assets pledged as security for liabilities) as at December 31, 2021 with other Banks. Details are given below:

(a) i. Disclosure regarding outstanding Repo as at December 31, 2021

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Inter Bank (Reverse Repo)	-	-	-
Total	-	-	-

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42
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Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020

ii. There was no Reverse Repo as at 31 December 2021.

(b) Disclosure regarding overall transaction of Repo for the year 2021

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank			
ii) with Other Banks & Financial Institutions	6,490,921,084	199,601,000	325,549,220
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	1,594,568,885	9,918,700	48,885,772

6.a.5 Maturity grouping of Investment as follows:

On Demand	1,528,067,474	706,925,664
Less than three months	1,380,830,450	854,728,821
More than three months but less than one year	920,298,545	5,410,601,373
More than one year but less than five years	7,301,272,957	12,552,052,209
More than five years	34,645,952,928	15,857,641,381
	45,776,422,353	35,381,949,449

7.00 Consolidated Loans and Advances/Investments:

Mutual Trust Bank Limited (Note-7.a)	219,396,487,169	199,101,413,459
MTB Securities Limited	3,200,807,474	2,758,173,678
MTB Capital Limited	380,471,869	291,557,048
MTB Exchange (UK) Limited	-	-
Less: Inter-company loan	(493,904,927)	(154,329,988)
	222,483,861,585	201,996,814,197

Consolidated bills purchased and discounted:

Mutual Trust Bank Limited (Note-7.a)	3,527,713,085	1,746,691,375
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	3,527,713,085	1,746,691,375
	226,011,574,670	203,743,505,572

7.01 Significant concentration wise grouping of Consolidated Loans and Advances/Investments:

a) Directors		
Credit Cards (Note - 46)	1,077,300	85,555
b) Chief Executive & other Senior Executives	848,343,729	897,359,140
i) Managing Director	-	-
ii) Other Senior Executives	848,343,729	897,359,140
c) Advances to Industries		
Agriculture	3,188,679,653	1,072,530,729
RMG	37,054,273,187	36,061,274,711
Textile	12,409,196,162	15,509,761,634
Ship Building	2,005,332,100	2,250,291,971
Ship Breaking	3,803,379,886	3,772,626,707
Other Manufacturing industry	61,140,856,876	51,853,880,070
SME loans	27,820,139,675	29,607,882,775
Construction	4,134,021,171	3,606,234,828
Power, Gas	3,102,653,120	2,815,397,515
Transport, Storage and Communication	881,582,573	374,732,171
Trade Service	24,018,150,476	14,449,080,029
Commercial real estate financing	5,398,960,541	9,280,232,917
Residential real estate financing	15,674,580	1,105,407,245
Consumer credit	16,223,382,149	12,793,694,375
Capital Market (Loan provided for any kind of capital market activities)	4,265,258,632	3,737,259,527
NBFIs	8,354,889,242	4,136,463,046
Others	11,345,723,620	10,419,310,629
	225,162,153,642	202,846,060,878
	226,011,574,670	203,743,505,572

7.02 Classification of Consolidated Loans and Advances/Investments:

Consolidated Unclassified Loans and Advances (UC):		
Standard	208,421,229,449	188,425,367,604
Special Mention Account (SMA)	6,483,324,221	5,930,405,968
Sub total	212,904,553,670	194,355,773,572
Consolidated Classified Loans & Advances:		
Substandard	1,187,168,762	585,186,000
Doubtful	681,520,499	261,891,000
Bad & Loss	11,258,333,739	8,540,655,000
Sub total	13,107,021,000	9,387,732,000
Total	226,011,574,670	203,743,505,572

7.03 Consolidated list of Assets pledged as collaterals:

Collateral of movable/immovable assets	111,332,707,392	138,718,855,504
Commodities and Export documents	32,400,568,479	18,988,067,391
Fixed deposit receipts	9,542,114,105	13,378,383,251
Other securities	48,695,470,226	16,140,250,960
Personal guarantee	24,040,716,469	16,519,948,466
	226,011,574,670	203,743,505,572

7.04 Maturity grouping of Consolidated Loans and Advances/Investments

On Demand	23,909,226,234	23,514,115,207
Not more than three months	51,481,419,528	44,878,872,901
More than three months but less than one year	61,695,675,482	76,441,913,456
More than one year but less than five years	59,247,212,011	51,155,698,736
More than five years	29,678,041,416	7,752,905,272
	226,011,574,670	203,743,505,572

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43
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Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
7.a Loans and Advances/Investments		
In Bangladesh		
Loans (Note-7.a.1)	171,983,466,319	149,837,839,605
Cash Credits	27,811,006,373	29,737,253,013
Overdrafts	19,602,014,476	19,526,320,840
	219,396,487,169	199,101,413,459
Bills Purchased and Discounted (Note-7.a.1.2)	3,527,713,085	1,748,691,375
	222,924,200,254	200,848,104,834
Outside Bangladesh	222,924,200,254	200,848,104,834
7.a.1 Loans / Investments:		
Continuous Loans	8,930,339,393	10,511,408,857
Demand Loans	47,689,838,492	38,371,264,665
Term Loans	81,537,221,535	73,332,210,893
Short term Agri. Credit and Microcredit	5,968,591,628	7,436,492,572
Packing Credit	639,466,141	728,735,729
Credit Cards	3,072,733,014	2,368,599,336
Staff Loan	848,343,729	897,359,139
Lease Finance (Note-7.a.3)	424,295,342	282,748,300
Others loan	12,136,567	594,841,404
	149,122,963,840	134,523,660,895
Offshore Banking Unit	22,515,586,635	15,314,178,710
Islamic Banking Branches	344,915,845	-
	171,983,466,319	149,837,839,605
7.a.1.2 Bill Purchased and Discounted		
Payable in Bangladesh	2,219,022,590	1,207,890,472
Payable outside Bangladesh	822,365,902	255,354,597
	3,041,388,492	1,463,245,070
Offshore Banking Unit	486,324,593	283,446,306
	3,527,713,085	1,746,691,375
7.a.2 Net Loans and Advances/Investments		
Gross Loans & Advances (Note- 7.a)	222,924,200,254	200,848,104,834
Less:		
Interest Suspense (Note- 12.a.6)	5,323,146,759	3,432,498,843
Provision for Loans & Advances (Note -12.a.1)	7,408,588,841	6,989,210,133
Net Loans & Advances	210,194,464,655	190,446,395,858
7.a.3 Gross Lease Rent Receivable		
Within 1 year	371,098,485	241,053,830
Within 5 years	97,500,726	79,338,009
	468,599,211	320,391,839
Less: Unearned Lease Rent	44,301,869	37,643,539
	424,295,342	282,748,300
7.a.4 Residual Maturity grouping of Loans and Advances/Investments		
On Demand	23,765,975,060	23,392,125,978
Not more than three months	51,409,783,941	44,817,878,287
More than three months but less than one year	61,688,201,301	76,169,281,142
More than one year but less than five years	58,065,389,828	50,149,287,597
More than five years	27,994,840,124	6,319,531,831
	222,924,200,254	200,848,104,834
7.a.5 Significant concentration wise grouping of Loans and Advances/Investments		
a) Directors		
Credit Cards (Note - 46)	1,077,300	85,555
b) Chief Executive & other Senior Executives	848,343,729	897,359,140
i) Managing Director	-	-
ii) Other Senior Executives	848,343,729	897,359,140
c) Advances to Industries		
Agriculture	3,188,679,653	1,072,530,729
RMG	37,054,273,187	36,061,274,711
Textile	12,409,198,162	15,509,761,634
Ship Building	2,005,332,100	2,250,291,971
Ship Breaking	3,803,379,888	3,772,626,707
Other Manufacturing industry	61,140,856,876	51,853,880,070
SME loans	27,820,138,675	29,607,882,775
Construction	4,134,021,171	3,606,234,828
Power, Gas	3,102,653,120	2,815,397,515
Transport, Storage and Communication	881,582,573	374,732,171
Trade Service	24,018,150,476	14,448,080,029
Commercial real estate financing	5,398,960,541	9,280,232,917
Residential real estate financing	15,674,580	1,105,407,245
Consumer credit	16,223,382,149	12,793,694,375
Capital Market (Loan provided for any kind of capital market activities)	1,177,884,216	841,858,789
NBFIs	8,354,889,242	4,136,463,046
Others	11,345,723,620	10,419,310,629
	222,074,779,226	199,950,680,140
	222,924,200,254	200,848,104,834
7.a.6 Details of Large Loan / Investments		
Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 29,443.04 million as at 31 December 2021 (BDT 24,552.75 million as of 31 December 2020).		
Number of Clients	26	28
Outstanding Advances (BDT Million)	73,336	91,205

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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars		Amount in BDT			
		2021	2020		
Client wise details are given below:					
Name of the clients	Sanction limit	Outstanding		Total	BDT Million
		Funded	Non - Funded		Status
MSA Group	5,130.00	1,614.00	372.40	1,986.40	UC
City Group	6,520.00	149.30	1,660.00	1,809.30	UC
City Seed Crushing Industries Ltd.	6,450.00	27.30	2,440.30	2,467.60	UC
Clq. Denim	6,935.90	1,771.80	619.10	2,390.90	UC
Bengal Group	5,675.30	2,586.50	967.20	3,553.70	UC
Meghna Group	9,900.00	395.00	2,523.70	2,918.70	UC
Kamafuly Ship Builders Ltd.Vosta.& its allied concerns	3,029.10	641.40	302.50	943.90	UC
Energypac Engineering Ltd.	8,243.40	2,099.60	3,320.70	5,420.30	UC
Dekko Group	5,653.40	2,674.00	1,720.60	4,394.60	UC
AJI Group	4,539.50	1,796.30	1,437.90	3,234.20	UC
EON Group	6,352.50	3,885.20	544.90	4,430.10	UC
AKIJ Group	4,450.00	9.50	427.80	437.30	UC
MIR AKHTER Group	3,679.00	1,806.50	444.60	2,251.10	UC
JMI Hospital Requisite Manufacturing ltd & its allied concerns	4,118.20	1,323.50	492.30	1,815.80	UC
Summit Corporation Limited & its allied concerns	13,250.00	-	292.70	292.70	UC
PRAN - RFL	5,605.10	1,116.60	1,852.40	2,969.00	UC
Bashundhara	6,900.00	3,716.70	1,951.80	5,668.50	UC
Epyllion Fabrics Limited & its allied concerns	6,132.30	3,529.60	1,809.90	5,339.50	UC
SQ Celsius Limited & its allied concerns	5,330.00	2,367.90	2,278.30	4,646.20	UC
Arkay Knit Dyeing Mills Ltd	9,044.70	2,984.60	4,429.40	7,414.00	UC
Partex Star Group	3,715.00	2,393.30	59.20	2,452.50	UC
BRB Group	3,050.00	324.60	131.70	456.30	UC
Abul Khair Group	4,360.00	733.70	0.40	734.10	UC
Kabir Steel Ltd & its allied concerns	4,375.00	1,805.40	-	1,805.40	UC
T.K. Group	3,030.00	339.10	1,917.10	2,258.20	UC
Jahangir & Others	3,091.30	1,248.10	-	1,248.10	UC
Total	148,559.70	41,339.50	31,996.90	73,336.40	

7.a.6.1 Large Loan Restructuring

1) The liabilities of Jamuna Builders Ltd. and Jamuna Denims Ltd. were restructured according to BRPD circular No 4/2015 dated 29.01.2015 under BB NOC dated 02.09.2016 with grace period for 12 months for 12 years with validity 02.09.2027. Accordingly, the 1st Instalment due date was 02.12.2016. Later, client again allowed 12 month interim grace under BB NOC from June 2019 to May 2020. As such, client avail total 24 month grace period. After that, client were allowed payment pause for 8 months i.e. validity extended up to 31.05.2028 from 02.09.2027 according to BRPD circular No 17 dated 28.09.2020. Thereafter, as per BRPD Circular 03/2021 dated 31.01.2021, validity extended for 02 year i.e. up to 31.05.2030 from 31.05.2028. so far, as of December 2020, client have paid all the installment regularly in due time since inception. In 2021, According to BRPD circular No 53 dated 30.12.2021, client have to pay minimum 15% against 4 quarterly instalments for the year 2021 which is amounting to 2.39 crore (Tk 0.29 crore for Jamuna Denims Ltd and 2.10 crore for Jamuna Builders Ltd). But client paid 5.79 crore (Tk 0.84 crore in Jamuna Denims Ltd and 4.95 crore in Jamuna Builders Ltd). Considering the situation, Currently client have no overdue liability rather, client paid Tk 3.45 crore in advance in 2021.

2) Abdul Monem Ltd. and Abdul Monem Sugar Refinery Ltd. were allowed grace period for 09 months at the time of restructuring. So, the 1st Instalment due date was 30.06.2016. The clients were allowed payment pause for 9 months i.e. validity increases up to 01.03.2028 from 01.06.2027 as per BRPD-13/2020. Now, 19 number of instalments become due till 31.12.2021 and amount due for recovery stood at BDT 100.59 Crore. The client has no overdue instalments. Total recovery is BDT 124.76 Crore. So, total 24.17 crore has been recovered in advance from the client.

7.a.7 Classification of Loans and Advances/Investments

Unclassified (UC):

Standard
Special Mention Account (SMA)

Sub total

Classified:

Substandard
Doubtful
Bad & Loss

Sub total

203,333,855,033	185,529,966,866
6,483,324,221	5,930,405,968
209,817,179,254	191,460,372,834

1,187,166,762	585,186,000
661,520,499	261,891,000
11,258,333,739	8,540,655,000
13,107,021,000	9,387,732,000
222,924,200,254	200,848,104,834

7.a.8 Details of Required Provision for Loans and Advances/Investments

Particulars	Base for Provision	Rate (%)	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	176,376,900,445		1,683,978,769	189,147,609
Standard- Offshore Banking Unit	23,001,911,228		230,019,112	230,019,112
General Provision-COVID-19	-		766,502,000	766,502,000
Loan against "Stay Order" STD	444,538,500		444,538,500	444,538,500
Rescheduled Loan (By BB NOC & Large Loan) STD	3,705,682,528		1,461,398,000	388,890,000
NBFI	609,802,943		152,450,736	152,450,736
Special Mention Account (SMA)	2,655,244,844		44,758,884	44,758,884
Sub total	208,794,080,488		4,783,644,000	2,216,304,841
Classified:				
Substandard	887,784,844	5% & 20%	87,360,287	87,360,287
Doubtful	464,829,969	5% & 50%	175,855,050	175,855,050
Bad loan	5,693,770,662	100%	5,693,770,662	5,693,770,662
Sub total	7,046,385,276		5,956,786,000	5,956,786,000
Total	213,840,465,763		10,740,430,000	8,173,090,841
Provision will be maintained in future*				2,567,339,160
Excess/(short) Provision as at 31 December, 2021				

As per Bangladesh Bank letter (Reference No. DBI-4/119/2022-458 dated April 04, 2022 and DOS (CAMS) 1157/41(Dividend) /2022-1967, dated 10 April 2022 and DOS (CAMS) 1157/41(Dividend) /2022-2003, dated 13 April 2022), the provision of Taka 256.73 crore has been deferred which is equivalent to the shortfall amount at the end of year 2021. The deferred provision will be maintained in next three (03) years.

Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures

Total Provision maintained (Note - 12.a.3)

Excess/(Short) Provision

1,147,890,040	812,297,387
1,147,890,040	812,297,387

45
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
7.a.10 Geographical Location wise Loans and Advances/Investments		
Inside Bangladesh		
Urban		
Dhaka Division	171,946,553,488	150,935,849,398
Chittagong Division	33,907,282,733	34,052,498,376
Sylhet Division	1,907,689,074	1,583,254,200
Mymensingh Division	773,517,875	639,133,752
Rajshahi Division	4,577,556,126	4,416,667,045
Khulna Division	966,348,564	1,229,059,638
Rangpur Division	2,523,182,435	2,283,786,073
Barisal Division	191,119,594	198,515,673
	216,793,249,886	195,338,764,155
Rural		
Dhaka Division	3,207,497,203	3,069,010,459
Chittagong Division	1,536,856,635	1,602,911,057
Sylhet Division	281,208,593	61,491,658
Mymensingh Division	307,620,338	203,684,113
Rajshahi Division	349,393,939	213,999,384
Khulna Division	34,689,385	1,284
Rangpur Division	370,079,369	358,242,723
Barisal Division	43,606,908	-
	6,130,950,368	5,509,340,679
Outside Bangladesh	222,924,200,254	200,848,104,834
7.a.11 Sector-wise Loans/Investment (including Bill Purchased and Discounted)		
Public sector	-	-
Co-Operative sector	-	-
Private sector	222,924,200,254	200,848,104,834
	222,924,200,254	200,848,104,834
7.a.12 Particulars of Loans and Advances/Investments		
I) Debts considered good in respect of which the bank company is fully secured.	168,254,030,534	154,223,367,927
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	3,072,733,014	2,368,599,336
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	38,490,415,708	34,868,405,572
IV) Debts considered doubtful or bad, provision not provided for.	-	-
V) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person.	848,343,729	897,359,139
VI) Debts due by companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as members.	-	-
VII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the bank or any of them either severally or jointly with any other person.	848,343,729	897,359,139
VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of pvt. companies, as member.	-	-
IX) Due from banking companies;	-	-
X) Amount of classified loan on which interest has not been charged, should be mentioned as follows:		
a. i) (Decrease)/Increase in provision,	1,082,162,430	879,759,262
ii) amount of loan written off	362,056,175	924,845,576
iii) amount realized against loan previously written off;	44,858,845	34,559,987
b. Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	5,693,770,662	4,132,173,494
c. Interest creditable to the interest Suspense A/c;	5,323,146,759	3,432,498,843
XI) Cumulative amount of loans written off	-	-
Opening Balance	4,427,672,587	3,502,827,010
Amount Written off during the period	362,056,175	924,845,576
Balance of Written off Loans & Advance	4,789,728,761	4,427,672,587
XII) The amount of written off loan for which law suit has been filed	4,789,728,761	4,427,672,587
7.a.13 Maturity grouping of Bill Purchased and Discounted		
Payable within one month	1,041,733,674	515,797,963
More than one month but less than three months	1,856,635,397	919,283,671
More than three months but less than six months	629,344,014	311,609,741
More than or equal to six months	-	-
	3,527,713,085	1,746,691,375
7.a.14 List of Assets pledged as collaterals:		
Collateral of movable/immovable assets	111,332,707,392	138,718,855,504
Commodities and Export documents	32,400,568,479	18,986,087,391
Fixed deposit receipts	9,542,114,105	13,378,383,251
Other securities	48,695,470,226	16,140,250,960
Personal guarantee	20,953,342,053	13,624,547,728
	222,924,200,254	200,848,104,834
7.a.15 Business segment wise concentration of Loans and Advances/Investments (including bills purchased and discounted)		
Corporate	164,782,731,054	152,433,501,281
Retail	12,825,076,753	10,194,984,164
SME	18,036,352,065	18,761,194,494
Credit Cards	3,072,733,014	2,368,599,336
Staff Loan	848,343,729	897,359,139
Others loan	12,136,567	504,841,404
	199,577,373,182	185,250,479,819
Offshore Banking Unit	23,001,911,228	15,597,625,016
Islamic Banking Branches	344,915,845	-
	222,924,200,254	200,848,104,834
8.00 Consolidated fixed assets including premises, furniture and fixtures		
(Mutual Trust Bank Limited (Note-8.a))		
MTB Securities Limited	5,203,874,445	4,830,768,592
MTB Capital Limited	176,227,139	61,828,914
MTB Exchange (UK) Limited	14,392,150	3,708,919
Consolidated net book value at the end of the year	5,394,493,735	4,896,306,425
Details are shown in Annexure-C		

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46
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
8.a Fixed Asset including Premises, Furniture and Fixture		
Cost		
Land	104,253,000	104,253,000
Immovable Property	1,455,740,795	1,455,740,795
Furniture & Fixtures	1,652,603,105	1,554,129,081
Office Equipments	2,762,691,018	2,646,907,189
Motor Vehicles	214,382,616	187,335,267
Intangible Assets	915,266,871	430,831,169
Right-of-use assets	1,826,970,783	1,589,343,346
Total Cost	8,931,908,188	7,968,539,847
Less: Accumulated Depreciation	3,756,646,068	3,137,771,255
	5,175,262,120	4,830,768,592
Islamic Banking Branches	28,612,325	-
Book value at the end of the year	5,203,874,445	4,830,768,592
Details are shown in Annexure-C (i)		
The cost of the right-of-use assets comprises present value of lease payments less incentive, plus initial direct payment and dismantling cost etc. The bank, as lessee, on lease-by-lease basis, elected a single threshold less than BDT 20 million to consider low value asset on the basis of materiality (less than 1%) of Bank's total capital i.e. BDT 29,443.04 million as of 31 December 2021. Hence, any payment made by the bank under contract for use of any rental premises or assets for a period not exceeding twelve months, and/or, falls as low value assets, and substantially risks and benefits of ownership of those rental premises/assets do not transfer to the bank, is recognised as expense as per IFRS 15 'Revenue from contracts with customers' instead of recognizing as ROU assets.		
9.00 Consolidated other assets		
Mutual Trust Bank Limited (Note-9.a)	12,124,015,514	9,320,133,085
Less: Investment in subsidiary	(3,528,395,800)	(3,528,395,800)
	8,595,619,714	5,791,737,285
MTB Securities Limited	305,149,271	228,183,883
MTB Capital Limited	58,647,600	65,451,617
MTB Exchange (UK) Limited	-	1,495,061
Less: Intragroup receivable & payable	(262,457,333)	(40,679,107)
	101,339,537	254,451,454
	8,696,959,252	6,046,188,739
9.01 Consolidated Advance Income Tax		
Mutual Trust Bank Limited (Note-9.a.4.1)	3,823,253,757	2,737,582,223
MTB Securities Limited	228,970,188	148,889,081
MTB Capital Limited	15,897,798	27,126,360
MTB Exchange (UK) Limited	-	-
	4,068,121,744	2,913,597,664
9.02 Consolidated Deferred Tax Assets/ (Liabilities)		
Mutual Trust Bank limited (Note-9.a.4.2)	1,741,362,031	858,157,826
MTB Securities Limited	(4,750,202)	(4,796,493)
MTB Capital Limited	(111,079)	(123,123)
MTB Exchange (UK) Limited	-	-
	1,736,500,750	853,238,209
9.a Other Asset		
Classification of Other Asset		
A) Income generating Other Asset:		
i) Investment in Shares of Subsidiary Companies (Note-9.a.1)	3,528,395,800	3,528,395,800
B) Non-Income generating Other Asset:		
i) Stationery, Stamps, Printing materials in stock etc.	35,398,220	34,833,002
ii) Advance Rent and Advertisement	343,415,354	148,272,484
iii) Interest Accrued on Investment but not collected & other income receivable (Note-9.a.2)	1,170,570,408	659,498,090
iv) Security Deposit	11,550,249	10,924,172
v) Suspense Account (Note- 9.a.3)	356,703,671	328,760,286
vi) Others (Note- 9.a.4)	6,077,983,812	4,609,451,251
	12,124,015,514	9,320,133,085
9.a.1 Investment in Shares of Subsidiary Companies		
MTB Securities Limited	3,250,000,000	3,250,000,000
MTB Capital Limited	250,000,000	250,000,000
MTB Exchange (UK) Limited	28,395,800	28,395,800
	3,528,395,800	3,528,395,800
9.a.2 Interest Accrued on Investment but not collected & other income receivable		
Interest Receivable on Investment	249,045,901	42,839,361
Interest Receivable on Loans and Advances	450,379,139	143,818,497
Interest Receivable on Treasury Bond	470,932,521	467,429,388
Interest Receivable on Balance with other Bank	-	5,073,719
Interest Receivable on Call Money	212,847	337,125
	1,170,570,408	659,498,090
9.a.3 Suspense Account		
Sundry Debtors	22,772,510	33,215,300
Legal Expenses	42,086,181	29,959,875
Sanchay Patra	289,705,474	260,606,463
Others	2,139,506	4,978,647
	356,703,671	328,760,286
9.a.4 Others		
Advance Income Tax (Note:9.a.4.1)	3,823,253,757	2,737,582,223
Deferred Tax Asset (Note:9.a.4.2)	1,741,362,031	858,157,826
Advance against Suppliers/Parties	259,860,604	527,582,298
Protested Bills	51,609,559	51,609,559
Advance paid to Employees	14,955,000	33,359,560
Prepaid Interest Expense against MTB Instant	1,829,214	1,003,376
Coupon Interest Adjustment Account	-	1,780,713
Stamp Charge Adjustment Account	272,500	61,813
Receivables from MTB on Cards & ATM	142,721,943	119,236,800
Term Placement	127,656,476	-
Placement to Off-Shore Banking Unit	7,074,210,000	4,274,020,800
Receivables from Off-Shore Banking Unit	176,966,825	159,008,389

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47
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Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
Receivable from Subsidiaries (UK)	34,951,533	40,679,107
Taka A/C Exchange House Receivable	10,579,143	-
NRB WEDB, DPB & DIB	4,337,173	-
Unrealized Exchange loss on Foreign Currency	18,986	-
RTGS Adjusting Receivable Account	5,285,000	-
	13,469,879,743	8,804,082,463
Offshore Banking Unit	149,062,620	238,397,976
Islamic Banking Branches	309,618,273	-
Less: Intragroup transactions with Offshore Banking Unit	(7,251,176,825)	(4,433,029,189)
	6,677,983,812	4,609,451,251
9.a.4.1 Advance Income Tax		
Opening Balance	2,737,582,223	6,965,212,664
Less: Adjustment made during the year:	-	(5,429,637,348)
Add: Payment during the year	1,085,671,535	1,202,006,907
	3,823,253,757	2,737,582,223
9.a.4.2 Deferred Tax Assets/ (Liabilities)		
Opening Balance	858,157,826	860,438,349
Add: Deferred Tax Income/(Expense) during the year	883,204,205	(2,280,523)
	1,741,362,031	858,157,826
9.a.4.2.1 Computation of deferred tax		
Fixed Assets		
Accounting written down value	3,638,302,105	3,468,076,696
Tax base written down value	2,998,080,709	2,962,222,672
Deductible/(Taxable) temporary difference	(842,221,396)	(505,854,025)
Effective Tax Rate	37.50%	37.50%
Deferred Tax Assets/(Liabilities)	(315,833,024)	(189,695,259)
Interest Receivable from Treasury Bond		
Accounting based	470,932,521	-
Less: Tax Base	-	-
Deductible/(Taxable) temporary difference	(470,932,521)	-
Effective Tax Rate	37.50%	37.50%
Deferred Tax Assets/(Liabilities)	(176,599,895)	-
Leasehold Expenses under IFRS 16:		
Accounting based	23,677,289	23,677,289
Less: Tax Base	23,677,289	-
Deductible/(Taxable) temporary difference	-	23,677,289
Effective Tax Rate	37.50%	37.50%
Deferred Tax Assets/(Liabilities)	-	8,878,983
Loan Loss Provision		
Provision made against classified loans	5,956,786,000	2,770,597,604
Less: Tax Base	-	-
Deductible/(Taxable) temporary difference	5,956,786,000	2,770,597,604
Effective Tax Rate	37.50%	37.50%
Deferred Tax Assets/(Liabilities) *	2,233,794,750	1,038,974,102
Closing Deferred Tax Assets/(Liabilities)	1,741,362,031	858,157,826
Opening Deferred Tax Assets/(Liabilities)	858,157,826	860,438,349
Deferred Tax Income/(Expense)	883,204,205	(2,280,523)
*As per IAS 12: Income Taxes, deductible temporary differences are deducted while determining taxable profit (loss) of future periods when the carrying amount of the asset or liability is recovered or settled. Provision kept against any kind of unclassified and classified loans is considered as deductible temporary difference which will be deducted in determining taxable profit (loss) of future periods when write-off of corresponding classified loans will be executed as per banking laws & regulation. As on December 31, 2021, there was a total provision of BDT 9320,980,881 kept against the unclassified and classified loans including off-balance sheet items (note- 12a), but deferred tax asset (BDT 2,233,794,750) has been recognized only for the specific provision (BDT 5,956,786,000) kept against the classified loans following the guideline of Bangladesh Bank. Since there is a growth in specific provision maintained at the end of December 31, 2021 as well as some balance of last year under this head which was not previously considered, it has increased the deferred tax asset (BDT 1,741,362,031) by an amount of BDT 883,204,205 which has been recognized in the Profit and Loss Account as deferred tax income.		
As per regulation of Bangladesh Bank (ref. BRPD circular no. 11 dated December 12, 2011) the amount of Net Profit After Tax (NPAT) increased due to the recognition of deferred tax asset on such provisions kept against classified loans, will not be distributed as dividend, since carrying amount of provisions (liability) will be settled in future periods when deferred tax income will be recovered. Hence, this entire amount of deferred tax asset i.e. BDT 2,233,794,750 will be deducted while determining the distributable profit for the shareholders.		
9.a.5 Classification of Other Asset		
Unclassified	12,028,665,624	9,232,594,636
Substandard	-	-
Doubtful	42,086,181	29,959,875
Bad/Loss	53,263,709	57,578,574
	12,124,015,514	9,320,133,085
10.00 Consolidated borrowing from other banks, financial institutions and agents		
Mutual Trust Bank Limited (Note-10.a)		
MTB Securities Limited	35,205,781,006	30,847,308,439
MTB Capital Limited	275,189,243	20,708,246
MTB Exchange (UK) Limited	218,715,684	133,621,742
Less: Intragroup Borrowings	(493,904,927)	(154,329,988)
	35,205,781,006	30,847,308,439
10.a Borrowing From Other Banks, Financial Institutions and Agents		
In Bangladesh		
Mutual Trust Bank Limited (Note 10.a.1)	19,520,729,224	19,681,397,128
Offshore Banking Unit	13,994,638,506	7,066,622,191
	33,515,367,730	26,768,019,319
Outside Bangladesh		
Mutual Trust Bank Limited	-	-
Offshore Banking Unit	8,764,623,276	8,353,309,920
	8,764,623,276	8,353,309,920
Less: Inter transaction with Offshore Banking Unit	42,279,991,006	35,121,329,239
	(7,074,210,000)	(4,274,020,800)
	35,205,781,006	30,847,308,439

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48
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Mutual Trust Bank Limited and Its Subsidiaries
Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
10.a.1 In Bangladesh:		
Borrowing from Bank	-	2,077,649,000
Call Borrowing	-	-
Term Borrowing	-	-
Foreign Currency Borrowing	-	2,077,649,000
Pubali Bank Limited	-	1,102,426,000
Bank Asia Limited	-	424,010,000
United Commercial Bank Limited	-	424,010,000
Jamuna Bank Limited	-	127,203,000
Borrowing from Bangladesh Bank:	19,435,464,717	17,595,805,547
SME Refinance	1,205,352,419	948,796,518
Investment Promotion and Financing Facility (IPFF)	723,272,094	818,808,865
Long Term Financing Facility (LTFF) under FSSP	1,434,915,766	1,572,212,619
COVID 19 Financial Stimulus Fund (RMG Salary)	813,751,852	1,064,950,000
CMSME Stimulus Package	1,318,177,000	434,549,225
WC Stimulus Package for Large Industry and Service	1,044,112,565	3,007,728,034
Agri (Non-Crops)	252,892,500	24,242,500
Export Development Fund	12,527,945,526	9,724,517,785
Green Transformation Fund	115,044,995	-
Borrowing from Other Institutes	85,264,506	7,942,581
SME Foundation	85,264,506	7,942,581
Repo of Treasury Bill/Bond	-	-
Bangladesh Bank	-	-
	19,520,729,224	19,681,397,128
10.a.2 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured (Treasury Bill)	-	-
Unsecured	35,205,781,006	30,847,308,439
	35,205,781,006	30,847,308,439
10.a.3 Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
On Demand	727,434,931	637,378,551
Repayable within one month	3,204,645,767	2,807,910,905
More than one month but within six months	9,880,275,963	8,657,098,675
More than six months but within one year	12,931,301,053	11,330,407,129
More than one year but within five years	7,117,612,473	6,236,452,680
More than five years but within ten years	1,344,510,819	1,178,060,499
	35,205,781,006	30,847,308,439
11.00 Consolidated deposits and other accounts		
Current deposits and other accounts		
Mutual Trust Bank limited (Note-11.a.1)	26,915,622,914	19,221,032,349
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(717,021)	(7,052,787)
	26,914,905,893	19,213,979,562
Bills payable		
Mutual Trust Bank limited (Note-11.a.1)	1,975,092,979	1,988,092,081
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,975,092,979	1,988,092,081
Saving deposit		
Mutual Trust Bank limited (Note-11.a.1)	42,589,740,210	36,213,478,525
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	42,589,740,210	36,213,478,525
Fixed deposit		
Mutual Trust Bank limited (Note-11.a.1)	91,528,348,348	75,421,877,215
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	-	(100,000,000)
	91,528,348,348	75,321,877,215
Special Noticed Deposits		
Mutual Trust Bank limited (Note-11.a.1)	26,332,451,468	15,744,357,228
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(1,173,799,701)	(379,723,872)
	25,158,651,767	15,364,633,356
Deposit Products		
Mutual Trust Bank limited (Note-11.a.1)	23,615,686,572	40,631,938,974
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	23,615,686,572	40,631,938,974
	211,782,425,769	188,733,999,714

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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements

For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
11.a Deposit and Other Accounts		
From Customers (Note 11.a.1)	209,008,942,491	189,220,776,373
From Banks	3,950,000,000	-
	212,958,942,491	189,220,776,373
11.a.1 Deposit and Other Accounts		
Current Deposit & Other Accounts		
Current Deposit (Including Unclaimed Dividend amount, Note 11.a.6)	20,383,301,662	13,255,534,989
Foreign Currency Deposit	2,769,725,332	3,460,002,722
Sundry Deposit	3,739,584,445	2,505,494,639
	26,872,611,439	19,221,032,349
Offshore Banking Unit		
Islamic Banking Branches	43,011,475	-
	26,915,622,914	19,221,032,349
Bills Payable :		
Payment Order Issued	1,971,474,669	1,983,610,032
Pay Slip Issued	580,945	905,753
Demand Draft Payable	2,839,793	3,576,296
T.T Payable	-	-
	1,974,895,408	1,988,092,081
Offshore Banking Unit		
Islamic Banking Branches	107,571	-
	1,975,092,979	1,988,092,081
Savings Deposit:		
From Customers	42,055,411,723	36,214,718,059
	42,055,411,723	36,214,718,059
Islamic Banking Branches	534,328,487	-
	42,589,740,210	36,214,718,059
Fixed Deposits:		
From Customers	85,869,159,661	93,454,628,549
From Banks (Note 11.a.2)	3,950,000,000	-
	89,819,159,661	93,454,628,549
Offshore Banking Unit	23,029,238	22,216,220
Islamic Banking Branches	1,086,159,449	-
	91,528,348,348	93,476,844,770
Special Noticed Deposits		
Islamic Banking Branches	26,305,565,797	15,744,357,228
	26,305,565,797	15,744,357,228
Deposit Products		
Brick by Brick	12,225,301,907	12,317,842,174
MTB Millionaire Plan	5,336,982,993	4,962,644,730
Children Education Deposit Scheme	15,313,430	19,613,338
MTB Education Plan	213,919,399	350,528,316
MTB Gift Cheque	8,310,001	8,827,500
MTB Kotipali	5,686,815,542	4,791,447,211
NRB Deposit Pension Scheme	90,489,515	124,828,615
MTB Lakhopoli	1,921,844	-
MTB Angona DPS	9,440,707	-
	23,588,495,139	22,575,731,886
Islamic Banking Branches	27,191,433	-
	23,615,686,572	22,575,731,886
11.a.2 Fixed Deposits from Banks		
Pubali Bank Limited	750,000,000	-
Prime Bank Limited	600,000,000	-
Southeast Bank Ltd	500,000,000	-
South Bangla Agriculture & Commerce Bank Limited	1,000,000,000	-
United Commercial Bank Limited	1,100,000,000	-
	3,950,000,000	-
11.a.3 Maturity grouping of Deposit and Other Accounts		
On Demand	7,075,341,887	6,819,848,632
Repayable within one month	20,879,722,323	18,344,385,982
More than one month but within six months	42,816,720,914	51,608,022,190
More than six months but within one year	47,258,897,152	52,599,611,529
More than one year but within five years	60,122,424,862	52,323,922,432
More than five years but within ten years	32,947,389,593	6,408,583,029
More than ten years	1,258,445,960	1,116,402,580
	212,958,942,491	189,220,776,373
11.a.4 Demand & Time Deposit		
a) Demand Deposit		
Current Deposit	32,723,792,512	24,468,449,056
Savings Deposit (9%)	20,408,313,137	13,255,534,989
Foreign Currency Deposit non interest bearing	3,833,076,619	3,259,324,625
Sundry Deposit	2,769,725,332	3,460,002,722
Bills Payable	3,739,584,445	2,505,494,639
	1,975,092,979	1,988,092,081
b) Time Deposits		
Saving Deposit (91%)	180,233,149,979	184,752,327,317
Fixed Deposit	38,756,663,591	32,955,393,434
Deposit from Banks	87,578,348,348	93,476,844,770
Short Term Deposit	3,950,000,000	-
Deposit Under Scheme	26,332,451,488	15,744,357,228
	23,615,686,572	22,575,731,886
Total Demand & Time Deposits	212,958,942,491	189,220,776,373

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50
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements

For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
11.a.5 Sector wise Deposit		
Government	24,020,116	15,545,546
Autonomous & Semi-Autonomous Bodies	375,341,822	597,556,590
Local Authorities	714,427,685	572,787,370
Public Non- Financial Organization	5,017,112,639	3,601,142,170
Other Public	13,143,812	81,023,220
Foreign Currency	2,769,725,332	3,460,002,722
Private	200,093,171,086	180,892,718,755
Deposit from Banks	3,950,000,000	-
	212,956,942,491	189,220,776,373
11.a.6 Unclaimed Dividend Account:		
Cash Dividend remain unclaimed which were declared for the years:		
2005	1,035,531	1,763,287
2006	2,246,697	3,318,688
2011	577,634	1,899,299
2019	1,491,799	1,957,306
	5,351,661	8,938,580
As per Directives No. BSEC/CMRRCD/2021-388/03 dated January 14, 2021. of Bangladesh Security & Exchange Commission (BSEC) [ref: clause No. 3(vii)], the summary of year-wise unpaid or unclaimed cash dividend related information has been disclosed in the financial statements as a separate line item named as "Unclaim Dividend Account".		
12.00 Consolidated Other Liabilities		
Mutual Trust Bank limited (Note-12.a)	24,818,899,708	20,423,196,275
MTB Securities Limited	2,443,343,997	1,273,034,237
MTB Capital Limited	224,372,798	131,320,069
MTB Exchange (UK) Limited	33,652,631	39,787,475
Less: Intragroup receivable & payable	(262,457,333)	(40,679,107)
	27,257,811,801	21,826,658,949
12.01 Consolidated Provision for Loans and Advances		
Mutual Trust Bank limited (Note-12.a.1)	8,173,090,841	7,377,849,133
MTB Securities Limited	655,688,791	313,988,791
MTB Capital Limited	57,000,000	32,000,000
MTB Exchange (UK) Limited	-	-
	8,885,779,632	7,723,837,924
12.02 Consolidated Provision for Current Income Tax*		
Mutual Trust Bank limited (Note-12.a.7)	5,279,023,871	3,990,998,011
MTB Securities Limited	261,900,110	94,084,956
MTB Capital Limited	40,410,659	36,675,383
MTB Exchange (UK) Limited	-	-
	5,581,334,640	4,121,758,351
*Income tax provision has been calculated considering all relevant sections of the Income Tax Ordinance 1984 and the changes brought by the latest Finance Act 2021. Inadmissible items including accounting depreciation are added to the accounting profit and admissible items such as tax depreciation, expenses incurred for business income etc. are deducted for determining total taxable income for a particular income year. Then tax provision is calculated applying applicable tax rates on that taxable income.		
12.a Other Liabilities		
Provision for Loans and Advances/Investments (Note-12.a.1)	7,406,588,841	6,969,210,133
Special General Provision-COVID-19 (Note-12.a.2)	766,502,000	408,639,000
Provision for Off Balance Sheet Items (Note-12.a.3)	1,147,890,040	812,297,387
Provision against Diminution value of Investment (Note- 12.a.4)	21,000,000	62,000,000
Provision for Other Asset (Note-12.a.5)	165,303,556	141,303,556
Interest Suspense (Note- 12.a.6)	5,323,146,759	3,432,498,843
Provision for Income Tax (Note-12.a.7)	5,279,023,871	3,990,998,011
Leasehold Liabilities Under IFRS 16 (Note-12.a.8)	1,404,466,458	1,096,759,150
Contribution for MTB Employees Benefits	11,570	9,590
Treasury Intermediate Parking A/C	127,559	-
Withholding VAT payable	65,477,322	71,221,328
Withholding Tax payable	375,075,279	379,045,895
Excise Duty Payable	446,066,313	431,874,958
Master Card and Visa card Payable	127,688,959	96,492,397
ATM/POS settlement account	15,458,583	66,887,686
Agent Banking Commission Payable	529,727	789,824
Parking GL for various purpose	699,932	22,075,035
Interest Payable on Deposits and Other Accounts	789,499,319	1,386,484,800
Interest Payable on Subordinated debt	274,547,422	273,854,299
Interest Payable on Borrowing	113,389,778	119,460,702
Liabilities Under Finance Lease	-	692,009
Provision for Expenses	45,905,141	16,531,013
BB Imprest Fund Parking Account (NRB)	84,704,648	62,048,879
Provision for Good Borrower	5,768,000	5,768,000
Incentive Bonus Payable	199,923,492	151,083,349
Provision for Gratuity	171,000,000	-
Payable to MTB Islami Banking	286,145,447	-
Contribution to MTB Foundation	30,000,000	20,000,000
Blocked Interest Receivable BB Subsidy	2,799,341	109,692,015
Start-Up Fund for SME	38,171,568	8,993,228
Clearing House Adjustment	187,931	-
Miscellaneous Liabilities	-	23,919,942
	24,567,128,858	20,160,631,130
Offshore Banking Unit		
Islamic Banking Branches		
Less: Inter transaction with Offshore Banking Unit	418,858,652	421,573,533
	9,879,023	-
	(176,966,825)	(159,008,389)
	24,818,899,708	20,423,196,275

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51
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Notes to the Financial Statements

For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
12.a.1 Provision for Loans and Advances/Investments		
For Unclassified		
Opening Balance	2,788,146,133	3,698,619,942
Add: Provision made during the year	13,729,058	168,823,498
Less: Waiver during the year	(29,968)	(198,550)
Less: Transferred to classified provision as per Bangladesh Bank letter DOS (CAMS) 1157/41(Dividend) /2022-1967, dated 10 April 2022 and DOS (CAMS) 1157/41(Dividend) /2022-2003, dated 13 April 2022	(1,352,042,382)	(1,079,098,757)
Closing Balance	1,449,802,841	2,788,146,133
For Classified		
Opening Balance	4,181,064,000	3,099,303,284
Add: Provision made during the year	732,840,719	879,759,262
Add: Recoveries of amounts previously written off	44,858,845	34,559,987
Add: Transferred from unclassified provision as per Bangladesh Bank letter DOS (CAMS) 1157/41(Dividend) /2022-1967, dated 10 April 2022 and DOS (CAMS) 1157/41(Dividend) /2022-2003, dated 13 April 2022	1,352,042,382	1,079,098,757
Less: Waiver during the year	-	(95,642,801)
Less: Adjustment for Loan written off during the year	(354,019,947)	(816,014,489)
Closing Balance	5,956,786,000	4,181,064,000
	7,406,588,841	6,969,210,133
12.a.2 Special General Provision-COVID-19		
Opening Balance	408,639,000	-
Add: Provision made during the year	475,868,961	408,639,000
Less: Provision transferred	(118,005,961)	-
	766,502,000	408,639,000
12.a.3 Provision for Off Balance Sheet Items		
Opening Balance	812,297,387	751,670,816
Add: Provision made during the year	335,592,653	60,626,571
	1,147,890,040	812,297,387
12.a.4 Provision for Diminution in Value of Investments		
Opening Balance	62,000,000	60,500,000
Add: Provision made during the year	-	1,500,000
Less: Provision transferred to Income Tax provision	(41,000,000)	-
	21,000,000	62,000,000
12.a.5 Provision for Other Assets		
Opening Balance	141,303,556	65,103,556
Add: Provision made during the year	24,000,000	76,200,000
	165,303,556	141,303,556
12.a.6 Interest suspense account		
Opening Balance	3,432,498,843	2,134,376,449
Add: Addition during the year	1,941,535,899	1,460,313,561
Less: Waiver of Interest suspense	(50,887,984)	(162,191,169)
	5,323,146,759	3,432,498,843
12.a.7 Provision for Income Tax*		
Opening balance	3,990,998,011	8,594,390,700
Less: Adjustment made during the year	(12,500,000)	(5,429,637,348)
Add: Balance transferred from Provision for Diminution in Value of Investments	41,000,000	-
Add: Provision made during the year	1,259,525,860	826,244,660
Closing balance of Tax Provision as at December 31, 2021	5,279,023,871	3,990,998,011
12.a.7.a Provision for current tax made during the year		
Income tax @ 37.50% on business income (estimated)	1,176,662,245	825,249,682
Income tax @ 20.00% on dividend income	76,534,087	845,854
Income tax @ 10.00% on capital gain on sale of shares	8,329,528	149,124
Total Tax Provision maintained for the year 2021	1,259,525,860	826,244,660
Computation of taxable business income		
Profit Before Provision and Tax (PBPT)	4,876,187,043	1,727,847,935
Add: Inadmissible expenditures as per tax law	3,734,382,781	3,097,138,272
Less: Allowable Expenditures & Items under Separate consideration as per tax law	4,890,838,125	2,624,320,388
Taxable business Income (estimated) for the year 2021	3,719,731,699	2,200,665,819
*Income Tax Provision is calculated on the total taxable income of a particular income year. Total taxable income is calculated based on accounting profit i.e. Profit before Provision and Tax (PBPT) and all other inadmissible items that are added to the accounting profit. There are some allowable expenditures which are deducted from the Business Income as per Income Tax Ordinance 1984. Some items are treated under separate consideration for which reduced tax rates are applicable as per tax law such as 'Income from Investment in Quoted Shares', 'Dividend Income', 'Capital Gain on sale of Govt. Securities' etc. All the incomes are, therefore, accumulated to determine the total taxable income of the Bank for a particular income year. The note- 12.a.7.a presented above reveals that total taxable business income (estimated) for the year 2021 is BDT 3,719,731,699 and provision required for current tax expense is BDT 1,259,525,860. Total balance of Income tax provision maintained as at December 31, 2021 is BDT 5,279,023,871 (note- 12.a.7).		
12.a.8 Leasehold Liabilities Under IFRS 16		
The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement or 01 January 2019 (date of initial application). The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using Bank rate as implicit borrowing rate @ 4%.		
12.a.9 Provision for Gratuity		
Required Provision	1,288,400,000	1,171,700,000
Provision Maintained up to the year 2020	944,600,000	890,200,000
Provision to be maintained in 2021	343,800,000	281,500,000
Provision charged for gratuity during 2021	343,800,000	154,392,000
Total Provision maintained for gratuity at the end of 2021	1,288,400,000	1,044,592,000
Fund already transferred to Gratuity Fund at the end of year 2021	172,800,000	154,392,000
Fund to be transferred to Gratuity Fund	171,000,000	-
	343,800,000	154,392,000

As per actuarial valuation report, provision requirement for Gratuity fund for the year 2021 is BDT 343,800,000 which has been fully maintained during the year 2021. An amount of BDT 172,800,000 has already been transferred to the Mutual Trust Bank Limited Employees' Gratuity Fund at the end of the year 2021. Remaining balance of BDT 171,000,000 will be transferred soon to the Gratuity Fund.

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52
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Sr. Executive Vice President &
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
13.a Bond		
MTB Perpetual Bond	4,000,000,000	650,000,000
	<u>4,000,000,000</u>	<u>650,000,000</u>
The Bank issued a contingent-convertible Perpetual bond amounting to BDT 4,000 million as additional Tier-1 capital in December, 2020 through private placement. The coupon is Semi-annually payable and it ranges from 6% to 10%, where the reference rate is 20-year treasury bond rate along with 2% margin.		
Subordinated Debts		
MTB 2nd Subordinated Debt		
Opening Balance	1,200,000,000	1,800,000,000
Less: Payment during the year	<u>600,000,000</u>	<u>600,000,000</u>
	600,000,000	1,200,000,000
MTB 3rd Subordinated Debt		
Opening Balance	4,000,000,000	5,000,000,000
Less: Payment during the year	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	3,000,000,000	4,000,000,000
MTB 4th Subordinated Debt		
Opening Balance	5,000,000,000	5,000,000,000
Less: Payment during the year	<u>8,600,000,000</u>	<u>10,200,000,000</u>
	8,600,000,000	10,200,000,000

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue October 20, 2015. The range of coupon interest is from 10.50% to 13.50% for non convertible subordinated debt which 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. The range of coupon interest is from 7.00% to 10.50% for non convertible subordinated debt which is payable half yearly from the date of issue i.e. February and August of each year.

The bank issued its MTB 4th Non-convertible Subordinate Bond amounting to BDT 5,000 million on January 2020 through private placement. The Coupon is semi-annually payable and it ranges from 7.00% to 10.00%.

Detail list of subordinated debt holders are shown in Annexure-D

14.a Capital		
14.a.1 Authorized Capital		
1,000,000,000 ordinary shares of BDT 10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
14.a.1.1 Issued, Subscribed and Paid-up Capital		
703,459,446 ordinary shares @ BDT 10 each	7,386,324,180	7,034,594,460
35,172,972 ordinary shares @ BDT 10 each issued as bonus	-	351,729,720
73,863,241 ordinary shares @ BDT 10 each issued as bonus	<u>738,632,410</u>	<u>-</u>
	8,124,956,590	7,386,324,180
14.a.1.2 Raising of Share Capital		

Given below the history of raising of Share Capital of the Bank:

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20.00%	12,000,000	120,000,000	720,000,000
2004-Bonus	20.00%	14,400,000	144,000,000	864,000,000
2005-Bonus	10.00%	8,640,000	86,400,000	950,400,000
2006-Bonus	5.00%	4,752,000	47,520,000	997,920,000
2007-Bonus	25.00%	24,948,000	249,480,000	1,247,400,000
2008-Right	20.00%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18.00%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20.00%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20.00%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10.00%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10.00%	27,978,482	279,784,820	3,077,633,060
2014-Bonus	20.00%	61,552,661	615,526,610	3,693,159,670
2015-Bonus	20.00%	73,863,193	738,631,930	4,431,791,600
2016-Bonus	15.00%	66,476,874	664,768,740	5,096,560,340
2017-Bonus	12.50%	63,707,004	637,070,040	5,733,630,380
2018-Bonus	11.00%	66,389,404	663,894,040	6,397,524,420
2019	Strategic Investor (NORFUND)	63,707,004	637,070,040	7,034,594,460
2019-Bonus	5.00%	35,172,972	351,729,720	7,386,324,180
2020-Bonus	10.00%	73,863,241	738,632,410	8,124,956,590
Total		812,495,659	8,124,956,590	

14.a.1.3 Percentage of shareholdings at the closing date

Particulars	No. of shares	Value of shares	31 December 2021
		BDT	% of holding
Sponsors / Directors	266,547,829	2,665,478,290	32.8061%
Foreign Investors (NORFUND)	77,415,576	774,155,760	9.5281%
Institutions	186,861,530	1,868,615,300	22.9985%
General	281,670,724	2,816,707,240	34.6674%
Total	812,495,659	8,124,956,590	100%

14.a.1.4 Classification of Shareholders by holdings as at 31 December 2021

Holdings	No. of Shareholders	No. of Shares	Value of shares in BDT	Total Holdings %
Less than 499 shares	2,234	345,650	3,456,500	0.0425%
500 to 5,000 shares	3,133	5,732,393	57,323,930	0.7055%
5,001 to 10,000 shares	550	3,828,867	38,288,670	0.4712%
10,001 to 20,000 shares	340	4,902,849	49,028,490	0.6034%
20,001 to 30,000 shares	126	3,048,499	30,484,990	0.3752%
30,001 to 40,000 shares	62	2,146,431	21,464,310	0.2642%
40,001 to 50,000 shares	39	1,799,104	17,991,040	0.2214%
50,001 to 100,000 shares	112	7,638,680	76,386,800	0.9402%
100,001 to 1,000,000 shares	128	34,787,083	347,870,830	4.2815%
Over 1,000,000 shares	83	748,266,103	7,482,661,030	92.0948%
Total	6,807	812,495,659	8,124,956,590	100%

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Syed Mahbubur Ranma
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020

14.a.1.5 Name of Directors and their shareholdings as at 31 December 2021

Name	Designation	31 December 2021		
		No. of Shares held	BDT	Holding %
Mr. Md. Wakiluddin	Chairman	16,381,879	183,816,790	2.0182%
Mr. Md. Abdul Malek	Vice Chairman	16,322,872	183,228,720	2.0090%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	27,105,747	271,057,470	3.3361%
Mr. Md. Hedayetullah	Director	16,504,915	165,049,150	2.0314%
Mrs. Khwaja Nargis Hossain	Director	16,643,706	166,437,060	2.0485%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	24,502,615	245,026,150	3.0157%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	23,446,418	234,464,180	2.8857%
Mr. M. A. Rouf, JP	Director	16,369,763	163,697,630	2.0148%
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	18,376,922	183,769,220	2.2618%
Mr. Tarik ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director	51,255,042	512,550,420	6.3083%
Mr. Daniel Donald De Lange (Representing NORFUND)	Director	77,415,576	774,155,760	9.5281%
Ms. Nasreen Saitar	Independent Director	-	-	0.0000%
Mr. Faruq Ahmad Siddiqi	Independent Director	-	-	0.0000%
Total		304,325,055	3,043,250,550	37.4556%

14.a.1.6 Consolidated Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital):

Paid-up Capital	8,124,958,590	7,386,324,180
Statutory Reserve	5,696,354,496	5,037,523,366
Share Premium	1,095,304,778	1,095,304,778
General Reserve	786,777,324	786,777,324
Non-Controlling Interest	133,258	131,752
Retained Earnings	3,486,747,189	2,166,251,505
	19,192,273,635	16,472,312,905

Regulatory Adjustments:

Goodwill and all other Intangible Assets

Deferred Tax Assets (95% of DTA as per BB Guideline)

Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities

519,468,991	177,594,883
2,122,105,013	987,025,397
-	-

Total Common Equity Tier-1 (Going-Concern Capital)

Additional Tier-1 Capital

Total Tier-1 Capital (Going-Concern Capital)

2,641,574,003	1,164,620,279
16,550,699,632	15,307,692,626
3,761,540,739	650,000,000
20,312,240,371	15,957,692,626

Tier-2 Capital (Going-Concern Capital)

General Provision including Off Balance Sheet items

Revaluation Reserve on Investment in Securities

Subordinated debt

3,384,194,881	4,009,082,520
-	-
6,686,781,041	5,258,330,254
10,030,955,922	9,267,412,775

Regulatory Adjustments:

Revaluation Reserve for Fixed Assets, Securities & Equity Securities

Total Tier-2 Capital (Going-Concern Capital)

A. Total Regulatory Capital (Tier-1+Tier-2)

10,030,955,922	9,267,412,775
30,343,196,293	25,225,105,401

B. Risk Weighted Assets

Credit Risk on

Balance Sheet Exposure

Off Balance Sheet Exposure

157,031,607,044	150,008,140,114
26,012,964,439	23,269,681,082
183,044,571,483	173,277,821,196
9,433,537,085	5,519,197,757
18,157,763,375	16,477,930,446
210,635,871,943	195,274,949,400

Market Risk

Operational Risk

Total Risk Weighted Assets

C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)

D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)

21,063,587,194	19,527,494,940
9,279,609,099	5,697,610,461

E. Capital Requirement	December 31, 2021		December 31, 2020	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10.00%	14.41%	10.00%	12.92%
Common Equity Tier-1	4.50%	7.86%	4.50%	7.84%
Tier-1 Capital	6.00%	9.64%	6.00%	8.17%
Tier-2 Capital	-	4.76%	-	4.75%

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

14.a.1.7 Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital)

Paid-up Capital	8,124,958,590	7,386,324,180
Statutory Reserve	5,696,354,496	5,037,523,366
Share Premium	1,095,304,778	1,095,304,778
General Reserve	786,777,324	786,777,324
Retained Earnings	3,046,326,323	1,779,195,562
	18,749,719,511	16,085,125,210

Regulatory Adjustments:

Goodwill and all other Intangible Assets

Deferred Tax Assets (95% of DTA as per BB Guideline)

Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities

519,468,991	177,594,883
2,122,105,013	987,025,397
-	-

Total Common Equity Tier-1 (Going-Concern Capital)

Additional Tier-1 Capital

Total Tier-1 Capital (Going-Concern Capital)

2,641,574,003	1,164,620,279
16,108,145,508	14,920,504,931
3,636,747,510	650,000,000
19,744,893,018	15,570,504,931

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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
Tier-2 Capital (Gone-Concern Capital)		
General Provision including Off Balance Sheet items	3,364,194,881	4,009,082,520
Revaluation Reserve on Investment in Securities	-	-
Subordinated debt	6,333,953,924	4,973,166,346
	9,698,148,805	8,982,248,866
Regulatory Adjustments		
Revaluation Reserve for Fixed Assets, Securities & Equity Securities	-	-
Total Tier-2 Capital (Gone-Concern Capital)	9,698,148,805	8,982,248,866
A. Total Regulatory Capital (Tier-1+Tier-2)	29,443,041,824	24,552,753,797
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	157,439,639,697	149,838,424,782
Off Balance Sheet Exposure	26,012,984,439	23,269,681,082
Market Risk	183,452,604,136	173,108,105,864
Operational Risk	6,896,998,369	3,653,214,091
Total Risk Weighted Assets	207,909,901,324	192,619,716,826
C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)	20,790,990,132	19,261,971,683
D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)	8,652,051,691	5,290,782,114

E. Capital Requirement	December 31, 2021		December 31, 2020	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10.00%	14.16%	10.00%	12.75%
Common Equity Tier-1	4.50%	7.75%	4.50%	7.75%
Tier-1 Capital	6.00%	9.50%	6.00%	8.08%
Tier-2 Capital	-	4.66%	-	4.66%

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

15.a Statutory Reserve

Opening Balance
Add: Transferred during the year (20% of Profit before Tax)

5,037,523,366	4,691,953,779
658,831,130	345,569,587
5,696,354,496	5,037,523,366

16.a Share Premium

Add: During the year

1,095,304,778	1,095,304,778
1,095,304,778	1,095,304,778

17.00 Consolidated Revaluation Reserve on Investment in Securities

Mutual Trust Bank limited (Note-17.a)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

409,820,227	486,928,408
48,113,290	48,113,290
457,933,517	535,041,698

17.a Revaluation Reserve on Investment in Securities

Opening balance
Add: Addition/(Realized) during the year
Closing balance

486,928,408	373,843,120
(77,108,182)	113,085,288
409,820,227	486,928,408

18.a General Reserve

Opening balance
Closing balance

786,777,324	786,777,324
786,777,324	786,777,324

19.00 Consolidated Surplus in Profit and Loss Account / Retained earnings

Opening balance
Add: Consolidated Profit made during the year
Less: Bonus Share Issued during the year
Less: Cash Dividend paid
Less: Dividend for Perpetual Bondholders
Less: Bonus Share Issued by MTB Capital Limited
Less: Transferred to Statutory Reserve
Less: Start-Up Fund

2,166,251,505	2,253,888,060
2,973,198,920	970,385,702
(738,632,410)	(351,729,720)
-	(351,729,722)
(224,061,356)	-
-	(16,993,800)
(658,831,130)	(345,569,587)
(29,178,340)	(8,993,228)
3,488,747,189	2,149,257,705
-	16,993,800
3,488,747,189	2,166,251,505

Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)

19.a Surplus in Profit and Loss Account/Retained earnings

Opening Balance
Add: Profit made during the year *
Less: Bonus Share Issued during the year
Less: Cash Dividend paid
Less: Dividend for Perpetual Bondholders
Less: Transferred to Statutory Reserve
Less: Start-Up Fund

1,778,185,562	1,937,895,066
2,917,833,997	899,322,753
(738,632,410)	(351,729,720)
-	(351,729,722)
(224,061,356)	-
(658,831,130)	(345,569,587)
(29,178,340)	(8,993,228)
3,046,326,323	1,779,195,562

As per regulation of Bangladesh Bank (ref: BRPD circular no. 11 dated December 12, 2011), the amount of Net Profit After Tax (NPAT), increased due to the recognition of deferred tax asset on specific provision kept against classified loans, will not be distributed as dividend, since carrying amount of provisions (liability) will be settled in future periods when deferred tax income will be recovered. Hence, this entire amount of deferred tax asset i.e. BDT 2,233,794,750 will be deducted while determining the distributable profit for the shareholders.

20.00 Non-Controlling Interest

Opening balance
Add: Profit made during the year
Closing balance

131,751	129,845
1,507	1,906
133,258	131,751

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55
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Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
MTB Securities Limited: NPAT	37,178,343	68,358,454
0.002% of NPAT	744	1,367
MTB Capital Limited: NPAT	19,083,977	13,479,960
0.004% of NPAT	763	539
	<u>1,507</u>	<u>1,906</u>
21.a Off-Balance Sheet Items		
Contra & Contingent Assets & Liabilities		
Acceptances and endorsements		
Accepted Bill (Inland)	3,836,250,511	3,601,028,755
Accepted Bill (Foreign)	61,051,364,695	34,745,177,089
	<u>64,887,615,205</u>	<u>38,346,205,844</u>
Less: Inter transaction with Off-shore Banking Unit	20,464,318,094	12,673,964,542
	<u>44,423,297,112</u>	<u>25,672,241,302</u>
Islamic Banking Branches	418,342,594	-
	<u>44,841,639,706</u>	<u>25,672,241,302</u>
Letter of guarantee		
BG Outward (Inland)	23,596,109,618	22,117,098,693
BG Outward (Foreign)	16,753,330,954	12,770,589,159
	<u>40,349,440,573</u>	<u>34,887,687,852</u>
Offshore Banking Unit	-	-
	<u>40,349,440,573</u>	<u>34,887,687,852</u>
Irrevocable letters of credit		
ILC Sight	5,203,529,776	4,639,953,598
ILC Usance	31,457,362,647	21,113,194,171
	<u>36,660,892,423</u>	<u>25,753,147,769</u>
Islamic Banking Branches	105,866,994	-
	<u>36,766,759,417</u>	<u>25,753,147,769</u>
Bills for collection		
Bills	10,053,512,136	7,282,893,368
	<u>10,053,512,136</u>	<u>7,282,893,368</u>
	<u>132,011,351,831</u>	<u>93,595,970,291</u>
21.a.1 Letter of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the bank is contingently liable in respect of guarantees given favoring:		
Directors	-	-
Government	-	-
Bank and other Financial Institutions	8,168,869,214	42,494,221
Others	32,180,571,359	34,845,193,631
	<u>40,349,440,573</u>	<u>34,887,687,852</u>
Less: Margin	(2,826,875,664)	(844,323,475)
	<u>37,522,564,909</u>	<u>34,043,364,378</u>
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	<u>37,522,564,909</u>	<u>34,043,364,378</u>
21.a.1.1 Segregation of Commitment by Type		
Documentary Credit and Short Term Business Related Transaction	36,766,759,417	25,753,147,769
Forward Asset Purchased and Forward Deposit	-	-
Endorsed formal standby facilities, Credit facilities and other commitments:		
Less than one year	85,191,080,279	60,559,929,154
One year and above	-	-
Undrawn formal standby facilities, credit lines and other commitments:		
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	-	-
	<u>10,053,512,136</u>	<u>7,282,893,368</u>
	<u>132,011,351,831</u>	<u>93,595,970,291</u>
22.00 Income Statement		
Income:		
Interest, Discount and Similar Income	16,833,540,596	18,035,109,689
Dividend income	155,174,634	4,229,268
Fee, Commission and Brokerage	1,110,303,099	828,270,767
Exchange Gain	977,045,235	929,188,538
Other Operating Income	1,595,148,232	1,479,161,085
	<u>20,671,211,796</u>	<u>21,275,959,348</u>
Expenses:		
Interest, Fee and Commission	8,821,458,698	11,690,310,445
Administrative expenses	4,829,704,492	4,186,785,520
Other operating expenses	1,461,528,346	1,388,810,122
Depreciation on Banking Assets	682,333,218	686,656,994
	<u>15,795,024,753</u>	<u>17,952,563,081</u>
Operating profit	<u>4,876,187,043</u>	<u>3,323,396,267</u>
23.00 Consolidated Interest Income/profit on investments		
Mutual Trust Bank Limited (Note-23.a)	14,329,716,118	15,471,885,194
MTB Securities Limited	232,395,343	91,308,510
MTB Capital Limited	45,323,079	22,893,511
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Income (Loans)	(35,520,509)	(6,055,261)
Less: Intragroup Interest Income (Bank balance)	(9,432,616)	(15,011,345)
	<u>14,562,481,415</u>	<u>15,565,020,609</u>
23.a Interest Income/profit on investments		
Loans and Advances/investments (Note-23.a.1)	14,237,848,843	15,364,880,600
Money at Call and Short Notice	8,471,250	40,084,774
Short Term Placement (Local)	23,232,297	53,341,437
Short Term Placement (Foreign)	197,256,789	105,433,352
Inter transaction with Offshore Banking Unit	14,466,808,179	15,563,740,163
	<u>(137,093,061)</u>	<u>(91,854,969)</u>
	<u>14,329,716,118</u>	<u>15,471,885,194</u>

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56
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Sr. Executive Vice President &
Group Company Secretary
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Corporate Head Office, Dhaka

Syed Mahbubur Rahman
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
23.a.1 Interest on Loans and Advances/Investments		
Cash Credits	2,129,299,547	2,888,311,285
Overdrafts	1,647,680,170	2,017,432,626
Bills Purchased and Discounted	160,157,248	144,348,371
Continuous Loans	952,078,195	406,934,229
Demand Loans	2,524,571,160	3,006,448,474
Term Loans	5,191,316,488	4,961,079,931
Short term Agri. Credit and Microcredit	445,627,367	782,386,220
Packing Credit	48,608,841	48,488,783
Credit Cards	297,770,564	348,261,598
Staff Loan	31,145,355	37,528,850
Lease Finance	33,754,242	27,126,563
	13,462,009,187	14,668,346,931
Offshore Banking Unit	762,305,245	696,533,669
Islamic Banking Branches	13,534,411	-
	14,237,848,843	15,364,880,600
24.00 Consolidated Interest paid/profit shared on deposits and borrowings etc.		
Mutual Trust Bank Limited (Note-24.a)	8,821,458,698	11,634,779,535
MTB Securities Limited	22,853,884	2,702,519
MTB Capital Limited	18,038,186	3,352,742
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Expense (Borrowings)	(35,520,509)	(6,055,261)
Less: Intragroup Interest Expense (Deposits)	(9,432,616)	(15,011,345)
	8,815,395,643	11,619,768,190
24.a Interest paid/profit shared on deposits and borrowings etc.		
Interest on Deposit and Other Accounts (Note-24.a.1)	7,357,147,199	10,058,208,410
Interest on Subordinated Bonds and Borrowing from other Banks and Financial Institutions (24.a.2)	1,009,264,156	1,149,556,566
	8,366,411,355	11,207,764,976
Offshore Banking Unit	570,273,589	518,869,528
Islamic Banking Branches	21,866,815	-
Less: Inter transaction with Offshore Banking Unit	(137,093,061)	(91,854,969)
	8,821,458,698	11,634,779,535
24.a.1 Interest on Deposits and Other Accounts		
Current Deposit & Other Accounts	9,867,540	5,013,575
Savings Deposit	580,831,806	638,300,037
Fixed Deposits	4,272,997,573	7,039,530,132
Special Noticed Deposits	454,512,309	486,607,734
Deposit Products	2,038,937,970	1,888,756,932
	7,357,147,199	10,058,208,410
24.a.2 Interest on Subordinated Bonds and Borrowing from other Banks and Financial Institutions		
Interest on Borrowing from other Banks and Financial Institutions	302,091,889	265,690,927
Interest on Subordinated Debt	707,172,267	883,865,639
	1,009,264,156	1,149,556,566
25.00 Consolidated Investment Income		
Mutual Trust Bank Limited (Note-25.a)	3,392,199,216	3,388,576,110
MTB Securities Limited	200,398,369	59,671,993
MTB Capital Limited	77,185,733	12,784,445
MTB Exchange (UK) Limited	-	-
	3,669,781,318	3,461,032,548
25.a Investment Income		
Interest on Treasury Bill	17,178,905	140,751,056
Interest on Treasury Bond	2,183,272,213	2,226,716,566
Interest on reverse REPO	-	7,128,614
Capital Gain from Trading in Govt. Securities	645,709,649	904,781,487
Capital Gain/(Loss) on Investment in shares of quoted companies	63,295,278	1,491,243
Dividend Income from Investment in Shares	33,441,605	4,229,268
Dividend Income from Preference Share Investment	50,529,167	-
Dividend Income from Mutual Fund	4,784,000	-
Dividend Income from Perpetual Bond	66,418,863	-
Income from Other Investments	93,056,465	103,477,877
Dividend Income from Subsidiaries	227,495,800	-
	3,385,180,944	3,388,576,110
Islamic Banking Branches	7,018,271	-
	3,392,199,216	3,388,576,110
26.00 Consolidated Commission, Exchange and Brokerage		
Mutual Trust Bank Limited (Note-26.a)	2,087,348,334	1,757,459,306
MTB Securities Limited	400,029,009	161,941,923
MTB Capital Limited	520,068	67,500
MTB Exchange (UK) Limited	-	2,981,840
	2,487,897,409	1,922,450,368
26.a Commission, Exchange and Brokerage		
Commission (Note-26.a.1)	1,110,303,099	828,270,767
Exchange (Note-26.a.2)	977,045,235	929,188,538
Brokerage	-	-
	2,087,348,334	1,757,459,306
26.a.1 Commission		
Commission on Letter of Guarantee	206,324,186	207,943,981
Commission on Letter of Credit	384,367,618	269,532,904
Commission on Acceptance of Bills	335,629,657	212,679,061
Commission on Import/Export Collection	41,057,221	28,225,147
Commission on LC Advising	14,910,300	10,913,554
Commission on PO, DD & TT	6,122,495	7,048,543
Exchange houses commission	56,194,813	34,684,305
On-line service commission	12,494,919	9,637,000
Commission on IBC	168,738	13,715,878
Underwriting Commission regarding Treasury Bill/Bond	42,819,520	24,595,330
Commission on RTGS	5,099,956	2,823,837

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57
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
Commission on POS	3,670,806	6,471,228
Offshore Banking Unit	1,108,858,229	828,270,767
Islamic Banking Branches	1,444,870	-
	1,110,303,099	828,270,767
26.a.2 Exchange Gain (net of exchange loss)		
Exchange Gain	981,522,534	936,041,927
Less: Exchange Loss	4,477,299	6,853,388
	977,045,235	929,188,538
27.00 Consolidated other operating income		
Mutual Trust Bank Limited (Note-27.a)	861,048,128	633,428,267
MTB Securities Limited	12,508,960	10,064,797
MTB Capital Limited	24,890,497	11,075,267
MTB Exchange (UK) Limited	-	3,698,436
	899,345,586	658,266,767
27.a Other Operating Income		
Handling Charges	297,485	582,700
VISA Card	147,074,822	78,700,474
Charges against cards	200,602,088	153,066,382
Service Charges	99,775,932	122,423,065
Telephone & SMS Charge Recoveries	126,251,276	77,767,654
SWIFT Charge Recoveries	31,911,575	27,349,219
SME Fees and Charges	4,886,387	2,192,061
Management fees	28,502,251	29,559,778
Early Settlement Fee	3,791,166	5,472,035
Loan Processing Fee	57,128,820	51,170,252
Partial Payment Fee	-	736,209
NPSB Acquire Income	22,157,019	15,500,770
Locker Rent	7,155,790	5,430,623
Miscellaneous Earnings	131,042,951	63,469,396
	861,177,559	633,420,616
Offshore Banking Unit	-	7,652
Islamic Banking Branches	770,570	-
	861,948,128	633,428,267
28.00 Consolidated Salaries and Allowances		
Mutual Trust Bank Limited (Note-28.a)	3,951,379,176	3,531,820,176
MTB Securities Limited	92,741,437	83,982,337
MTB Capital Limited	13,789,417	12,520,445
MTB Exchange (UK) Limited	-	3,618,406
	4,057,920,030	3,631,941,364
28.a Salary and Allowances		
Basic Pay	1,720,438,603	1,659,207,682
Allowances	1,292,795,628	1,271,869,705
Bonus	360,323,504	234,800,622
Gratuity	343,800,000	154,392,000
Leave Fare Assistance	75,502,555	60,991,297
Provident Fund	158,518,886	150,558,869
	3,951,379,176	3,531,820,176
28.a.1 Chief Executive's salary and fees		
Basic	18,176,985	17,148,099
Allowance	2,374,450	1,680,000
Bonus	4,010,930	2,420,250
Leave Fare Assistance	3,010,930	3,302,870
Provident Fund	1,817,692	1,714,809
	29,390,987	26,266,028
29.00 Consolidated Rent, Taxes, Insurance, Electricity etc.		
Mutual Trust Bank Limited (Note-29.a)	706,146,335	540,460,541
MTB Securities Limited	19,958,099	29,205,619
MTB Capital Limited	317,505	3,487,392
MTB Exchange (UK) Limited	99,543	5,123,342
	726,521,483	578,276,894
29.a Rent, Taxes, Insurance, Electricity etc.		
Rent*	276,731,483	218,054,689
VAT on Rent	70,478,397	67,398,462
Rates & Taxes	82,169,187	4,077,885
Insurance	163,689,372	143,229,034
Electricity & Utilities	113,057,897	107,702,470
	706,146,335	540,460,541
* While implementing IFRS 16: Leases, the bank recorded Interest paid on lease liability (note-36.a) and depreciation on ROU assets (note-35.a) instead of charging rental expense of BDT 241,259,997 in 2021 against those rental premises that have been treated as ROU assets and shown in the Balance Sheet as per IFRS 16		
29.a.1 Reconciliation of rental expense is presented as under:		
A) Total Rent expenses, incurred for office premises, paid during 2021		
Total Rent expenses incurred in 2021	588,469,876	516,706,207
B) Rental expenses converted into the Interest expenses on lease liability & depreciation expenses on ROU Assets:		
Rent expense considering for IFRS 16 Leases	241,259,997	231,255,056
C)=(A-B), Rent Expenses presented in Note 29.a	347,209,879	285,451,151
D) Expenses charged during 2021 for IFRS 16 - Leases		
Interest Expenses on lease liability (Note 24.a)	58,457,446	55,530,910
Depreciation Expenses on ROU Assets (Note 35.a)	233,490,912	222,350,298
Total expenses charged for ROU Assets during the year	291,948,358	277,881,208
E)=(C-D-B), Additional expenses incurred for leases during 2021	50,688,361	46,626,152

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58
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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
30.00 Consolidated Legal Expense		
Mutual Trust Bank Limited (Note-30.a)	5,167,512	2,178,599
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	5,167,512	2,178,599
30.a Legal Expense		
Legal Expense	5,167,012	2,178,599
Islamic Banking Branches	500	-
	5,167,512	2,178,599
31.00 Consolidated Postage, Stamp, Telecommunication, etc.		
Mutual Trust Bank Limited (Note-31.a)	20,047,383	5,982,584
MTB Securities Limited	692,568	732,837
MTB Capital Limited	112,359	81,220
MTB Exchange (UK) Limited	-	132,913
	20,852,310	6,929,554
31.a Postage, Stamps, Telecommunication etc.		
Postage/Courier Service	6,800,754	4,938,924
Telephone	13,234,002	1,043,660
Islamic Banking Branches	20,034,756	5,982,584
	12,627	-
	20,047,383	5,982,584
32.00 Consolidated Stationery, Printings, Advertisements etc.		
Mutual Trust Bank Limited (Note-32.a)	113,860,499	76,181,943
MTB Securities Limited	2,229,665	670,529
MTB Capital Limited	537,324	199,243
MTB Exchange (UK) Limited	-	207,514
	116,627,488	77,259,229
32.a Stationery, Printings, Advertisements etc.		
Printing Stationery	42,570,750	24,932,264
Computer Stationery	14,247,773	11,426,118
Potty & Table Stationery	19,568,012	15,879,240
Publicity & Advertisement	35,834,230	23,944,322
Islamic Banking Branches	112,220,765	76,181,943
	1,639,734	-
	113,860,499	76,181,943
33.00 Consolidated Director's Fees		
Mutual Trust Bank Limited (Note-33.a)	2,217,600	1,628,149
MTB Securities Limited	840,400	525,800
MTB Capital Limited	575,000	557,000
MTB Exchange (UK) Limited	-	-
	3,633,000	2,710,949
33.a Director's Fees		
Meeting fee	2,059,200	1,628,149
Islamic Banking Branches	2,059,200	1,628,149
	158,400	-
	2,217,600	1,628,149
Bank has paid BDT 8,000 as Honorarium according to the BRPD circular letter no. 11 dated 04 October 2015		
34.00 Consolidated Auditor's Fees		
Mutual Trust Bank Limited (Note-34.a)	1,495,000	2,267,500
MTB Securities Limited	126,500	69,000
MTB Capital Limited	69,000	69,000
MTB Exchange (UK) Limited	467,889	438,700
	2,158,389	2,844,200
34.a Auditor's Fees		
Annual Account	1,380,000	1,750,000
Quarterly Accounts	-	345,000
NOSTRO Account	-	57,500
IPFF Account	57,500	57,500
Corporate Governance	57,500	57,500
	1,495,000	2,267,500
35.00 Consolidated Depreciation and repair of bank's assets		
Mutual Trust Bank Limited (Note-35.a)	832,571,524	795,878,261
MTB Securities Limited	6,829,676	6,300,392
MTB Capital Limited	1,946,390	865,307
MTB Exchange (UK) Limited	-	879,029
	841,347,591	803,922,989
35.01 Consolidated Depreciation of assets		
Mutual Trust Bank Limited (Note-35.a)	683,793,129	686,656,994
MTB Securities Limited	6,015,593	5,963,672
MTB Capital Limited	1,743,127	591,157
MTB Exchange (UK) Limited	-	207,948
	691,551,839	693,419,771
35.01.1 Consolidated Repair of Bank's assets		
Mutual Trust Bank Limited (Note-35.a)	148,778,398	109,221,267
MTB Securities Limited	814,093	336,720
MTB Capital Limited	203,263	274,160
MTB Exchange (UK) Limited	-	671,081
	149,795,752	110,503,218

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Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
35.a Depreciation and Repair of Bank's assets		
Depreciation :		
Immovable Property	29,936,487	30,713,452
Furniture & Fixture	90,975,628	79,273,118
Office Equipments	230,540,983	264,424,699
Motor Vehicles	31,574,150	30,373,891
Intangible Asset	65,813,058	59,521,535
Right-of-use Assets	233,490,913	222,350,298
	682,333,218	686,656,994
Repair of Bank's assets	148,491,796	109,221,267
	830,825,013	795,878,261
Islamic Banking Branches	1,746,511	-
	832,571,524	795,878,261
36.00 Consolidated Other Expenses		
Mutual Trust Bank Limited (Note-36.a)	1,311,290,039	1,310,509,294
MTB Securities Limited	24,108,246	15,768,288
MTB Capital Limited	3,785,705	2,879,786
MTB Exchange (UK) Limited	503,800	7,053,731
	1,339,687,789	1,336,211,099
36.a Other Expenses		
Security & Auxiliary Service	252,666,240	248,199,359
Office Cleaning	83,645,135	70,182,544
Office Maintenance	31,400,281	26,228,745
Car Expense	287,737,642	279,001,650
Entertainment	15,919,540	17,101,449
Newspaper & Periodicals	276,779	641,305
Clearing House Expense	34,163	49,640
Traveling & Conveyance	24,732,777	25,588,605
Bank Charge	2,459,066	2,358,777
Training Expense	2,452,108	8,577,216
Professional Fee	36,756,638	42,797,059
AGM Expense	502,632	469,600
Subscription & Donation	57,377,288	176,700,386
Reuters Charge	2,269,586	-
CDBL Charges	1,132,500	269,457
Fees & Registration	19,178,470	16,879,978
Business Development Expense	246,931,699	179,468,462
Contribution to MTB Foundation	30,000,000	20,000,000
Honorarium	1,330,155	836,472
Cash Carrying Expense	31,119,875	20,795,422
Contact Point Verification (CPV) Charges	3,141,475	1,551,390
Site Maintenance & Support Service	4,245,737	2,837,812
On-line and connectivity charges	43,958,985	47,101,414
NID Verification Charge	1,919,096	322,981
Agent Banking Float Sharing Commission	45,674,002	37,965,727
bKash Commission	-	4,354,494
Interest expenses on lease liability	58,457,446	55,530,910
Loss on Sale of Fixed Assets	7,680,095	6,048,165
	1,292,999,408	1,291,967,018
Offshore Banking Unit	16,430,851	18,542,276
Islamic Banking Branches	1,859,781	-
	1,311,290,039	1,310,509,294
37.00 Consolidated Provision for Loans, Investment & Other		
Provision for Unclassified Loans and Advances	13,729,058	168,823,498
Special General Provision-COVID-19	475,868,961	408,639,000
Provision for Classified Loans & Advances	732,840,719	879,759,262
Provision for Off Balance Sheet Items	335,592,653	60,626,571
Provision for Margin Loan & Diminution in Value of Investments	540,000,000	95,500,000
Provision for Other Asset	24,000,000	76,200,000
	2,122,031,391	1,689,548,331
37.a Provision for Loans, Investment & Other		
Provision for Unclassified Loans and Advances	13,729,058	168,823,498
Special General Provision-COVID-19	475,868,961	408,639,000
Provision for Classified Loans & Advances	732,840,719	879,759,262
Provision for Off Balance Sheet Items	335,592,653	60,626,571
Provision for Diminution in Value of Investments	-	1,500,000
Provision for Other Asset	24,000,000	76,200,000
	1,582,031,391	1,595,548,331
38.00 Consolidated Provision for Current Tax		
Mutual Trust Bank Limited (Note-38.a)	1,259,525,860	826,244,660
MTB Securities Limited	167,815,154	24,954,315
MTB Capital Limited	21,668,557	5,347,039
MTB Exchange (UK) Limited	(175,341)	-
	1,448,834,228	856,546,014
38.a Provision for Current Tax		
Current tax	1,259,525,860	826,244,660
	1,259,525,860	826,244,660
38.01 Consolidated Deferred Tax (Income)/Expenses		
Mutual Trust Bank limited (Note-38.a.1)	(883,204,205)	2,280,523
MTB Securities Limited	(46,291)	(282,868)
MTB Capital Limited	(12,044)	(18,412)
MTB Exchange (UK) Limited	-	-
	(883,262,540)	1,979,243
38.a Provision for Deferred Tax Expenses/(Income)		
Deferred Tax (see note- 9.a.4.2 and 9.a.4.2.1)	(883,204,205)	2,280,523
	(883,204,205)	2,280,523

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60
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For the Year ended 31 December 2021

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	2021	2020
<p>*The Bank accounted for deferred tax as per IAS 12: Income Taxes. Deferred tax is accounted for any temporary differences between the carrying amounts of assets and liabilities and their tax base. Deferred tax expense is the amount of income tax payable in the future periods in respect of the taxable temporary differences. Deferred tax income is the amount of income tax recoverable in the future periods in respect of deductible temporary differences. Any kind of provision kept against the unclassified and classified loans including off balance sheet items is considered as deductible temporary difference as per IAS 12 as well as Income Tax Ordinance 1984. Detailed calculation of deferred tax has been presented in the note no. 9.a.4.2 and 9.a.4.2.1. Deferred tax income recognized during the year includes the deferred tax income arising on the amount transferred from general provision to specific provision last year as per Bangladesh Bank letter DOS(RMMCMCS)1154/161/2021-1841 dated April 26, 2021. During the year 2021 deferred tax income of BDT 883,204,205 has been recognized in the profit and loss account due to the recognition of deferred tax assets (BDT 2,233,794,750) for specific provision (BDT 5,956,786,000) kept against the classified loans as this income tax will be recovered in future periods.</p>		
39.00 Consolidated Earning Per Share (EPS):*		
Consolidated Net Profit After Tax	2,973,198,920	970,387,608
Number of Ordinary Shares outstanding	812,495,659	812,495,659
Earning Per Share (EPS)	3.66	1.19
*Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share (EPS).		
39.a Earning Per Share (EPS):*		
Net Profit After Tax	2,917,833,997	899,322,753
Number of Ordinary Shares outstanding	812,495,659	812,495,659
Earning Per Share (EPS)	3.59	1.11
<p>*Earnings per share has been calculated in accordance with IAS 33: Earnings Per Share (EPS). Comparative EPS has been restated as per IAS 33 due to the issuance of stock dividend @10% for the year 2020. At the end of year 2021, EPS has increased by BDT 2.48 i.e. 224.45% due to the increase of Net Profit After Tax (NPAT). During 2021, NPAT has increased by BDT 201.85 crore which has a growth of 224.45% compared to that of 2020. The main reason of this growth in NPAT is that net interest income in 2021 has increased by 43.55% (along with 9.72% growth of non-interest income) which is contributing significantly to increase the Profit Before Provision and Tax (PBPT) of MTB by 46.72%. In 2021, PBPT has increased by BDT 155.28 crore and NPAT has increased by BDT 201.85 crore compared to that of year 2020. Another reason of growth in bottom line (224.45%) is that as per IAS 12 Income Taxes, deferred tax income of BDT 88.32 crore has been recognized in the Profit and Loss Account for the year ended December 31, 2021 due to the increase of deferred tax asset which will be recovered in future periods as per Income Tax Ordinance 1984.</p>		
40.00 Consolidated Receipts from other operating activities		
Mutual Trust Bank Limited (Note-40.a)	1,588,129,960	1,680,452,053
MTB Securities Limited	170,277,897	51,125,360
MTB Capital Limited	93,147,760	20,948,415
MTB Exchange (UK) Limited	-	3,698,436
	1,851,555,617	1,756,224,264
40.a Receipts from other operating activities		
Handling charge	297,485	582,700
VISA Card	147,674,822	78,700,474
Charges against cards	200,602,086	177,676,853
Service Charges	99,775,932	122,423,065
Telephone & SMS Charge Recoveries	126,251,276	77,767,654
SWIFT Charge Recoveries	31,911,575	27,349,219
SME Fees and Charges	4,868,387	2,192,061
Management fees	28,502,251	29,559,778
Early Settlement Fee	3,791,166	5,472,035
Loan Processing Fee	57,128,820	51,170,252
Partial Payment Fee	-	736,209
NPSB Acquire Income	22,157,019	15,500,770
Locker Rent	7,155,790	5,430,623
Discount on Treasury Bill	17,176,905	140,751,056
Gain(net off loss) from Trading in Govt. Securities	645,709,649	904,781,487
Capital Gain/(Loss) on Investment in shares of quoted companies	63,295,278	1,491,243
Miscellaneous Earnings	131,042,951	38,858,925
Offshore Banking Unit	-	7,652
Islamic Banking Branches	770,570	-
	1,588,129,960	1,680,452,053
41.00 Consolidated Payments for other operating activities		
Rent, Tax, Insurance and Electricity etc.	726,521,483	578,276,894
Legal Expense	5,167,512	2,178,599
Postage, Stamps, Telegram & Telecommunication etc.	20,852,310	6,929,554
Directors' Fee	3,633,000	2,710,949
Auditors fees	2,158,389	2,844,200
Repair & Maintenance	149,795,752	110,503,218
Other Expenditure	1,300,874,818	1,308,248,417
	2,209,003,263	2,011,691,831
41.a Payments for other operating activities		
Rent, Tax, Insurance, Electricity	706,146,335	540,460,541
Legal Expense	5,167,512	2,178,599
Postage, Stamps, Telegram & Telephone	20,047,383	5,982,584
Directors' Fee	2,217,600	1,628,149
Audit fee	1,495,000	2,267,500
Repair & Maintenance	150,238,307	109,221,267
Other Expenditure	1,273,609,944	1,284,461,129
	2,159,922,080	1,946,199,770
42.00 Consolidated Reconciliation of cash flows from operating activities		
Profit before provision	5,660,803,506	3,518,461,197
Adjustment for non cash items		
Depreciation on fixed assets	625,738,781	633,898,236
Amortization on software	65,813,058	59,521,535
	691,551,839	693,419,771
Adjustment with non-operating activities		
Recovery of written loan	44,858,845	34,559,987
Accounts Receivable	2,099,088,039	(2,743,532,518)
Accounts Payable on deposits	(2,344,336,165)	858,645,757
Loss on sale of assets	8,812,972	7,962,682
MTB Foundation	30,000,000	20,000,000
	(161,576,308)	(1,822,364,093)

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

61
Markum Reta
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020
Changes in operating assets and liabilities		
Changes in loans & advances	(22,268,069,098)	(10,998,195,216)
Changes in deposits & other accounts	25,387,384,419	(2,954,130,464)
Changes in borrowings	4,358,472,567	9,146,130,952
Changes in other assets	(3,595,334,472)	6,734,227
Changes in other liabilities	2,644,890,387	3,352,162,063
	6,527,343,804	(1,447,298,439)
	(1,154,524,080)	(1,220,193,713)
	<u>11,563,598,761</u>	<u>(277,975,277)</u>
Income tax paid		
42.a Reconciliation of cash flows from operating activities		
Profit before provision	4,876,187,043	3,323,396,267
Adjustment for non cash items		
Depreciation on fixed assets	616,520,160	627,135,458
Amortization on software	65,813,058	59,521,535
	<u>682,333,218</u>	<u>686,656,994</u>
Adjustment with non-operating activities		
Recovery of written off loan	44,858,845	34,559,987
Accounts Receivable	2,099,088,039	(2,743,532,518)
Accounts Payable on deposits	(2,344,336,165)	858,645,757
Loss on sale of assets	7,680,095	6,048,165
MTB Foundation	30,000,000	20,000,000
	<u>(162,769,185)</u>	<u>(1,824,278,610)</u>
Changes in operating assets and liabilities		
Changes in loans & advances	(22,076,095,420)	(11,063,895,266)
Changes in deposits & other accounts	23,738,166,118	(2,888,942,651)
Changes in borrowings	4,358,472,567	9,146,130,952
Changes in other assets	(3,817,298,934)	54,488,095
Changes in other liabilities	4,677,649,367	2,982,429,697
	6,878,893,698	(1,769,789,173)
	(1,085,671,535)	(1,202,006,907)
	<u>11,189,033,239</u>	<u>(786,021,430)</u>
Income tax paid		
43.00 Number of Employees		
The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 2,423.		
44.00 Number of Branches	152	145
Number of Branch	119	118
Number of Sub Branch	33	27
45.00 Number of Meeting		
Board Meeting	14	11
Executive Committee Meeting	3	6
Audit Committee Meeting	4	4
Risk Management Committee Meeting	4	4
46.00 Related Party Disclosures of the Bank		
i) Name of the Directors together with a list of entities in which they have interest		
ii) Significant contracts where Bank is a party and wherein Directors have interest during the period ended 31 December 2021		

Annexure-E

Name of Directors	Relationship with the Bank	Nature of transaction	Approve limit	Outstanding amount	
				BDT	USD
Mr. Md. Wakiluddin	Chairman	Credit Card (Secured)	BDT 900,000.00	7,368.27 CR	1.33 CR
		Credit Card (Secured)	BDT 100,000.00	2,037.90 CR	-
Mr. Md. Abdul Malek	Vice Chairman	Credit Card	BDT 1,000,000.00	21,369.20 DR	0.47 CR
Mr. Syed Manzur Elahi	Director (Founding Chairman)	ERQ Credit Card	USD 30,000.00	11,500.00 CR	43.98 DR
Mr. Md. Hedayetullah	Director	ERQ Credit Card	USD 20,000.00	4,892.06 CR	8,166.27 DR
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	ERQ Credit Card	USD 2,500.00	-	-
		RFC	USD 6,000.00	-	-
		Credit Card	BDT 1,000,000.00	4,650.00 DR	-
Mr. M. A. Rouf, JP	Director (Former Chairman)	Credit Card	BDT 1,000,000.00	393,073.07 DR	0.44 CR
Mrs. Khwaja Nargis Hossain	Director	Credit Card	BDT 500,000.00	-	-
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	BDT 453,500.00	19,103.50 CR	1.61 CR
Dr. Arif Dowlah (Representing Advanced Chemical Industries Ltd.)	Director	N/A			
Mr. Daniel De Lange (Representing NORFUND)	Director	N/A			
Mr. Tarik Ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director	N/A			
Ms. Nasreen Saitar	Independent Director	N/A			
Mr. Faruq Ahmad Siddiqi	Independent Director	N/A			

iii) Shares issued to Directors and Executives without consideration or exercisable at a discount

Nil

iv) Related Party Transactions

Name of party	Related with	Transactions nature	Funded Outstanding amount BDT Million	Nature of Security
Sunbeams School Ltd. (1. Mr. Sayed Nasim Manzur, 2. Ms. Muniza Manzur)	Mr. Syed Manzur Elahi	SOD (General)	23.412	RM of Land and Building
MRS. GAZALA CHOWDHURY	MR. RASHED AHMED CHOWDHURY	MTB Personal Loan Branch	0.779	Personal Guarantee

Muhammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

M. A. Reza
Sr. Executive Vice President &
Group Company Secretary
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Corporate Head Office, Dhaka

Syed Mahubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries

Notes to the Financial Statements
For the Year ended 31 December 2021

Particulars	Amount in BDT	
	2021	2020

v) Lending policies in respect of related party

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act, 1991.

vi) Business other than banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991

a) Lease agreement made with the Directors

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement	Pabna Branch	Ms. Anika Chowdhury	Approved by
	Pabna Branch ATM Booth		Approved by Board of MTB
	Square Textile ATM Booth		
	Square Pharmaceuticals ATM Booth		
	Square Hospital ATM Booth		
	Square Fashions ATM Booth		
Lease agreement	Square Date Centre	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	Biquis Tower ATM Booth		
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
Lease agreement	ABC BPL ATM Booth	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pregati Sarani Branch		
Lease agreement	Pregati Sarani Branch ATM Booth	Syed Manzur Elahi	Approved by Board
Lease agreement	Apex Adelchi Footwear Ltd. ATM Booth		

b) Insurance agreement made with the Directors

Name of Party	Nature of contract	Purpose	Name of Director and Related by	Remarks
Pioneer Insurance Company Limited (1. Mr. M Anis Ud Dowla 2. Mr. Tapan Chowdhury 3. A.K.M. Rehamatullah, MP)	Insurance Contract	Motor, Cash in Premise, Cash in Transit, Bank Locker Insurance	Dr. Arif Dowla Ms. Anika Chowdhury Mr. Md. Hedayetullah	Approved by Board
Guardian Life Insurance Ltd. (Mr. Samuel S Chowdhury)	Insurance Contract	Group Life Insurance, Depository Insurance	Ms. Anika Chowdhury	Approved by Board

vii) Business with subsidiary:

Name of party	Relationship	Nature of transaction	Outstanding
MTB Securities Limited	Subsidiary Company	Loan facility	275.19
		Deposits	1,160.67
MTB Capital Limited	Subsidiary Company	Loan facility	218.72
		Deposits	13.85
MTB Exchange (UK) Limited	Subsidiary Company	Receivable from MTB Exchange (UK)	34.96

viii) Relationship with Funds:

	2021 BDT	2020 BDT
Employees Provident Fund: Deposits	12,057,363	167,827,658
Employees Gratuity Fund: Deposits	177,102,295	136,805,901

47.00 Key Management personnel compensation

Transaction with key management personnel of the Bank for the period ended 31 December 2021 is as follows:

Particulars

Short-term employee benefit

	2021	2020
	104,655,774	81,653,721

Key Management personnel includes Managing Director, Additional Managing Director, Deputy Managing Director, Head of Internal Control & Compliance Division, Chief Financial Officer and Company Secretary.

48.00 Verification of financial statements through Document Verification System (DVS)

Pursuant to BRPD circular letter no. 4 dated 04 January 2021 Banks are required to preserve the updated statutory audit report of the clients in loan file during approval/renewal of the facilities. As per BRPD circular letter no.35 dated 06 July 2021, the statutory audit report and Financial Statements needs to be verified through the Document Verification System (DVS) developed by the Institute of Chartered Accountants of Bangladesh (ICAB). Financial Reporting Council (FRC) vide its letter no 178/FRC/APR/2021/27(23) dated 07 December 2021 has instructed to disclose the percentage (%) of the loan file covered under the compliance of these BRPD Circular in the financial statements of the Bank. The master access on the DVS system was given to the Bank representative on 02 August 2021. The Bank has started implementing the compliance upon receiving the master access on DVS system.

49.00 Consolidated Net Asset Value (NAV) per share

Total net assets value	19,654,773,315	17,011,160,723
Number of shares outstanding	812,495,659	812,495,659
Net Asset Value (NAV) per share (2020 Restated)	24.19	20.94

49.a Net Asset Value (NAV) per share

Total net assets value	19,160,905,981	16,571,932,490
Number of shares outstanding	812,495,659	812,495,659
Net Asset Value (NAV) per share (2020 Restated)	23.58	20.40

50.00 Consolidated Net Operating Cash Flows Per Share

Total net operating cash flows	11,563,598,761	(277,975,277)
Number of shares outstanding	812,495,659	812,495,659
Net Operating Cash Flows Per Share (2020 Restated)	14.23	(0.34)

50.a Net Operating Cash Flows Per Share

Total net operating cash flows	11,189,033,239	(788,021,430)
Number of shares outstanding	812,495,659	812,495,659
Net Operating Cash Flows Per Share (2020 Restated)	13.77	(0.97)

51.00 Events after the Balance Sheet Date

Subsequent to the Balance Sheet date, The Board of Directors recommended 10% (ten percent) Stock Dividend for the year 2021 which will be recognized in the accounts as and when approved by the Shareholders in the upcoming Annual General Meeting (AGM).

52.00 Financial Highlights as at 31 December 2021 are shown in Annexure-F

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Murtasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited

Balance with other Banks- Out Side Bangladesh (NOSTRO Account)

Annexure- A

As at 31 December 2021

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at 31 December 2021.

Name of the Bank	Currency	2021			2020		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreq bank, New York	US\$	5,172,365	85.80	443,788,878	1,192,094	84.80	101,091,959
Standard Chartered Bank, New York	US\$	4,340,569	85.80	372,420,813	4,295,315	84.80	364,251,320
Habib American Bank, New York	US\$	419,685	85.80	36,008,955	4,756,950	84.80	403,398,862
Commerze Bank, Germany	US\$	361,525	85.80	31,018,824	386,383	84.80	32,766,083
Mashreq Bank London	US\$	-	85.80	-	47,130	84.80	3,996,725
KB Kookmin Bank	US\$	241,946	85.80	20,758,959	798,548	84.80	67,718,495
JP Morgan, New York	US\$	4,534,516	85.80	389,061,432	226,915	84.80	19,242,826
ICICI, Hong Kong	US\$	316,068	85.80	27,118,598	246,941	84.80	20,941,116
Standard Chartered Bank, Singapore	SGD	97,636	62.82	6,133,864	153,211	58.50	8,962,814
JP Morgan, London	GBP	66,602	115.73	7,707,625	62,885	114.50	7,200,063
Standard Chartered Bank, London	GBP	352,889	115.73	40,838,747	195,481	114.50	22,381,603
Habib American Bank, Zurich	CHF	96,082	93.72	9,005,217	190,162	91.35	17,371,305
Standard Chartered Bank, Tokyo	JPY	12,947,068	0.75	9,653,692	22,709,809	0.78	17,713,651
UBAF, Tokyo	JPY	-	-	-	711,149	0.78	554,697
Standard Chartered Bank, Germany	EUR	440,578	97.38	42,904,788	31,000	103.87	3,219,994
ICICI, Mumbai	EUR	6,164	97.38	600,309	6,164	103.87	640,297
Unicredit, Germany	EUR	140,485	97.38	13,680,835	159,162	103.87	16,532,143
Commerze Bank, Germany	EUR	1,055,600	97.38	102,797,452	548,478	103.87	56,970,447
United Bank of India, Kolkata	EUR	4,226	97.38	411,497	4,226	103.87	438,908
Standard Chartered Bank, Mumbai	ACU	128,115	85.80	10,992,285	387,668	84.80	32,875,060
Standard Chartered Bank, Kolkata	ACU	500,482	85.80	42,941,396	500,482	84.80	42,441,914
Standard Chartered Bank, Pakistan	ACU	323,531	85.80	27,758,960	258,868	84.80	21,952,563
Standard Chartered Bank, Colombo	ACU	154,725	85.80	13,275,444	107,018	84.80	9,075,357
Sonali Bank, Kolkata	ACU	44,610	85.80	3,827,504	86,265	84.80	7,315,446
Habib Metropolitan	ACU	251,315	85.80	21,562,866	152,446	84.80	12,927,756
Mashreq bank, Mumbai	ACU	429,510	85.80	36,851,944	437,275	84.80	37,081,756
AB Bank, Mumbai	ACU	1,130,783	85.80	97,021,150	502,709	84.80	42,630,713
Axis Bank, Mumbai	ACU	534,259	85.80	45,839,396	410,045	84.80	34,772,639
ICICI, Mumbai	ACU	838,823	85.80	71,970,973	228,204	84.80	19,352,133
Himalayan Bank Ltd., Kathmundo	ACU	109,490	85.80	9,394,242	109,490	84.80	9,284,971
Nepal Bangladesh Bank Ltd.	ACU	131,974	85.80	11,323,378	131,974	84.80	11,191,668
United Bank of India, Kolkata	ACU	82,430	85.80	7,072,522	51,274	84.80	4,348,167
HDFC Bank, Mumbai	ACU	669,110	85.80	57,409,664	261,540	84.80	22,179,152
EMIRATES ISLAMIC BANK	AED	431,678	23.36	10,083,688	2,811,630	21.10	59,328,492
MASHREQ BANK, UAE	AED	2,220,100	23.36	51,859,978	4,048,631	21.10	85,426,107
Commerz Bank, Germany	AUD	44,446	62.20	2,764,364	84,438	59.44	5,019,070
Bank Al Bilad	SAR	397,115	22.85	9,075,716	500,044	19.52	9,760,863
Bank Al Rajhi	SAR	220,000	22.85	5,027,902	-	-	-
Riyadh Bank	SAR	105,000	22.85	2,399,680	-	-	-
ICICI Bank Ltd., Mumbai				28,032,607	-	-	28,032,607
		39,341,497		2,120,406,147	47,792,007		1,660,389,742

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
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Corporate Head Office, Dhaka

64
Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

C	Unquoted Share	Face Value	No. of Share Held	Cost Holding	Net Assets value as per Last audited Financial Statements	Total No. of Shares of Issuers	NAV	Value as per NAV as at 31 December 2021	Unrealized Gain/Loss
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D	Fund (Unquoted)						95% NAV		
1	MTB Unit Fund	10	21,692,307	217,600,000			10.95	237,530,762	19,930,762
2	EBLAML1STUF	10	1,777,777	19,999,991	11.25	11	11.12	19,768,880	(231,111)
3	UCBAMLFIRST	10	3,000,000	30,000,000	10.00	11	11.32	33,960,000	3,960,000
	Sub-Total		26,470,084	267,599,991				291,259,642	23,659,651
	Total Unquoted Share & Fund			447,480,181				723,182,990	275,702,809
E	Subordinated Bonds:								
1	One Bank Subordinated Bond			40,000,000				40,000,000	-
2	Trust Bank Subordinated Bond			40,000,000				40,000,000	-
3	UCB 3rd Subordinated Bond			150,000,000				150,000,000	-
4	Jamuna Bank Subordinated Bond			90,000,000				90,000,000	-
5	AIBL Second Mudaraba Bond			80,000,000				80,000,000	-
6	IPDC Subordinated Bond			120,000,000				120,000,000	-
7	NBL Subordinated Bond			150,000,000				150,000,000	-
	Sub-Total			670,000,000				670,000,000	-
F	Perpetual Bonds:								
	Jamuna Bank Perpetual Bond			650,000,000				650,000,000	-
	NCC Bank Perpetual Bond			400,000,000				400,000,000	-
	Investment in Preference Share			1,050,000,000				1,050,000,000	-
G	United Jamalpur Power Ltd.			1,500,000,000				1,500,000,000	-
	Total			4,924,291,954				5,183,123,899	-

Particular	Provision Surplus / (Required)	Provision Maintained	Excess/ (Shortfall)
Quoted Shares	(14,568,651)		
Un-quoted Shares	(3,396,359)	21,000,000	17,607,572
Mutual Funds	(2,302,212)		
Fund Unquoted	23,659,651		
Total	3,392,428	21,000,000	17,607,572



Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Consolidated Fixed Asset Schedule
As at 31 December 2021

Particulars	Cost				Depreciation				Written down value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the period	Disposal during the period	Balance as at 31.12.2021	Rate	BDT			
						Balance as at 01.01.2021	Charged for the period	Adjustment made during the period	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.5%	273,604,607	31,486,571	-	1,197,014,618
Furniture & Fixture	1,606,995,977	122,700,738	19,013,503	1,710,683,212	10%	774,413,388	93,758,533	-	856,813,291
Office Equipments	1,930,889,858	69,010,165	40,899,637	1,950,000,386	20%	1,274,099,865	139,742,666	14,301,999	580,542,663
Computers & Peripherals	755,070,010	126,534,190	10,646,869	870,957,331	20%	329,363,963	93,732,211	35,384,809	457,427,278
Motor Vehicles	187,335,267	31,100,200	4,052,851	214,382,616	20%	107,073,310	31,574,150	9,566,122	79,255,392
Intangible Asset	430,831,169	487,625,202	774,500	917,681,871	20%	188,613,801	65,828,276	683,198	663,922,992
Sub Total	6,517,481,076	836,970,495	75,387,361	7,279,064,210		2,947,168,934	456,122,408	63,456,365	3,939,229,234
Right-of-use Assets as per IFRS 16	1,589,343,346	364,697,610	-	1,954,040,956		263,349,063	235,427,392	-	1,455,264,501
As at 31 December 2021	8,106,824,422	1,201,668,105	75,387,361	9,233,105,166	-	3,210,517,997	691,549,799	63,456,365	5,394,493,735

Consolidated Fixed Asset Schedule
As at 31 December 2020

As at 31 December 2020										
Particulars	Cost			Depreciation				Written down		
	Balance as at 01.01.2020	Addition during the period	Disposal during the period	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Charged for the period	Adjustment made during the period	Balance as at 31.12.2020	value as at 31.12.2020
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.5%	241,261,590	32,343,017	-	273,604,607	1,228,501,188
Furniture & Fixture	1,542,896,117	92,366,810	28,266,950	1,606,995,977	10%	705,076,351	90,688,493	21,351,466	774,413,388	832,582,589
Office Equipment	2,504,736,764	194,564,392	13,341,288	2,685,959,868	20%	1,357,356,541	258,142,537	12,035,250	1,603,463,828	1,082,496,040
Motor Vehicles	147,449,170	39,886,097	-	187,335,267	20%	76,699,419	30,373,891	-	107,073,310	80,261,957
Intangible Asset	412,086,627	21,442,000	2,697,458	430,831,169	20%	131,086,601	59,521,535	1,994,335	188,613,801	242,217,368
Sub Total	6,213,527,473	348,259,299	44,305,696	6,517,481,076		2,511,480,513	471,069,473	35,381,052	2,947,168,934	3,570,312,143
Right-of-use Assets as per IFRS 16	714,594,976	949,258,844	74,510,474	1,589,343,346		115,509,239	222,350,298	74,510,474	263,349,063	1,325,994,283
As at 31 December 2020	6,928,122,449	1,297,518,143	118,816,170	8,106,824,422		2,626,989,752	693,419,771	109,891,526	3,210,517,997	4,896,306,425



Malik Murtasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Fixed Asset Schedule
As at 31 December 2021

Particulars	Cost			Depreciation			Written down value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate	Balance as at 01.01.2021	Balance as at 31.12.2021
	BDT	BDT	BDT	BDT		BDT	BDT
Land	104,253,000			104,253,000	0%		104,253,000
Immovable Property	1,455,740,795			1,455,740,795	2.5%	258,201,327	288,139,813
Furniture & Fixture	1,554,129,081	117,487,527	19,013,503	1,652,603,105	10%	748,068,824	1,167,600,982
Office Equipments	1,891,837,179	66,391,146	40,899,637	1,917,328,688	20%	1,243,100,967	824,740,951
Computers & Peripherals	755,070,010	100,939,190	10,646,869	845,362,331	20%	329,363,963	1,345,832,482
Motor Vehicles	187,335,267	31,100,200	4,052,851	214,382,616	20%	107,073,310	571,496,205
Intangible Asset	430,831,169	485,210,202	774,500	915,266,871	10%	188,613,801	433,140,370
Sub Total	6,379,196,501	801,128,265	75,387,361	7,104,937,405		2,874,422,192	135,127,224
Right-of-use Assets as per IFRS 16	1,589,343,346	237,627,438	-	1,826,970,783		263,349,063	79,255,392
Sub Total	7,968,539,847	1,038,755,702	75,387,361	8,931,908,189		3,137,771,255	253,743,661
Islamic Banking Branches	-	30,072,236	-	30,072,236		-	683,198
As at 31 December 2021	7,968,539,847	1,068,827,938	75,387,361	8,961,980,425		3,137,771,255	683,198
						683,791,089	63,456,365
						3,758,105,979	3,259,806,092
						1,459,911	3,845,131,313
						63,456,365	496,839,976
						1,459,911	1,330,130,807
						63,456,365	5,175,262,120
						1,459,911	28,612,325
						63,456,365	3,758,105,979
						3,758,105,979	5,203,874,445

Fixed Asset Schedule
As at 31 December 2020

Particulars	Cost			Depreciation			Written down value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the year	Disposal during the year	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Balance as at 31.12.2020
	BDT	BDT	BDT	BDT		BDT	BDT
Land	104,253,000			104,253,000	0%		104,253,000
Immovable Property	1,455,740,795			1,455,740,795	2.5%	227,487,875	258,201,327
Furniture & Fixture	1,483,156,698	90,967,274	19,994,891	1,554,129,081	10%	675,605,550	748,068,824
Office Equipments	2,462,041,888	194,167,279	9,301,978	2,646,907,189	20%	1,324,582,821	1,074,442,259
Motor Vehicles	147,449,170	39,886,097	-	187,335,267	20%	76,699,419	1,572,464,930
Intangible Asset	412,086,627	21,442,000	2,697,458	430,831,169	20%	131,086,601	107,073,310
Sub Total	6,064,728,178	346,462,650	31,994,327	6,379,196,501		2,435,462,266	188,613,801
Right of use Assets as per IFRS 16	714,594,976	949,258,844	74,510,474	1,589,343,346		115,509,239	263,349,063
Total December 2020	6,779,323,154	1,295,721,494	106,504,801	7,968,539,847		2,550,971,505	3,137,771,255
						686,656,994	99,857,243
						2,874,422,192	3,504,774,309
						263,349,063	1,325,994,283
						3,137,771,255	4,830,768,592

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Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Mutual Trust Bank Limited

List of MTB Bond Holders as at 31 December 2021

Particulars		Amount in BDT	
		2021	2020
A MTB Perpetual Bond			
Sl.	Name of Party	Investment Amount	Investment Amount
1	Trust Bank Limited	650,000,000	650,000,000
2	Bank Asia Limited	1,000,000,000	-
3	Eastern Bank Limited	1,000,000,000	-
4	Ms. Afroza Sultana	100,000,000	-
5	Mercantile Bank Limited	400,000,000	-
6	Prime Bank Limited	850,000,000	-
Sub-Total (A)		4,000,000,000	650,000,000
B MTB 2nd Subordinate Bond			
Sl.	Name of Party	Investment Amount	Investment Amount
1	Sonali Bank Limited	200,000,000	400,000,000
2	BRAC Provident Fund	100,000,000	200,000,000
3	Bank Asia Limited	80,000,000	160,000,000
4	Uttara Bank Limited	60,000,000	120,000,000
5	BRAC	50,000,000	100,000,000
6	BRAC Bank Limited	50,000,000	100,000,000
7	NRB Commercial Bank Limited	40,000,000	80,000,000
8	United Finance Limited	20,000,000	40,000,000
Sub-Total (B)		600,000,000	1,200,000,000
C MTB 3rd Subordinate Bond			
SL	Name of Party	Investment Amount	Investment Amount
1	Pubali Bank Limited	570,000,000	760,000,000
2	Dhaka Bank Limited	540,000,000	720,000,000
3	Sonali Bank Limited	450,000,000	600,000,000
4	Southeast Bank Limited	390,000,000	520,000,000
5	Janata Bank Limited	300,000,000	400,000,000
6	Agrani Bank Limited	180,000,000	240,000,000
7	Eastern Bank Limited	180,000,000	240,000,000
8	Rupali Bank Limited	120,000,000	160,000,000
9	Delta Life Insurance Company Limited	120,000,000	160,000,000
10	Standard Bank Limited	90,000,000	120,000,000
11	United Finance Limited	60,000,000	80,000,000
Sub-Total (C)		3,000,000,000	4,000,000,000
D MTB 4th Subordinate Bond			
SL	Name of Party	Investment Amount	Investment Amount
1	BRAC Bank Limited	400,000,000	400,000,000
2	Community Bank Limited	100,000,000	100,000,000
3	Sonali Bank Limited	500,000,000	500,000,000
4	Shadaran Bima Corporation	100,000,000	100,000,000
5	Guardian Life Insurance Limited	100,000,000	100,000,000
6	Agrani Bank Limited	500,000,000	500,000,000
7	Eastern Bank Limited	1,000,000,000	1,000,000,000
8	MS. MONISHA ANWAR HUQ	200,000,000	200,000,000
9	Shimanto Bank Limited	100,000,000	100,000,000
10	SQUARE Pharmaceuticals Ltd	2,000,000,000	2,000,000,000
Sub-Total (D)		5,000,000,000	5,000,000,000
Total Bonds (A+B+C+D)		12,600,000,000	10,850,000,000

Mutual Trust Bank Limited
Name of Companies in which the Directors of the Bank have Interest
As at 31 December 2021

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have Interest
1	Mr. Md. Wakiluddin Chairman	<p>Chairman</p> <ul style="list-style-type: none"> Baridhara Corporation Ltd. Baridhara Agro & Food Processing Ltd. <p>Managing Director</p> <ul style="list-style-type: none"> Swadesh Properties Ltd. Swadesh Global Media Ltd. <p>Director</p> <ul style="list-style-type: none"> HURDCO International School Swadesh Land Developers Ltd. <p>Chairman (Fully owned subsidiary of MTB)</p> <ul style="list-style-type: none"> MTB Securities Limited (MTBSL) MTB Capital Limited (MTBCL)
2	Mr. Md. Abdul Malek Vice Chairman	<p>Proprietor</p> <ul style="list-style-type: none"> Gardenia
3	Mr. Syed Manzur Elahi Director (Founding Chairman)	<p>Chairman</p> <ul style="list-style-type: none"> Apex Tannery Ltd. Apex Footwear Ltd. Apex Pharma Ltd. Blue Ocean Footwear Ltd. Apex Enterprise Ltd. Apex Investment Ltd. Grey Advertising (Bangladesh) Ltd. Quantum Consumer Solutions Ltd Manusher Jonno Foundation Sunbeams School Ltd. MTB Foundation <p>Former Chairman</p> <ul style="list-style-type: none"> Bangladesh Association of Banks (BAB) <p>Former Vice Chairman</p> <ul style="list-style-type: none"> Bangladesh Association of Publicly Listed Companies (BAPLC) <p>Managing Director</p> <ul style="list-style-type: none"> International Publications Ltd. <p>Director</p> <ul style="list-style-type: none"> Credit Rating Agency of Bangladesh Limited (CRAB) Central Depository Bangladesh Ltd. (CDBL) (Former Chairman) <p>Chairman of the Board of Trustees</p> <ul style="list-style-type: none"> East West University (Former Chairman) <p>Member of the Board of Trustees</p> <ul style="list-style-type: none"> Centre for Policy Dialogue (CPD) Diabetic Association of Bangladesh Bangladesh Freedom Foundation <p>Former Director</p> <ul style="list-style-type: none"> Bangladesh Bank Sonali Bank Bangladesh Krishi Bank Export Promotion Bureau, Bangladesh <p>Former President</p> <ul style="list-style-type: none"> Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) Bangladesh Employers Association (BEA) Dhaka University Alumni Association (DUAA) <p>Former Honorary Consul</p> <ul style="list-style-type: none"> Belgium
4	Mr. Md. Hedayetullah Director (Immediate past Chairman) & Chairman, MTB Board Executive Committee	<p>Chairman</p> <ul style="list-style-type: none"> Hedayetullah Securities Ltd. <p>Managing Director</p> <ul style="list-style-type: none"> FB Footwear Ltd. Footbed Footwear Ltd. Nuovo Shoes (BD) Ltd. <p>Director</p> <ul style="list-style-type: none"> Apex Tannery Ltd. Apex Property Development Ltd.
5	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corporation Ltd.) and Chairman, MTB Board Risk Management Committee (BRMC)	<p>Chairman</p> <ul style="list-style-type: none"> ABC Building Products Ltd. Banga Garments Ltd. <p>Director</p> <ul style="list-style-type: none"> Associated Builders Corporation Ltd. ABC Real Estate Ltd. Shamsuddin Tawels Ltd. Bangladesh Business Publications Limited <p>Founder Trustee and Former Chairman of the Board of Trustees</p> <ul style="list-style-type: none"> Independent University, Bangladesh <p>Founding member and past President</p> <ul style="list-style-type: none"> Cadet College Club Limited <p>Member of the Management Committee</p> <ul style="list-style-type: none"> Ispahani Islamia Eye Institute and Hospital (IIEI&H) <p>Member of the Board of Trustees</p> <ul style="list-style-type: none"> The Corporate Social Responsibility (CSR) Centre <p>Senior Vice President</p> <ul style="list-style-type: none"> Bangladesh Squash Rackets Federation Bangladesh Terry Towel Manufacturers and Exporters Association <p>President</p> <ul style="list-style-type: none"> Rotary Club of Dhaka Central <p>Assistant Governor</p> <ul style="list-style-type: none"> Rotary District-3280

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

70

Malik Munir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Name of Companies in which the Directors of the Bank have Interest
As at 31 December 2021

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
6	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	<p>Chairman</p> <ul style="list-style-type: none"> Telley ACI (Bangladesh) Ltd. <p>Vice Chairman</p> <ul style="list-style-type: none"> ACI HealthCare Limited <p>Managing Director</p> <ul style="list-style-type: none"> Advanced Chemical Industries (ACI) Ltd. ACI Logistics Limited Stochastic Logic Limited <p>Director</p> <ul style="list-style-type: none"> ACI Formulations Ltd. ACI Motors Limited ACI Pure Flour Limited ACI Agrolink Ltd. Premiallex Plastics Limited ACI Foods Limited ACI Chemicals Limited Infolyx Bangladesh Limited ACI Salt Limited ACI Biotech Limited ACI Edible Oils Limited Creative Communication Limited ACI Marine and Riverine Technologies Ltd. ACI-CO-RO Bangladesh Ltd. ACI Godrej Agrovet (Pvt.) Limited Consolidated Chemicals Limited Dowla Agricultural Development Company Ltd. ACI Foundation Bangladesh Business Publications Limited ACI HealthCare USA Inc. <p>Member of the Board of Governors</p> <ul style="list-style-type: none"> Society for Promotion of Bangladesh Art (SPBA)
7	Mr. M A Rouf, JP Director	<p>Chairman</p> <ul style="list-style-type: none"> Britannia Properties Ltd., Bangladesh Britannia Holdings & Management Ltd. Britannia Developments Limited Britannia Asset & Equity Management Ltd. Diamond Properties (BD) Ltd. Diamond Properties (UK) St. Andrews <p>Director</p> <ul style="list-style-type: none"> Tiger Tours Ltd.
8	Khwaja Nargis Hossain Director	<p>Managing Director</p> <ul style="list-style-type: none"> SAHCO Securities Ltd. <p>Corporate Director</p> <ul style="list-style-type: none"> SAHCO Securities Ltd. <p>Member</p> <ul style="list-style-type: none"> BOAO Forum for Asia (BFA)
9	Mr. Anika Chowdhury Director (Representing ASTRAS Ltd.)	<p>Management Coordinator</p> <ul style="list-style-type: none"> Square Group <p>Director</p> <ul style="list-style-type: none"> Square Fashions Ltd. <p>Director Business Development</p> <ul style="list-style-type: none"> Square Pharmaceuticals Ltd. <p>Managing Director</p> <ul style="list-style-type: none"> Square Health Limited
10	Mr. Md. Tarik Ur Rahman Director (Representing Pioneer Insurance Company Ltd.)	<p>Managing Director</p> <ul style="list-style-type: none"> Pioneer Insurance Co. Ltd. (PICL)
11	Mr. Daniel Donald de Lange Director (Representing NORFUND)	<p>Sole Director, Sole Owner</p> <ul style="list-style-type: none"> Asiacap Holdings Limited (Consulting)
12	Ms. Nasreen Sattar Independent Director & Chairman of MTB Board Audit Committee	<p>Chairman</p> <ul style="list-style-type: none"> Consumark Limited-CONSUMARK <p>Independent Director (Fully owned subsidiary of MTB)</p> <ul style="list-style-type: none"> MTB Securities Ltd. (MTBSL) MTB Capital Ltd. (MTBCL)
13	Mr. Faruq Ahmad Siddiqi Independent Director	<p>Independent Director</p> <ul style="list-style-type: none"> Summit Power Limited <p>Member (Rating Committee)</p> <ul style="list-style-type: none"> Credit Rating Agency of Bangladesh Ltd. (CRAB)
14	Mr. Syed Mahbubur Rahman Managing Director & CEO	<p>Director & Chairman, Board Audit Committee</p> <ul style="list-style-type: none"> Industrial & Infrastructure Development Finance Company Limited (IIDFC) <p>Vice Chairman</p> <ul style="list-style-type: none"> Primary Dealers Bangladesh Limited (PDBL) <p>Director</p> <ul style="list-style-type: none"> LIC of Bangladesh Ltd <p>Vice Chairman (Fully owned subsidiary of MTB)</p> <ul style="list-style-type: none"> MTB Securities Limited (MTBSL) MTB Capital Limited (MTBCL) <p>Trustee Member</p> <ul style="list-style-type: none"> HAEFA Bangladesh <p>Member</p> <ul style="list-style-type: none"> Prothom Alo Trust <p>Treasurer</p> <ul style="list-style-type: none"> CSR Centre

Mutual Trust Bank Limited and Its Subsidiaries
Consolidated Financial Highlights
As at 31 December 2021

Annexure - F
BDT in Million

Sl. No.	Items	2021	2020
1	Paid up Capital	8,124.96	7,386.32
2	Total Capital (Tier-1 & 2)	30,343.20	25,225.11
3	Surplus/ (Shortage) Capital	9,279.61	5,697.61
4	Total Asset	306,500.93	269,269.26
5	Total Deposit	211,782.43	190,120.48
6	Total Loans and Advances	226,011.57	203,887.32
7	Total Contingent Liabilities	132,011.35	93,595.97
8	Lending-Deposit Ratio	82.42%	83.90%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.80%	4.60%
10	Profit after Provision and Tax	2,973.20	970.39
11	Total Classified Loans and Advances	13,107.02	9,387.73
12	Total Provision Maintained against Classified Loans	5,956.79	4,181.06
13	Surplus/(Deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	6.46%	7.92%
15	Earning Assets	262,313.68	235,591.40
16	Non-Interest Earning Assets	44,187.25	33,677.86
17	Return on Investments (ROI)	8.73%	9.77%
18	Return on Asset (ROA)	1.03%	0.37%
19	Income from Investment	3,669.78	3,461.03
20	Earnings Per Share (BDT)	3.66	1.31
21	Operating Profit Per Share (BDT)	6.97	4.76
22	Price-Earning Ratio (Times)	5.36	18.34



Signature
Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Signature
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Signature
Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mutual Trust Bank Limited
Financial Highlights
As at 31 December 2021

Annexure - F (i)
BDT in Million

SL.No.	Items	2021	2020
1	Paid up Capital	8,124.96	7,386.32
2	Total Capital (Tier-1 & 2)	29,443.04	24,552.75
3	Surplus/(shortage) Capital	8,652.05	5,290.78
4	Total Assets	304,742.53	267,913.21
5	Total Deposits	212,956.94	190,607.26
6	Total Loans and Advances	222,924.20	200,991.92
7	Total Contingent Liabilities	132,011.35	93,595.97
8	Lending-Deposit Ratio	5.88%	83.90%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.88%	4.67%
10	Profit after Provision and Tax	2,917.83	899.32
11	Total Classified Loans and Advances	13,107.02	9,387.73
12	Total Provision Maintained against Classified Loans	5,956.79	4,181.06
13	Surplus/(Deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	6.46%	7.92%
15	Earning Assets	257,333.63	231,046.27
16	Non-Interest Earning Assets	47,408.90	36,866.94
17	Return on Investments (ROI)	8.36%	9.88%
18	Return on Asset (ROA)	1.02%	0.34%
19	Income from Investment	3,392.20	3,388.58
20	Earnings Per Share (BDT)	3.59	1.22
21	Operating Profit Per Share (BDT)	6.00	4.50
22	Price-Earning Ratio (Times)	5.46	19.79

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
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Corporate Head Office, Dhaka

Muntasir Reza

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries
Segment Report
Consolidated Balance Sheet
As at 31 December 2021

Particulars	Bank					Subsidiaries				Amount in BDT	
	Main Operation	OSU	IBB	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	2021	2020
PROPERTY AND ASSETS											
Cash in Hand (With Bangladesh Bank and its agent Bank.)	14,665,822,334		134,526,666		14,800,349,000	12,323,611	11,984	2,449,943		14,815,134,487	11,761,494,720
Balance with other Banks & Financial Institutions	2,574,091,794	49,575,826	1,090,000,000		3,713,667,620	1,412,381,790	13,846,480	-	1,174,516,722	3,965,379,148	5,030,965,937
Money at Call and Short Notice	200,000,000				200,000,000	-	-	-	-	200,000,000	1,114,100,000
Investments	45,355,442,353		419,980,000		45,776,422,353	1,258,830,421	372,131,064	-	47,417,383,858	36,656,598,182	36,656,598,182
Loans and Advances	199,577,373,182	23,001,911,228	344,913,845		222,924,200,254	3,200,807,474	380,471,869	-	226,011,574,570	203,743,505,372	203,743,505,372
Fixed Asset including Premises, Furniture & Fixture	5,175,252,120		28,612,325		5,203,874,445	176,227,139	14,382,150	-	5,394,483,735	4,866,306,425	4,866,306,425
Other Assets	18,815,911,445	149,662,620	309,618,273	7,251,176,825	12,124,015,514	305,149,271	58,647,600	-	8,696,959,252	6,046,188,739	6,046,188,739
Non-Banking Assets											
Total Property and Assets	286,464,903,228	23,201,149,673	2,327,653,109	7,251,176,825	304,742,529,186	6,375,719,706	839,501,097	2,449,943	5,459,274,783	306,500,925,149	269,269,259,576
LIABILITIES AND CAPITAL											
Borrowing from other Banks, Financial Institutions & Agents	19,520,729,224	22,759,261,783		7,074,210,000	35,205,781,006	275,189,243	218,715,694	-	493,804,927	35,205,781,006	30,847,308,439
Deposits and Other Accounts	210,616,139,166	23,029,238	2,317,774,086		212,955,942,461			-	1,174,516,722	211,782,425,769	188,733,999,714
Provision & Other Liabilities	24,567,128,658	418,858,652	9,873,023	176,966,825	24,818,869,708	2,443,343,997	224,372,798	33,662,631	262,467,333	27,267,811,801	21,826,658,949
Bonds	12,600,000,000				12,600,000,000			-		12,600,000,000	10,850,000,000
Total Liabilities	267,303,997,248	23,201,149,673	2,327,653,109	7,251,176,825	285,581,623,206	2,718,533,240	443,088,482	33,662,631	1,930,878,983	286,846,018,576	252,257,967,102
Total Shareholders' Equity	19,160,905,981				19,160,905,981	3,657,186,465	396,412,615	(31,202,688)	3,528,395,800	19,654,906,573	17,011,292,474
Total Liabilities and Shareholders' Equity	286,464,903,228	23,201,149,673	2,327,653,109	7,251,176,825	304,742,529,186	6,375,719,706	839,501,097	2,449,943	5,459,274,783	306,500,925,149	269,269,259,576



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Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Malik Murtasir Reza
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Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited and Its Subsidiaries
Segment Report
Consolidated Profit and Loss Account
For the Year ended 31 December 2021

Annexure - G (2)

Particulars	Bank					Subsidiaries			Amount in BDT	
	Main Operation	OBU	IBB	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	
Interest income/profit on investments	13,690,969,522	762,305,245	13,534,411	137,093,061	14,329,716,118	232,395,343	45,323,079	-	44,953,125	15,565,020,809
Interest paid/profit shared on deposits and borrowings etc.	8,366,411,355	570,273,589	21,866,815	137,093,061	8,321,453,698	22,853,884	16,036,186	-	44,953,125	11,619,768,190
Net Interest Income	5,324,558,167	192,031,656	(8,332,404)	-	5,508,262,420	209,541,459	29,286,893	-	-	3,945,252,419
Investment Income	3,385,180,944	-	7,018,271	-	3,392,199,216	200,396,369	77,185,733	-	-	3,461,032,548
Commission, Exchange and Brokerage	2,085,903,464	-	1,444,870	-	2,087,348,334	400,029,009	520,066	-	-	1,922,450,388
Other Operating Income	861,177,559	-	770,570	-	861,948,128	12,506,960	24,890,497	-	-	889,345,586
Total Operating Income	11,656,820,135	192,031,656	901,307	-	11,849,753,098	822,473,797	131,883,190	-	-	12,804,110,085
Salary and Allowances	3,951,379,176	-	-	-	3,951,379,176	92,741,437	13,799,417	-	-	4,057,920,000
Rent, Tax, Insurance and Electricity	706,146,335	-	-	-	706,146,335	19,958,099	317,505	-	-	578,276,894
Legal Expense	5,167,012	-	-	-	5,167,012	-	-	-	-	2,178,599
Postage, Stamps and Telephone	20,034,756	-	12,627	-	20,047,383	692,568	112,359	-	-	6,329,554
Printing, Stationery and Advertisement	112,220,765	-	1,639,734	-	113,860,499	2,229,665	537,324	-	-	77,259,229
Chief Executive's salary and fees	29,390,987	-	-	-	29,390,987	-	-	-	-	26,266,028
Directors' Fee	2,059,200	-	158,400	-	2,217,600	840,400	575,000	-	-	2,710,949
Audit Fee	1,495,000	-	-	-	1,495,000	126,500	69,000	-	-	2,844,200
Depreciation on and Repair to Bank's Property	830,825,013	-	1,746,511	-	832,571,524	6,829,678	1,946,390	-	-	803,922,999
Other Expenditure	1,292,999,408	16,430,851	1,859,781	-	1,311,290,039	24,108,246	3,785,705	-	-	1,336,211,089
Total Operating Expenses	6,951,717,652	16,430,851	5,417,553	-	6,973,566,055	147,526,591	21,142,700	-	-	6,468,540,905
Profit Before Provision	4,705,102,483	175,600,806	(4,516,246)	-	4,876,187,043	674,947,206	110,740,490	-	-	3,518,461,197
General Provision	-	-	-	-	13,729,058	-	-	-	-	168,823,488
Special General Provision-COVID-19	-	-	-	-	475,868,561	-	-	-	-	408,639,000
Specific Provision	-	-	-	-	732,840,719	-	-	-	-	879,759,262
Off Balance Sheet Items	-	-	-	-	335,582,653	-	-	-	-	60,626,571
Margin Loan & Investment in Shares	-	-	-	-	-	470,000,000	70,000,000	-	-	95,500,000
Other Asset	-	-	-	-	24,000,000	-	-	-	-	76,200,000
Total Provision	-	-	-	-	1,582,031,391	470,000,000	70,000,000	-	-	1,689,548,331
Profit Before Tax	-	-	-	-	3,294,155,652	204,947,206	40,740,490	-	-	1,828,912,866
Income Tax Expenses	-	-	-	-	376,321,654	167,768,863	21,656,513	-	-	858,525,258
Net Profit After Tax	-	-	-	-	2,917,833,997	37,178,343	19,083,977	-	-	970,387,608



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)
Balance Sheet
As at 31 December 2021

Particulars	Notes	2021				2020			
		USD	BDT	EURO	BDT	USD	BDT	EURO	BDT
Property and Assets									
Cash		-	-	-	-	-	-	-	-
In hand (including foreign currencies)		-	-	-	-	-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	3	577,345	49,536,232	407	39,594	562,473	47,698,873	-	-
In Bangladesh		-	-	-	-	-	-	-	-
Outside Bangladesh		577,345	49,536,232	407	39,594	562,473	47,698,873	-	-
Loans and advances	4	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
Loans, cash credits, overdrafts etc.		259,941,888	22,303,012,303	2,182,869	212,574,332	180,587,471	15,314,178,710	-	-
Bills purchased and discounted		5,668,119	486,324,593	-	-	3,342,448	283,446,306	-	-
Fixed assets including premises, furniture and fixtures		-	-	-	-	-	-	-	-
Other assets	5	1,744,320	149,662,620	-	-	2,811,231	238,397,976	-	-
Non - banking assets		-	-	-	-	-	-	-	-
Total assets		<u>267,931,652</u>	<u>22,988,535,748</u>	<u>2,183,276</u>	<u>212,613,926</u>	<u>187,303,623</u>	<u>15,883,721,855</u>	<u>-</u>	<u>-</u>
Liabilities and Capital									
Borrowings from other banks, financial institutions and agents	6	262,790,063	22,547,387,417	2,175,681	211,874,366	182,070,377	15,439,932,111	-	-
Deposits and other accounts	7	268,406	23,029,238	-	-	261,978	22,216,220	-	-
Current deposits & Other Accounts		-	-	-	-	-	-	-	-
Bills payable		-	-	-	-	-	-	-	-
Savings bank deposits		-	-	-	-	-	-	-	-
Term deposits		268,406	23,029,238	-	-	261,978	22,216,220	-	-
Bearer certificate of deposit		-	-	-	-	-	-	-	-
Other liabilities	8	4,873,183	418,119,093	7,594	739,560	4,971,269	421,573,533	-	-
Total liabilities		<u>267,931,652</u>	<u>22,988,535,748</u>	<u>2,183,276</u>	<u>212,613,926</u>	<u>187,303,623</u>	<u>15,883,721,855</u>	<u>-</u>	<u>-</u>
Capital / Shareholders' equity									
Paid up capital		-	-	-	-	-	-	-	-
Statutory reserve		-	-	-	-	-	-	-	-
Foreign currency translation gain		-	-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-	-
Retained earnings		-	-	-	-	-	-	-	-
Total Shareholders' equity		<u>267,931,652</u>	<u>22,988,535,748</u>	<u>2,183,276</u>	<u>212,613,926</u>	<u>187,303,623</u>	<u>15,883,721,855</u>	<u>-</u>	<u>-</u>
Total Liabilities and Shareholders' equity		<u>267,931,652</u>	<u>22,988,535,748</u>	<u>2,183,276</u>	<u>212,613,926</u>	<u>187,303,623</u>	<u>15,883,721,855</u>	<u>-</u>	<u>-</u>
Off-Balance Sheet Items									
Contingent liabilities	9	-	-	-	-	-	-	-	-
Acceptances and endorsements		-	-	-	-	-	-	-	-
Letters of guarantee		-	-	-	-	-	-	-	-
Irrevocable letters of credit		-	-	-	-	-	-	-	-
Bills for collection		-	-	-	-	-	-	-	-
Other contingent liabilities		-	-	-	-	-	-	-	-
Other commitments		-	-	-	-	-	-	-	-
Documentary credits and short term trade -related transactions		-	-	-	-	-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-	-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-	-	-	-	-
Liabilities against forward purchase and sale		-	-	-	-	-	-	-	-
Other commitments		-	-	-	-	-	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)
Profit and Loss Account
For the Year ended 31 December 2021

Particulars	Notes	2021				2020			
		USD	BDT	EURO	BDT	USD	BDT	EURO	BDT
Interest Income	10	8,939,084	761,036,926	12,971	1,268,320	8,207,395	696,533,669	-	-
Interest paid on deposits and borrowings etc.	11	6,687,773	569,369,552	9,246	904,037	6,113,943	518,869,528	-	-
Net Interest Income		2,251,311	191,667,374	3,726	364,283	2,093,452	177,664,142	-	-
Commission, Exchange and Brokerage		-	-	-	-	-	-	-	-
Other Operating Income	12	-	-	-	-	90	7,652	-	-
Total Operating Income		2,251,311	191,667,374	3,726	364,283	2,093,542	177,671,793	-	-
Less: Operating Expenses:									
Salary and Allowances		-	-	-	-	-	-	-	-
Rent, Taxes, Insurance, Electricity etc.		-	-	-	-	-	-	-	-
Legal Expenses		-	-	-	-	-	-	-	-
Postage, Stamps, Telecommunication etc.		-	-	-	-	-	-	-	-
Stationery, Printings, Advertisements etc.		-	-	-	-	-	-	-	-
Auditor's Fees		-	-	-	-	-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-	-	-	-	-
Other Expenses	13	192,432	16,382,861	491	47,989	218,487	18,542,276	-	-
Total operating expenses		192,432	16,382,861	491	47,989	218,487	18,542,276	-	-
Profit before provision		2,058,879	175,284,512	3,235	316,294	1,875,055	159,129,517	-	-
Less: Provision for Loans, Investment & Other									
Specific provision		-	-	-	-	-	-	-	-
General provision		-	-	-	-	-	-	-	-
Provision for diminution in value of investments		-	-	-	-	-	-	-	-
Other provision		-	-	-	-	-	-	-	-
Total provision		-	-	-	-	-	-	-	-
Total profit before taxes		2,058,879	175,284,512	3,235	316,294	1,875,055	159,129,517	-	-
Less: Provision for Taxation									
Current tax		-	-	-	-	-	-	-	-
Deferred tax		-	-	-	-	-	-	-	-
Net profit after taxation		2,058,879	175,284,512	3,235	316,294	1,875,055	159,129,517	-	-
Retained earnings brought forward from previous years		-	-	-	-	-	-	-	-
		2,058,879	175,284,512	3,235	316,294	1,875,055	159,129,517	-	-

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 Group Chief Financial Officer
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 Corporate Head Office, Dhaka

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 Sr. Executive Vice President &
 Group Company Secretary
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 Corporate Head Office, Dhaka

Syed Mahbubur Rahman
 Managing Director & CEO
 Mutual Trust Bank Limited



1.00 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(105)/2009-4470 dated December 3, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at 26, MTB center, Gulshan South Avenue, Gulshan Circle 1, Dhaka 1212.

1.01 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

2.00 Significant accounting policies and basis of preparation of financial statements

2.01 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and other applicable directives issued by The Bangladesh Bank, in particular, Banking regulations and policy department (BRPD) Circular No. 14 dated 25 June 2003.

2.02 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.03 Foreign currencies transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". The financial statements of the Unit are presented in US Dollar (USD) and Bangladesh Taka where USD is the functional currency and Taka are the Unit's presentation currency. Entity's functional currency is Bangladesh Taka.

Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-bank market as determined by The Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date.

2.04 Reporting period

These financial statements cover from 01 January 2021 to 31 December 2021.

2.05 Loans and advances / Investments

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 14 and 19 dated 23 September 2012 and 27 December 2012 respectively.

2.06 Provision for liabilities

A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.07 Interest income

In terms of the provisions of the IFRS-15 "Revenue from contracts with customers", the interest income is recognized on accrual basis.

2.08 Interest paid and other expenses

In terms of the provisions of the IAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.09 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are not allocated in the current year due to insignificant amount.

2.10 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1=Taka 84.8020 & EURO =Taka 97.3830 (closing rate as at 31 December 2021) and BDT 84.8666 & 97.7796 (average rate which represents at the period end).

c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

Particulars	2021				2020			
	USD	BDT	EURO	BDT	USD	BDT	EURO	BDT
3.00 Balance with other banks and financial institutions								
In Bangladesh	-	-	-	-	-	-	-	-
Outside Bangladesh	577,345	49,536,232	407	39,594	562,473	47,698,873	-	-
	577,345	49,536,232	407	39,594	562,473	47,698,873	-	-
4.00 Loans and advances								
i) Loans, cash credits, overdrafts etc.								
Term Loan	23,907,559	2,051,268,541	-	-	31,133,867	2,640,214,168	-	-
Usance Payable at Sight (UPAS)	236,034,310	20,251,743,762	2,182,869	212,574,332	149,453,604	12,673,964,542	-	-
	259,941,868	22,303,012,303	2,182,869	212,574,332	180,587,471	15,314,178,710	-	-
ii) Bills purchased and discounted								
Payable Inside Bangladesh								
Inland Documentary bills purchased	5,668,118	486,324,529	-	-	3,263,575	276,757,654	-	-
Foreign Documentary bills purchased	1	64	-	-	78,874	6,688,652	-	-
	5,668,119	486,324,593	-	-	3,342,448	283,446,306	-	-
Payable Outside Bangladesh								
	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
4.01 Loans and Advances to Industries								
Auto Mobile Service Including CNG Conversion Centre	881,586	73,924,066	-	-	-	-	-	-
Light Engineering and Metal-Workshop	136,410	11,703,963	-	-	-	-	-	-
Residential Hotels (Including 3Star & Above)	767,772	65,874,810	-	-	-	-	-	-
Satellite Cable Operator	39,304	3,372,309	-	-	-	-	-	-
Agro-Base Industry	570,725	48,968,223	68,717	6,691,843	-	-	-	-
Battery Manufacturing Industries	2,724,632	233,773,449	-	-	1,979,962	167,904,744	-	-
Beverage and Soft Drinks Manufacturing Companies	117,151	10,051,559	-	-	160,034	13,571,178	-	-
Bricks & Sand Factories	685,841	58,845,200	-	-	-	-	-	-
Cement Factories	9,619,659	825,366,738	267,629	26,062,500	4,415,522	374,445,098	-	-
Ceramic Industries	2,640,341	226,541,267	233,542	22,743,052	690,867	58,586,909	-	-
Chemical & Chemical Products (Other than Fertilizer)	480,591	41,234,736	-	-	196,793	16,688,442	-	-
Construction Companies	17,835,089	1,530,250,842	-	-	3,583,951	303,926,234	-	-
Edible Oil Mills	1,042,222	89,422,647	-	-	527,612	44,742,588	-	-
Electricity Companies	2,863,853	245,719,453	-	-	3,036,931	257,537,857	-	-
Electronic Goods Manufacturing/Assembling Industries	19,779,210	1,697,056,227	-	-	10,518,960	892,028,836	-	-
Exporter	1,065,520	93,137,580	-	-	1,090,451	92,472,455	-	-
Fertilizer Company	100,356	8,610,573	-	-	130,460	11,063,280	-	-
Fish Feed and Fish Meal Processing for Poultry and Livestock	9,173,749	787,107,656	47,263	4,602,656	7,931,345	672,593,897	-	-
Food Processing Inds. (Including Agro-Based Inds.)	15,377,394	1,319,380,447	392,808	38,252,857	2,141,111	181,570,482	-	-
Garments Accessories Manufacturing Industries (Z-Sizer Button Etc.)	9,063,587	777,655,802	22,781	2,218,486	3,208,054	272,049,581	-	-
Garments Factories	10,324,917	885,877,912	37,591	3,660,713	4,808,333	407,756,293	-	-
Glass & Glassware Products Factories	2,244,918	192,613,937	-	-	464,483	39,389,086	-	-
Hospitals & Clinics	1,063,465	91,245,304	-	-	1,426,215	120,945,873	-	-
Housing Companies/ Societies	99,720	8,555,992	-	-	-	-	-	-
Importer	7,232,867	620,579,967	-	-	-	-	-	-
Importer & Exporter	600,131	51,491,257	37,392	3,641,378	5,620,182	476,602,716	-	-
Jute Mills	3,607,596	309,531,757	-	-	-	-	-	-
Leather & Leather Products Manf. Industries	149,193	12,800,783	-	-	167,294	14,188,837	-	-
LP Gas Companies	1,134,280	97,321,206	-	-	3,334,672	282,789,863	-	-
Manufacturing of Electrical Equipments & Spares (Including Transformer Etc.)	6,915,302	593,332,942	784,207	76,368,385	12,576,175	1,066,484,776	-	-
Manufacturing of Transport Equipments	-	-	-	-	127,631	10,823,345	-	-
Milk Processing Industries	5,826,439	499,908,428	-	-	4,265,460	361,719,542	-	-
Other Agro Based Industries	224,034	19,222,094	50,072	4,876,186	1,413,671	119,882,163	-	-
Others (Commerce & Trade)	771,924	66,231,069	-	-	2,708,810	229,712,478	-	-
Others Factories	1,351,485	115,957,440	-	-	4,492,089	380,938,127	-	-
Packaging Industries Including Paper Boards	4,701,874	403,420,799	-	-	2,118,054	179,615,180	-	-
Paper & Paper Products Manf. Industries	-	-	-	-	40,112	3,401,536	-	-
Pharmaceuticals Industries	12,568,361	1,078,365,344	164,226	15,992,867	4,071,489	345,270,386	-	-
Polymer and Polythene Industries	9,291,917	797,246,514	-	-	6,762,093	573,438,980	-	-
Poultry Farmers	384,528	32,992,544	-	-	172,909	14,663,004	-	-
Printing & Dyeing Industries	8,287,277	711,048,345	-	-	7,455,273	632,222,036	-	-
Processing of Bread and Biscuits (Namkeen, Lachna Chandra, Noodles Etc.)	-	-	-	-	480,827	40,775,052	-	-
Residential Hotels (Including 3star & Above)	-	-	-	-	528,779	44,841,517	-	-
Rubber & Plastic Industries	4,788,999	410,896,145	-	-	3,237,925	274,582,498	-	-
Satellite Cable Operator	-	-	-	-	22,710	1,925,838	-	-
Ship Building Industries	842,739	72,306,980	-	-	6,984,946	592,337,375	-	-
Spinning Mills	4,737,984	406,519,046	76,640	7,463,410	8,513,775	721,985,123	-	-
Steel Engg. & Metallic Products Industries	26,934,158	2,310,950,774	-	-	28,882,651	2,449,306,554	-	-
Sugar Mills	1,542,305	132,329,747	-	-	216,064	18,322,680	-	-
Textile Mills	16,822,151	1,443,340,553	-	-	5,725,025	485,493,595	-	-
Tobacco Processing Industries	954,396	81,887,203	-	-	292,102	24,770,834	-	-
Weaving Mills	14,052,762	1,205,726,956	-	-	16,360,541	1,387,406,626	-	-
Whole Sale Traders	21,028,209	1,804,220,358	-	-	6,464,627	548,213,300	-	-
Wood & Wood Products Manf. Industries	2,161,051	185,418,151	-	-	4,582,951	388,643,426	-	-
	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

79
Munir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

M. A. Abedin & Co.
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Particulars	2021				2020			
	USD	BDT	EURO	BDT	USD	BDT	EURO	BDT
4.02 Classification of Loans and Advances including bill discounted								
Unclassified (UC):								
Standard	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
Special Mention Account (SMA)	-	-	-	-	-	-	-	-
Sub total	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
Classified:								
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Bad & Loss	-	-	-	-	-	-	-	-
Sub total	-	-	-	-	-	-	-	-
Total	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
4.03 Geographical Location wise Loans and Advances								
Inside Bangladesh								
Urban								
Dhaka Division	213,001,866	18,275,560,085	1,911,736	186,170,567	129,312,553	10,965,963,121	-	-
Chittagong Division	42,898,622	3,680,701,750	-	-	43,103,230	3,655,240,096	-	-
Rajshahi Division	-	-	-	-	1,299,627	110,210,978	-	-
Khulna Division	-	-	-	-	1,225,145	103,894,757	-	-
Sylhet Division	2,737,293	234,859,763	-	-	5,170,331	438,454,417	-	-
Barishal Division	-	-	-	-	-	-	-	-
Rangpur Division	-	-	-	-	-	-	-	-
Mymensingh Division	894,307	76,731,527	-	-	-	-	-	-
	259,532,088	22,267,853,125	1,911,736	186,170,567	180,110,886	15,273,763,370	-	-
Rural								
Dhaka Division	-	-	-	-	-	-	-	-
Chittagong Division	-	-	-	-	1,295,515	109,862,261	-	-
Rajshahi Division	4,072,190	349,393,939	-	-	2,523,518	213,999,384	-	-
Khulna Division	224,034	19,222,094	-	-	-	-	-	-
Sylhet Division	927,722	79,598,578	107,902	10,507,866	-	-	-	-
Barishal Division	365,638	31,371,721	125,640	12,235,186	-	-	-	-
Rangpur Division	361,333	31,002,360	-	-	-	-	-	-
Mymensingh Division	126,982	10,895,079	37,591	3,660,713	-	-	-	-
	6,077,899	521,483,771	271,133	26,403,764	3,819,033	323,861,646	-	-
	265,609,987	22,789,336,896	2,182,869	212,574,332	183,929,919	15,597,625,016	-	-
5.00 Other Assets								
Adjusting A/C Dabit	244,125	20,945,937	-	-	311,231	26,392,976	-	-
Term Placement	1,000,194	85,816,683	-	-	-	-	-	-
Parking Account for Assets	500,000	42,900,000	-	-	2,500,000	212,005,000	-	-
	1,744,320	149,662,620	-	-	2,811,231	238,397,976	-	-
6.00 Borrowings from other banks, financial institutions and agents								
In Bangladesh	162,616,742	13,952,516,464	432,540	42,122,043	83,566,687	7,086,622,191	-	-
Outside Bangladesh	100,173,321	8,594,870,953	1,743,141	169,752,323	98,503,690	8,353,309,920	-	-
	262,790,063	22,547,387,417	2,175,681	211,874,366	182,070,377	15,439,932,111	-	-
In Bangladesh:								
Borrowing from Bank:								
Bangladesh Bank	2,668,742	228,806,464	-	-	3,166,687	268,541,391	-	-
Mutual Trust Bank Limited	82,450,000	7,074,210,000	432,540	42,122,043	50,400,000	4,274,020,800	-	-
Other Bank	77,500,000	6,649,500,000	-	-	30,000,000	2,544,060,000	-	-
	162,616,742	13,952,516,464	432,540	42,122,043	83,566,687	7,086,622,191	-	-
Outside Bangladesh	100,173,321	8,594,870,953	1,743,141	169,752,323	98,503,690	8,353,309,920	-	-
	262,790,063	22,547,387,417	2,175,681	211,874,366	182,070,377	15,439,932,111	-	-
Outside Bangladesh								
AJMAN BANK	5,000,000	429,000,000	-	-	-	-	-	-
ALUBAF ARAB INTERNATIONAL BANK	2,046,153	175,559,939	-	-	-	-	-	-
ASIAN DEVELOPMENT BANK	-	-	-	-	5,000,000	424,010,000	-	-
AXIS BANK LIMITED	2,000,000	171,600,000	-	-	-	-	-	-
BANK MUSCAT SAOG	5,000,000	429,000,000	-	-	5,000,000	424,010,000	-	-
CAIXA BANK S.A.	10,000,000	858,000,000	1,743,141	169,752,323	29,350,000	2,488,938,700	-	-
COMMERZBANK AG	4,000,000	343,200,000	-	-	-	-	-	-
DEG-DEUTSCHE INVESTITIONS	2,000,000	171,600,000	-	-	4,000,000	339,208,000	-	-
HABIB BANK AG ZURICH	-	-	-	-	153,690	13,033,220	-	-
HABIB BANK LIMITED SINGAPORE	-	-	-	-	2,500,000	212,005,000	-	-
HABIB BANK LTD U.A.E	3,500,000	300,300,000	-	-	-	-	-	-
ICICI BANK LIMITED	10,000,000	858,000,000	-	-	5,000,000	424,010,000	-	-
NORFUND	12,000,000	1,029,600,000	-	-	16,000,000	1,356,832,000	-	-
NMB BANK LTD	-	-	-	-	10,000,000	848,020,000	-	-
SONALI BANK (UK) LTD	11,127,168	954,711,014	-	-	-	-	-	-
STANDARD CHARTERED BANK (HONG KONG) LTD	5,000,000	429,000,000	-	-	-	-	-	-
THE COMMERCIAL BANK (Q.S.C)	10,000,000	858,000,000	-	-	5,000,000	424,010,000	-	-
THE NATIONAL BANK OF RAS AL KHAIMAH	16,500,000	1,415,700,000	-	-	13,500,000	1,144,827,000	-	-
UNITED BANK LTD.	-	-	-	-	3,000,000	254,406,000	-	-
YES BANK LIMITED	2,000,000	171,600,000	-	-	-	-	-	-
	100,173,321	8,594,870,953	1,743,141	169,752,323	98,503,690	8,353,309,920	-	-

Particulars	2021				2020			
	USD	BDT	EURO	BDT	USD	BDT	EURO	BDT
7.00 Deposits and other accounts								
Current deposits	-	-	-	-	-	-	-	-
Fixed Deposits	268,406	23,029,238	-	-	261,978	22,216,220	-	-
Sundry Deposits	-	-	-	-	-	-	-	-
	<u>268,406</u>	<u>23,029,238</u>	<u>-</u>	<u>-</u>	<u>261,978</u>	<u>22,216,220</u>	<u>-</u>	<u>-</u>
8.00 Other liabilities								
Sundry Creditors	1,642,435	140,920,963	-	-	2,092,430	177,442,230	-	-
Due to Head Office (Retained earnings)	2,058,879	175,284,512	3,235	316,294	1,875,055	159,129,517	-	-
Due to Head Office (Retained earnings last year)	-	-	-	-	-	-	-	-
Interest Payable on Borrowing	1,171,868	100,546,316	4,360	424,549	1,003,784	85,122,915	-	-
Translation gain/(loss)	-	1,367,302	-	(1,283)	-	(121,129)	-	-
	<u>4,873,183</u>	<u>418,119,093</u>	<u>7,594</u>	<u>739,560</u>	<u>4,971,269</u>	<u>421,573,533</u>	<u>-</u>	<u>-</u>
9.00 Contingent Liabilities & Other Commitments								
Letter of Guarantee	-	-	-	-	-	-	-	-
10.00 Interest income								
Interest on loans and advances (Note-10.01)	8,648,294	736,280,257	12,971	1,268,320	7,994,405	678,457,932	-	-
Foreign Currency Lending (Note-10.02)	290,790	24,756,668	-	-	212,990	18,075,737	-	-
	<u>8,939,084</u>	<u>761,036,926</u>	<u>12,971</u>	<u>1,268,320</u>	<u>8,207,395</u>	<u>696,533,669</u>	<u>-</u>	<u>-</u>
10.01 Interest on loans and advances								
Interest on term loan	1,001,814	85,290,342	-	-	1,306,488	110,877,200	-	-
Interest on UPAS	7,442,106	633,590,402	12,971	1,268,320	6,288,168	533,655,434	-	-
Interest on Placement to other OBU	18,628	1,585,892	-	-	-	-	-	-
Inland Documentary bills purchased	181,854	15,482,309	-	-	380,034	32,252,175	-	-
Foreign Documentary bills purchased	3,892	331,311	-	-	19,715	1,673,123	-	-
	<u>8,648,294</u>	<u>736,280,257</u>	<u>12,971</u>	<u>1,268,320</u>	<u>7,994,405</u>	<u>678,457,932</u>	<u>-</u>	<u>-</u>
10.02 Foreign Currency Lending								
Foreign Currency Lending	290,790	24,756,668	-	-	212,990	18,075,737	-	-
	<u>290,790</u>	<u>24,756,668</u>	<u>-</u>	<u>-</u>	<u>212,990</u>	<u>18,075,737</u>	<u>-</u>	<u>-</u>
11.00 Interest on deposits and borrowings, etc.								
Interest paid on deposits	6,428	547,295	-	-	6,480	549,949	-	-
Interest paid on borrowings	6,681,344	568,822,257	9,246	904,037	6,107,463	518,319,579	-	-
	<u>6,687,773</u>	<u>569,369,552</u>	<u>9,246</u>	<u>904,037</u>	<u>6,113,943</u>	<u>518,869,528</u>	<u>-</u>	<u>-</u>
12.00 Other Operating Income								
Rebate & Other	-	-	-	-	90	7,652	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>7,652</u>	<u>-</u>	<u>-</u>
13.00 Other Expenses								
Bank Charge	60,432	5,144,922	491	47,989	59,437	5,044,243	-	-
Other Fees and Commission	132,000	11,237,939	-	-	159,050	13,498,033	-	-
	<u>192,432</u>	<u>16,382,861</u>	<u>491</u>	<u>47,989</u>	<u>218,487</u>	<u>18,542,276</u>	<u>-</u>	<u>-</u>

Mutual Trust Bank Limited
Islamic Banking Branches
Balance Sheet
As at 31 December 2021

Annexure-I

Particulars	Notes	Amount in BDT	
		2021	2020
<u>Property and Assets</u>			
Cash	3	134,526,666	-
In Hand (including foreign currencies)		23,799,088	-
Balance with Bangladesh Bank and Its Agent Bank (s) (including foreign currencies)		110,727,578	-
Balance with Other Banks and Financial Institutions		-	-
In Bangladesh		-	-
Outside Bangladesh		-	-
Placement with Banks and Other Financial Institution	4	1,090,000,000	-
Investments in Shares and Securities	5	419,980,000	-
Government		419,980,000	-
Others		-	-
Investments	6	344,915,845	-
General Investments etc.		344,915,845	-
Bills Purchased and Discounted		-	-
Fixed Assets Including Premises, Furniture and Fixtures	7	28,612,325	-
Other Assets	8	309,618,273	-
Non - banking Assets		-	-
Total Assets		<u>2,327,653,109</u>	<u>-</u>
<u>Liabilities and Capital</u>			
Placement from Banks and Other Financial Institutions		-	-
Deposits and Other Accounts	9	2,317,774,086	-
Al-wadeeah Current Accounts and Other Deposit Accounts		43,011,475	-
Bills Payable		197,571	-
Mudaraba Savings Deposits		534,328,487	-
Mudaraba Term Deposits		1,686,159,449	-
Special Notice Deposit		26,885,671	-
Scheme Deposit product		27,191,433	-
Other Liabilities	10	9,879,023	-
Subordinated Bond		-	-
Total Liabilities		<u>2,327,653,109</u>	<u>-</u>
Capital / Shareholders' Equity			
Paid up Capital		-	-
Statutory Reserve		-	-
General Reserve		-	-
Other Reserve		-	-
Retained Earnings		-	-
Total Shareholders' Equity		-	-
Total Liabilities and Shareholders' Equity		<u>2,327,653,109</u>	<u>-</u>
<u>Off-Balance Sheet Items</u>			
Contingent Liabilities	11	524,209,589	-
Acceptances and Endorsements		418,342,594	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		105,866,994	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
Other Commitments		-	-
Total Off-Balance Sheet Exposures Including Contingent Liabilities		<u>524,209,589</u>	<u>-</u>

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Islamic Banking Branches
Profit and Loss Account
For the Year ended 31 December 2021

Annexure-I

Particulars	Notes	Amount in BDT	
		2021	2020
Investment Income	12	13,534,411	-
Profit Paid on Deposits	13	21,866,815	-
Net Investment Income		(8,332,404)	-
Income from Investments in Shares/Securities	14	7,018,271	-
Commission, Exchange and Brokerage	15	1,444,870	-
Other Operating Income	16	770,570	-
Total Other Income		9,233,711	-
Total Operating Income (A)		901,307	-
Less: Operating Expenses			
Salary and Allowances	17	-	-
Rent, Taxes, Insurance, Electricity, etc.	18	-	-
Legal Expenses	19	500	-
Postage, Stamp, Telecommunication, etc.	20	12,627	-
Stationery, Printing, Advertisements, etc.	21	1,639,734	-
Shariah Supervisory Committee's Fees & Expenses	22	158,400	-
Auditors' Fees	23	-	-
Depreciation and Repair of Bank's Assets	24	1,746,511	-
Zakat Expenses	25	-	-
Other Expenses	26	1,859,781	-
Total Operating Expenses (B)		5,417,553	-
Profit/(Loss) before Provision (C=A-B)		(4,516,246)	-
Provision for Investments			
Specific provision		-	-
General provision		-	-
Provision for off-balance sheet items		-	-
Provision for Diminution in Value of Investments		-	-
Other Provision		-	-
Total Provision (D)		-	-
Total profit/(loss) before taxes (C-D)		(4,516,246)	-

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Group Chief Financial Officer
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Corporate Head Office, Dhaka.

Malik Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Manubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

1.00 Status of the unit

MTB Board of Directors, in its 232th meeting on January 29, 2019, approved the proposal for introducing Islamic Banking Window. Subsequently, MTB applied for Bangladesh Bank's permission on February 11, 2019. The Bank obtained permission for initiating Islamic Banking operations from Bangladesh Bank vide Letter No. BRPD(P-3)745(51)/ 2019-9642 dated November 25, 2019. MTB Yaqeen Islamic Banking business services were rolled out on February 22, 2021.

1.01 Principal activities/ Islamic Banking operation:

The operation of our Islamic Banking channel is completely separate from the Bank's conventional operation as the former operates its businesses on the basis of Islamic Shari'ah. Through the Islamic Banking channel, the Bank extends a wide range of Islamic Shari'ah compliant deposit products such as Al-Wadee'ah Current Accounts, Mudarabah Savings Accounts, Mudarabah Monthly Savings Schemes, Mudarabah Term Deposit Accounts (Retail and Institutional) and investment/financing products such as Musharakah, Diminishing Musharakah, Bai-Murabahah, Bai Salam, Bai Istisna'a etc. An appropriate accounting system has also been implemented in order to further reinforce our emphasis on Shari'ah compliance. In a nutshell, we follow under noted accounting principles, run through a completely separate Islamic Core Banking System (ICBS) named 'Ababil-NG'.

2.00 Significant accounting policies and basis of preparation of financial statements

2.01 Deposit Collection and income Sharing Ratio (ISR) based Profit Distribution

Islamic Banking operation usually follows Al-Wadee'ah principle and Mudarabah principle for procuring deposit. The current accounts are operated under the 'Al-Wadee'ah Principle'. Under this principle, bank bears the risk of loss and therefore, enjoys the right to get the entire profit.

All other deposit products follow the Mudarabah principle, which refers to a partnership contract, where one party, known as Rab-ul-Maal, provides capital and the other party, known as Mudarib (entrepreneur) provides skill and manages the business, maintaining Shari'ah principles. Rab-ul-Maal cannot take part in the management of the business. Profit is shared as per pre-agreed ratio, while loss is borne by the Rab-ul-Maal on pro-rata basis.

The pre-agreed profit ratio is known as Income Sharing Ratio (ISR), which may vary based on the product type, tenure and amount. The ISR determines the portion of income for each type of depositor and the Bank. For example, the ISR of 75:25 would mean that 75% of distributable income is to be shared by the concerned depositors and the rest 25% to be shared by the Bank. The ISR between each type of Mudarabah depositors and the Bank (Mudarib) are duly disclosed at the time of Account opening and/or beginning of the concerned period. Profit rate is emerged at actual, as derived from the income fetched from deployment of the concerned fund. As such our rate of profit on deposit under Islamic Banking is nothing but a post facto expression of the respective agreed sharing ratios. Our profit rate is an output based on the Bank's earning on investment.

2.02 The ISR declared on Mudarabah deposit products for the year 2021

Types of Mudarabah Deposit	Distributable Investment Income Sharing Ratio (ISR) w.e.f. 01.11.2021	
	Client	Bank
1. Yaqeen Regular Savings Account	10% - 28%	90% - 72%
2. Yaqeen Privilege Savings Account	24% - 35%	76% - 65%
3. Yaqeen Banaat General Savings Account	28% - 35%	72% - 65%
4. Yaqeen Banaat Premium Savings Account	35%	65%
5. Yaqeen Short Notice Deposit (SND) Account	20% - 37%	80% - 63%
6. Yaqeen Asriya Scheme	86% - 94%	14% - 06%
7. Yaqeen Mudarabah Term Deposit Account (Retail)	20% - 75%	80% - 25%
8. Yaqeen Mudarabah Term Deposit Account (Less than 01 Crore) (Corporate Customers)	17% - 54%	83% - 46%
9. Yaqeen Monthly & Quarterly Profit Scheme	64% - 72%	36% - 28%
10. Yaqeen Banaat Term Deposit Account	20% - 75%	80% - 25%
11. Yaqeen Flexible & Monthly Savings Scheme	71% - 92%	29% - 08%
12. Yaqeen Hajj Scheme	66% - 92%	34% - 08%
13. Yaqeen Umrah Scheme	60% - 88%	40% - 12%
14. Yaqeen Sayyidah Savers Scheme	83% - 92%	17% - 08%
15. Yaqeen Marriage Deposit Scheme	83% - 89%	17% - 11%

2.03 Investment Operation and Return Thereon

Investments of our Islamic Banking are broadly categorized in the following two types in respect of charging (rate of) return:

- Fixed return based investment
- Variable return based investment

Fixed return base investment system is applicable for our Bai-Murabahah Muajjal Investment mode. Under this mode, Bank sells the goods to a client at a fixed profit/mark-up on deferred payment including post import basis. Hire Purchase Shirkatul Melk (HPSM) is also a fixed return based investment mode. In this case rate of rent is fixed but amount of rent becomes variable on the basis of diminishing balance method. Variable return based income is applied for our Musharakah mode of investment. In these cases, only ratio of Income Sharing is stated in the agreement. Bank bags income on the basis of the concerned venture according to the agreed ratio (comparable to our Mudarabah deposit products). Genuine loss, if any, is borne according to capital ratio of the client & the Bank.

2.04 Income/ Revenue Recognition Principles

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Bank follows Shari'ah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

For Bai-Murabahah Muajjal Investment

While creating each deal, in case of Bai-Murabahah Muajjal mode of investment, markup/profit is added to the bank's purchase cost with a credit to unearned income A/c. Thereafter time apportionment of profit is recognized out of the unearned income amount at the end of each month on accrual basis. Allowance (rebate) for early repayment, if any, may however be applied at Bank's discretion.

For Hire Purchase Shirkatul Melk (HPSM) Investment

In case of HPSM mode of investment rent is charged and taken into income account at the end of each month on accrual basis. If the account has a provision of gestation period, generally no income is earned during the period. In this case income starts just after the end of gestation period. However rent is chargeable in spite of gestation, if the delivery of asset is completed in usable condition such as a machine or a set of machinery or building etc. All accrual incomes are subject to prevailing classification and provisioning rules of Bangladesh Bank.

For Musharakah Investment

In recognizing the revenue from Musharakah Investment we follow the actual (cash/ realization) basis instead of accrual i.e. no income is recognized until the result of the venture is arrived at.

2.05 Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

To ensure and supervise Shari'ah compliance in banking operation, MTB has a formed a knowledgeable Shari'ah Supervisory Committee comprising renowned Fiqh scholars, Islamic bankers and academicians conversant in Islamic Economics & Finance.

Particulars	Amount in BDT	
	2021	2020
3.00 Cash		
3.01 Cash in hand (including foreign currencies)		
Local Currency	23,799,088	-
Foreign Currency	-	-
	23,799,088	-
3.02 Balance with Bangladesh Bank and its agent bank(s)		
Local Currency	110,727,578	-
Foreign Currency	-	-
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	-	-
	110,727,578	-
4.00 Placement with Banks and Other Financial Institution		
Mercantile Bank Limited	110,000,000	-
Exim Bank Limited	580,000,000	-
Premier Bank Limited	400,000,000	-
	1,090,000,000	-
5.00 Investments in Shares and Securities		
Sukuk Islamic Bond	419,980,000	-
Others	-	-
	419,980,000	-
6.00 Investments		
I) Investments		
Hire Purchase Shirkatul Melk (HPSM) (Note-6.01)	344,915,845	-
	344,915,845	-
II) Bills purchased and discounted		
	344,915,845	-
6.01 Classification of Loans and Advances including bill discounted		
Unclassified (UC):		
Standard	344,915,845	-
Special Mention Account (SMA)	-	-
Sub total	344,915,845	-
Classified:		
Substandard	-	-
Doubtful	-	-
Bad & Loss	-	-
Sub total	-	-
	344,915,845	-

Particulars	Amount in BDT	
	2021	2020
7.00 Fixed Assets Including Premises, Furniture and Fixtures		
Furniture & Fixture	2,028,596	-
Office Equipments	33,640	-
Computers & Peripherals	25,595,000	-
Intangible Asset	2,415,000	-
	30,072,236	-
Less: Accumulated Depreciation	1,459,911	-
	28,612,325	-
8.00 Other Assets		
Advances	4,600,000	-
Stock of Stationery	831,450	-
Due to Head Office (Retained earnings)	4,516,246	-
Receivable from MTB	284,189,408	-
Profit Receivable on Placement with Banks	7,035,438	-
Profit Receivable on Government Bond	8,445,731	-
	309,618,273	-
9.00 Deposits and other accounts		
Al-wadeeah Current Accounts and Other Deposit Accounts	43,011,475	-
Bills Payable	197,571	-
Mudaraba Savings Deposits	534,328,487	-
Mudaraba Term Deposits	1,886,159,449	-
Special Notice Deposit	26,885,671	-
Scheme Deposit product	27,191,433	-
	2,317,774,086	-
10.00 Other liabilities		
Profit Payable on Deposits and Other Accounts	6,380,149	-
VAT payable	663,990	-
Source Tax payable	1,138,101	-
Excise Duty payable	1,606,450	-
Card Settlement	90,333	-
	9,879,023	-
11.00 Contingent Liabilities		
Acceptances and Endorsements	418,342,594	-
Irrevocable Letters of Credit	105,866,994	-
	524,209,589	-
12.00 Investment Income		
Income from general investment (12.01)	6,318,973	-
Other Banks and Financial Institution	7,215,438	-
	13,534,411	-
12.01 Income from general investment		
Hire Purchase Shirkatul Melk (HPSM)	6,318,973	-
	6,318,973	-
13.00 Profit Paid on Deposits		
Profit paid on deposits	21,866,815	-
	21,866,815	-
14.00 Income from Investments in Shares/Securities		
Profit Received on Sukuk Islamic Bond	7,018,271	-
	7,018,271	-
15.00 Commission, exchange and brokerage		
Commission on Letter of Guarantee	1,000	-
Commission on Letter of Credit	545,778	-
Commission on Acceptance of Bills	421,287	-
Commission on PO, DD & TT	1,900	-
Commission on IBC	100	-
Commission on RTGS	7,305	-
	977,370	-
15.01 Exchange		
Exchange Gain on Foreign Currency	467,500	-
	467,500	-
	1,444,870	-

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
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86
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Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Particulars	Amount in BDT	
	2021	2020
16.00 Other Operating Income		
Income from Cards	8,120	-
Service Charges	233,780	-
Telephone & SMS Charge Recoveries	392,022	-
SWIFT Charge Recoveries	17,700	-
SME Fees and Charges	4,500	-
Recovery of NID varification charges	1,800	-
Miscellaneous Earnings	112,648	-
	770,570	-
17.00 Salary and Allowances		
	-	-
18.00 Rent, Taxes, Insurance, Electricity, etc.		
	-	-
19.00 Legal Expenses		
Legal Expenses	500	-
	500	-
20.00 Postage, Stamp, Telecommunication, etc.		
Postage/Courier Service	12,627	-
	12,627	-
21.00 Stationery, Printing, Advertisements, etc.		
Printing Stationery	1,040,967	-
Publicity & Advertisement	598,767	-
	1,639,734	-
22.00 Shariah Supervisory Committee's Fees & Expenses		
Shariah Supervisory Committee's Fees	158,400	-
	158,400	-
23.00 Auditors' Fees		
	-	-
24.00 Depreciation and Repair of Bank's Assets		
Depreciation :		
Immovable Property	-	-
Furniture & Fixture	132,174	-
Office Equipments	1,312,519	-
Motor Vehicles	-	-
Intangible Asset	15,218	-
Right off use Assets	-	-
	1,459,911	-
Repairs on Bank's property:	286,600	-
	1,746,511	-
25.00 Zakat Expenses		
	-	-
26.00 Other Expenses		
Office Cleaning and Maintenance	104,640	-
Entertainment	997,687	-
Newspaper & Periodicals	14,512	-
Traveling & Conveyance	29,610	-
Professional Fee	13,332	-
Subscription & Donation	700,000	-
	1,859,781	-

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87
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Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Mutual Trust Bank Limited
Fixed Asset Schedule
Islamic Banking Branches
As at December 31, 2021

Particulars	Cost			Depreciation				Written down value as at 31.12.2021
	Balance as at 01.01.2021	Addition during the year	Disposal during the year	Balance as at 31.12.2021	Rate/ Useful Life	Balance as at 01.01.2021	Charged for the year	Balance as at 31.12.2021
	BDT	BDT	BDT	BDT		BDT	BDT	BDT
Furniture & Fixture	-	2,028,596	-	2,028,596	10%	-	132,174	1,896,422
Office Equipments	-	33,640	-	33,640	20%	-	4,427	29,213
Computers & Peripherals	-	25,595,000	-	25,595,000	20%	-	1,308,092	24,286,908
Intangible Asset	-	2,415,000	-	2,415,000	3-7	-	15,218	2,399,782
As at 31 December 2021	-	30,072,236	-	30,072,236		1,459,911	-	28,612,325



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Syed Mahdubur Rahman
Managing Director & CEO
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Annexure 3: Credit Rating Report of the Issue

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

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79 | 
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



EMERGING

Credit Rating Ltd

MTB 5th Subordinated Bond

Credit Rating Report

Subordinated Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
June 15, 2022	June 14, 2023	Initial	AA-B+	Stable

* B denotes Bond

Date of Incorporation	: September 29, 1999
Managing Director & CEO	: Mr. Syed Mahbubur Rahman
Issue	: MTB 5th Subordinated Bond
Program Tenure	: 7 years
Issuer	: Mutual Trust Bank Limited
Lead Arranger	: RSA Advisory Limited
Co-Arranger	: MTB Capital Limited
Trustee	: UCB Investment Limited
Contact Analysts	: Md. Raziur Rahman raziur@emergingrating.com Md. Harun Chowdhury harun@emergingrating.com

Credit Analysis

Corporate Bond


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Markur Raza
Sr. Executive Vice President &
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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited


Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

2022 Initial Review

MTB 5th Subordinated Bond

Major Rating Factors

- Strengths**
- Good capital base.
 - Increase in total asset and loan portfolio.
 - Income diversified through strengthening investment portfolio.
 - Compliant with CRR and SLR.
- Challenge/ Risks**
- Competitive bond market.
 - Non-performing loan growth.
 - Provision deferral facility would undermine future profit.

Rationale Emerging Credit Rating Limited (ECRL) has assigned **AA-** (Pronounced as 'Double A minus Bond') long term credit rating to MTB 5th Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue") to be issued by Mutual Trust Bank Limited (MTB). The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of bond rating.

The rating reflects the strengths of the bank and prospective performance of the bond which are backed by good capital base, growth in total asset base and loan portfolio, income diversification through strengthening investment portfolio, compliance with the CRR and SLR requirement. However, ECRL is concerned that the bond market is competitive with limited subscribers, non-performing loan (NPL) growth of the bank as well as provision deferral facility which would limit the future profit of the bank. **The rating was assigned on the basis of draft information memorandum, draft agreements between the issuer and trustee provided by the entity in discussion and the rating may significantly change if the covenants in those documents are altered.**

The proposed bond will be repayable in seven years with five equal installments starting from the end of year three. Semi-annual coupon payment will be paid starting at the end of 6 months from the date of drawdown. The interest rate for the bond is between 6.00% to 9.00% p.a. Coupon rate of the bond will be determined by the benchmark rate/ reference rate plus 2.00% p.a. Moreover, RSA Advisory Limited will act as the mandated lead arranger, MTB Capital Limited will act as the co-arranger and UCB Investment Limited will act as the trustee for this issue. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's loan and advance portfolio.

In terms of performance of the issuer, Mutual Trust Bank Limited has improved its capital base recently through issuance of perpetual bond of BDT 4,000 million as well as 10% bonus share in FY2021 (10% in FY2020). A good growth of retained earnings has also facilitated to strengthen the capital base in FY2021 as a result, the capital to risk weighted assets ratio (CRAR) reached to 14.16% (12.75% in FY2020) which was well above the regulatory requirement of 12.50%.

The total loans portfolio of MTB reached to BDT 222,924.20 million in FY2021 from BDT 200,848.10 million a year back with a growth of 10.99% (7.54% in FY2020) as the demand for loan has increased recently. Besides, the investment portfolio of MTB has had fluctuating growth in the recent four financial years with a remarkable 29.38%

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Managing Director & CEO
UCB Investment Limited

Mohammad Nazmul Hossain, FCA
Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka.

MTB 5th Subordinated Bond

EMERGING
Credit Rating Ltd

Muhammad Muntasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Page 2 of 21



growth in FY2021. Since the interest rate cap was established, banks in the country have begun to focus more on diversifying their income streams and asset base by paying close attention to their investment portfolio. MTB has increased its investment in government's treasury bonds by 36.13% in FY2021 to BDT 40,209.43 million from BDT 29,538.19 million in FY2020.

On the other hand, NPL ratio of the bank remained at 5.88% in the latest year in review which was 4.67% in FY2020 and 5.48% in FY2019. Gross NPL has increased by 39.62% and 28.16% in 2021 as compared to FY2020 and FY2019 respectively. It is concerning that the performance of loan may further deteriorate in FY2022 due to the withdrawal of provided relaxation on loan repayment.

The bank rescheduled a total of BDT 759.59 million worth of loan as compared to BDT 403.21 million loans in FY2020 and BDT 4,201.00 million loans in FY2019. The bank wrote off BDT 362.06 million, BDT 924.85 million and BDT 334.96 million bad loans respectively in last three years i.e. 2021, 2020 and 2019. NPL along with reschedule and written off loan altogether comprise 6.38% of loans & advances in FY2021 whereas the rates were 5.34% and 7.90% in the year 2020 and 2019 respectively. The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has declined from a year ago. The number of such large loan accounts was 26 individual accounts with total outstanding amounting to BDT 73,336.40 million in FY2021 in contrast to the 28 accounts with total outstanding amount of BDT 91,205.00 million in FY2020.

The deposit composition of the bank has changed recently and nowadays MTB is focusing more on low cost or no cost fund i.e. current account—saving accounts (CASA) thus, the CASA funding has improved to 46.74% of the total deposit in FY2021 as opposed to 38.67% and 38.39% in FY2020 and FY2019 respectively. Loan to deposit ratio of the bank has been always within the regulatory limit (currently 87%) in last four years indicating a good balance between the deposit collection and loan disbursement.

MTB has kept 4.08% CRR and 21.61% SLR at the end of FY2021 with a surplus CRR of BDT 168.36 million and surplus SLR of BDT 18,036.28 million against the requirement in FY2021. The maturity-based asset and liabilities profile of MTB are distributed over different time horizons. The bank had net liquidity gap in 1 – 5 years bracket in FY2021 and shown surplus net liquidity in the other brackets. However, the total net liquidity comprising all maturity periods in FY2021 has surplus liquidity.

From the profitability perspective, MTB has regained its pace in FY2021 after a sharp decline of net interest income in FY2020. Net interest income significantly increased by 43.55% in FY2021 as opposed to a 25.45% decline in FY2020. However, comparing with the FY2019 income, net interest income of the bank only grew by 4.22%. The interest expense of the bank fell by 24.18% as a consequence of increasing low-cost funding (i.e. CASA) in the deposit mix as well as the excess liquidity in the banking sector in FY2021. On the other hand, the bank has continued its growth in non-interest income portion through good growth in commission/fees, exchange and other operating income in FY2021. Consequently, the overall operating income of the bank improved with a rate of 23.22% to BDT 11,849.75 million in FY2021 from BDT 9,616.57 million in FY2020. Operating expense, however, increased by 10.81% which ultimately resulted the pre-provision profit of BDT 4,876.19 million in FY2021 from BDT 3,323.40 million a year ago with a record growth of 46.72% year-on-year.

The bank is under the provision deferral facility and as per Bangladesh Bank letter in April, 2022, the provision of BDT 2,567.34 million has been deferred which is equivalent to the shortfall amount at the end of year 2021. For its classified loan full provision was kept but unclassified loan has provision deficit of BDT 2,567.34 million in FY2021 for which deferral facility has been taken. The deferred provision will be maintained in next three (03) years. In FY2021, the bank had deferred tax income of BDT 883.20 million (specific provision caused huge differed tax income) which underpins the profit in that year. Therefore, post-tax profit had a sudden gain and reached BDT 2,917.83 million in

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Director & COO

Page 3 of 21

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Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



FY2021 from BDT 1,263.71 million in FY2019 with 130.89% increase (BDT 899.32 million in FY2020).

ECRL views MTBL's outlook as **Stable** due to the current position of the bank and good capital base.

Exhibit 1: Financial Highlights: Mutual Trust Bank Limited (MTB)

FY 31 December	2021	2020	2019	2018
Total Asset (BDT million)	304,742.53	267,913.21	256,056.00	221,827.58
Asset Growth (%)	13.75	4.63	15.43	10.21
Gross Loans (BDT Million)	222,924.20	200,848.10	186,768.62	163,281.71
Gross Loans Growth (%)	10.99	7.54	14.38	14.33
Deposits (BDT Million)	212,956.94	189,220.78	191,369.29	166,700.99
Deposit Growth (%)	12.54	(1.12)	14.80	9.50
Gross NPL Ratio (%)	5.88	4.67	5.48	5.48
Loan to Deposit Ratio (%)	82.42	83.90	83.38	82.83
Net Interest Income (BDT million)	5,508.26	3,837.11	5,285.13	5,090.84
Net Interest Income Growth (%)	43.55	(27.40)	3.82	19.88
Non-Interest Income (BDT million)	6,341.50	5,779.46	5,535.80	4,300.03
Non-Interest Income Growth (%)	9.72	4.40	28.74	12.40
Pre-Tax Profit (BDT million)	3,294.16	1,727.85	2,979.75	2,368.90
Post-Tax ROAE (%)	32.66	5.54	8.73	12.81
CRAR (%)	14.16	12.75	12.86	12.82

FY2018-2021 Data Extracted from Audited Financial Statements



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MTB 5th Subordinated Bond


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CREDIT RATING
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Page 4 of 21
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Managing Director & CEO
Mutual Trust Bank Limited



A. BUSINESS DESCRIPTION

A.1. Company Background

Mutual Trust Bank Limited (MTB), incorporated as a public limited company in Bangladesh on September 29, 1999 under the companies Act 1994. 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 from October 24, 1999. The bank got listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in 2003. Mutual Trust Bank's vision is based on the philosophy well known as MTB3V. Its vision is to be a bank of first choice through maximizing value for its clients, shareholders & employees and contributing to the national economy with social commitments and its mission is be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company that offers an array of products and services in the search for excellence and to create an impressive economic value. The bank offers services for all commercial banking needs of the customers, which include deposit banking, loans & advances, export & import financing, inland & international remittance facility etc. In addition the bank has commenced operation of its offshore banking unit from 2009.

A.2. Group Composition Structure

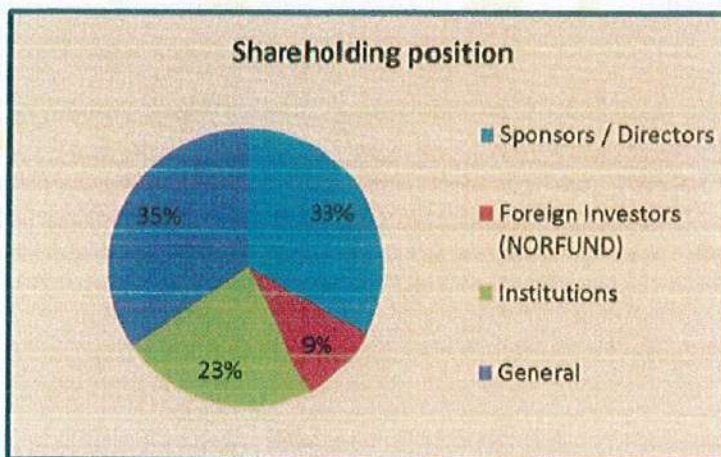
Mutual Trust Bank Limited has three subsidiaries namely 'MTB Securities Ltd', 'MTB Capital Ltd' and 'MTB Exchange (UK) Ltd.'. MTB Securities Ltd was incorporated in Bangladesh as a private limited company on March 01, 2010 under the Companies Act 1994. Initially Mutual Trust Bank Ltd started its Brokerage functions from June 2006 as a division of the bank. Subsequently as per Bangladesh Bank and Securities Exchange Commission's directive the division emerged as a subsidiary company of the Mutual Trust Bank limited in the name of MTB Securities Limited with the objective to carry out the business related to capital market. As a fully owned subsidiary of Mutual Trust Bank Ltd, MTB Securities Limited started its operation as a corporate member of Dhaka Stock Exchange Limited on September 23, 2010.

MTB Capital Ltd a fully owned subsidiary of Mutual Trust Bank Limited is a private limited company by shares was incorporated in Bangladesh on October 08, 2009 and the company obtained a Merchant banking License from Bangladesh Securities & Exchange Commission on December 06, 2010. The company established with an objective to carry out the business as Issue Manager, Underwriter and Portfolio Manager.

MTB Exchange (UK) Ltd. was incorporated on June 14, 2010 under the Companies Act 2006 under the registration number 7282261 as a private company limited by shares and the situation of the registered office is in England and Wales for carrying out remittance and money exchange business.

A.3. Shareholding Structure

Mutual Trust Bank Limited started its journey with paid-up capital of BDT 200.00 million. Presently it has authorized capital of BDT 10,000.00 million and paid-up capital of BDT 8,124.96 million at the end of December 31, 2021. The shareholding position of MTB consists of four types of investors where Sponsors / Directors are holding 32.81% Foreign Investors (NORFUND) are holding 9.53%, Institutions are holding 23.00% and General shareholders holding 34.67% as on December 31, 2021.



(Signature)

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Group Chief Financial Officer
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Page 5 of 21

(Signature)
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

A.4. Operational Network

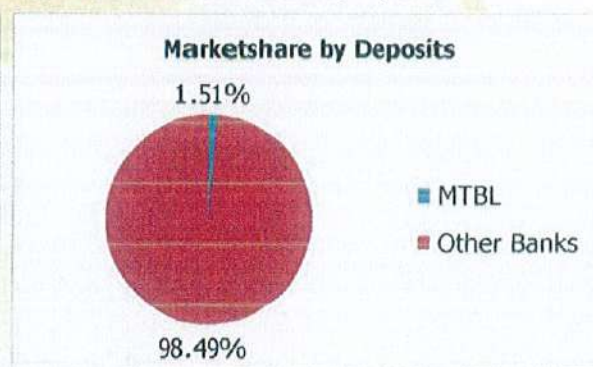
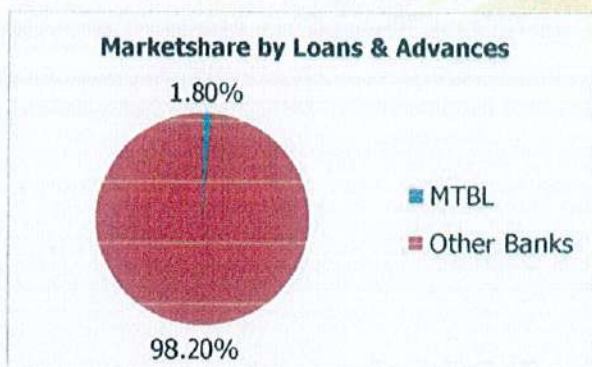
Mutual Trust Bank Limited has a spread network of 119 branches, 33 Sub branches, 310 ATM Booths, 201 Agent Banking outlets across Bangladesh and plans to open more branches to cover the important commercial areas in Dhaka, Chattogram, Sylhet and other areas. During the year, a good number of Branches were relocated to convenient and best locations with the view to ensuring a conducive environment to the customers. Recently, MTB opened 14 (fourteen) new branches at different places in Bangladesh and enhanced coverage of MTB ATM Booths in the major Domestic Airports in Bangladesh (i.e. Dhaka, Chattogram, Cox's Bazar, Sylhet, & Saidpur). The largest concentration of branches is in the Dhaka region (62 branches) and Chattogram region (34 branches).

A.5. Market Share

MTBL's loans & advances and deposit position were BDT 222,924.20 million and BDT 212,956.94 million respectively at the end December, 2021. Considering the banking industry as a whole, aggregated loans & advances and deposit of the industry were BDT 12,360,817.00 million and BDT 14,093,426.00 million respectively at the same period. MTBL contributed 1.80% of market share in terms of loans and advances and 1.51% of market share in terms of deposit at the end of December, 2021.

Figure 1: TBL's market share by loans & advances

Figure 2: TBL's market share by deposits



A.6. Products and Services

To fulfill the commitment at banking industry in an innovative way and do things differently to support the stakeholders is the key factor in being the best in the industry Mutual Trust Bank Limited has been offering a number of services. MTB offers a full range of commercial banking products and services, which includes deposit banking, loans & advances, export import financing, inland and international remittance facility etc. MTB's product-basket encompasses real time online branch banking, MTB Visa Signature credit card, MTB MasterCard World, ATMs, consumer loan, MTB Brick by Brick, MTB Double Saver, MTB Millionaire Plan, MTB Education Plan, MTB Kotipati, SME banking, corporate banking, syndicate loan, monthly savings scheme, fixed deposit, pension saving scheme, SMS banking etc. In addition to traditional credit and foreign trade related products and services. The credit portfolio of MTB is diversified with a blend of corporate lending lease finance, syndication, structured finance, project finance, trade finance, SME Loan, Agricultural credit, commercial/working capital loan, retail banking products etc among others. Moreover auxiliary services such as online banking, off shore banking, cash deposit machine, NRB banking, mobile banking, internet banking, ATM booth services, debit and credit card services, locker services etc. are also provided by MTB in order to make the whole banking experience more effortless for its clients.

MTB has 4 Air Lounges situated in Hazrat Shahjalal International Airport in Dhaka, Shah Amanat International Airport in Chattogram, Osmani International Airport in Sylhet and Cox's Bazar Airport in Cox's Bazar. The establishment of MTB Air Lounges has enabled the bank to extend the banking reach while ensuring greater comfort and convenience for MTB customers when travelling through the airport. The bank's privilege customers and MTB premium credit card holders can access and relax in the lounges as per policy.

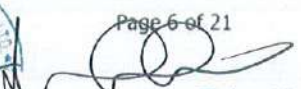
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Sr. Executive Vice Secretary
Group Company Secretary
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Page 6 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



A.7. MTB 5th Subordinated Bond Issuance Objective

The objective behind issuance of the Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III, which will enable the bank to reach sustainable growth in business. The fund raised through issuing the bond will provide the bank additional capital cushion under risk based capital adequacy framework, and will help the bank to grow its loans and advance portfolio.

A.8. Structure of MTB 5th Subordinated Bond and Terms

Exhibit 2: Structure of MTB 5th Subordinated Bond

Name of the Instrument:	MTB 5 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:	UCB Investment Limited
Paying Agent, Register, Transfer Agent:	UCB Investment Limited
Legal Counsel:	Lex Juris
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 banks licensed after 2010 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 a Coupon Rate is to be determined.
Coupon Margin:	2.0%
Range of Coupon Rate:	6.00% to 9.00% at all times
Coupon Payment:	Semi-annually starting after 6 months from the drawdown date
Transferability/Liquidity:	Transferable in accordance with the provisions of Trust Deed.
Prepayment, Call Refunding, Conversion or Exchange Features:	The Bond is non-convertible and not-callable in nature and has no prepayment option.
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.

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Mutual Trust Bank Limited
Corporate Head Office



Page 7 of 21

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Mutual Trust Bank Limited



Tax Feature:	According to the laws of Bangladesh												
Repayment Schedule:	<p>Face Value (principal) redemptions will be in 5 (five) equal annual tranches commencing at the end of 3rd year from the date of drawdown in the following manner:</p> <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%												
Call or put option, and premium or discount thereof, if any	Not Applicable												
Credit enhancement or guarantee, if any	Not Applicable												
Description of Collateral Security and Type of Charges to be Created Against the Issue:	Unsecured												
Listing:	Will be listed on Alternative Trading Board (ATB)												
Governing Law:	Laws of Bangladesh.												

B. FINANCIAL ANALYSIS

B.1. Capital Adequacy

Exhibit 3: Selected indicators of Mutual Trust Bank Limited (MTB)

FY 31 st December	2021	2020	2019	2018
Tier-I Capital (BDT Million)	19,744.89	15,570.50	14,221.91	11,336.32
Total Capital (BDT Million)	29,443.04	24,552.75	23,872.20	20,800.01
Risk Weighted Assets (BDT Million)	207,909.90	192,619.72	185,612.62	162,296.65
Tier-I Ratio (%)	9.50	8.08	7.66	6.98
CRAR (%)	14.16	12.75	12.86	12.82

FY2018-2021 Data Extracted from Audited Financial Statements

Mutual Trust Bank Limited has improved its capital base recently through issuance of perpetual bond of BDT 4,000 million as well as 10% bonus share in FY2021 (5% in FY2020). A good growth of retained earnings has also facilitated to strengthen the capital base in FY2021. As a result, the tier I capital had a gain of 26.81% in FY2021 as opposed to FY2020. On the other hand, tier II capital of the bank grew by 7.97% as the subordinated debt portion increased by 27.36%. These additions in regulatory capital have ultimately boosted the eligible capital to BDT 29,443.04 million in FY2021 from BDT 24,552.75 million a year back with 19.92% increase in year-on-year.

Besides, the risk weighted assets of the bank which comprise of credit risk, market risk as well as operational risk have soared by 7.94% in FY2021 than a year back as a consequence the capital to risk weighted assets ratio (CRAR) reached to 14.16% (12.75% in FY2020) which was well above the regulatory requirement of 12.50%.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

MTB 5th Subordinated Bond

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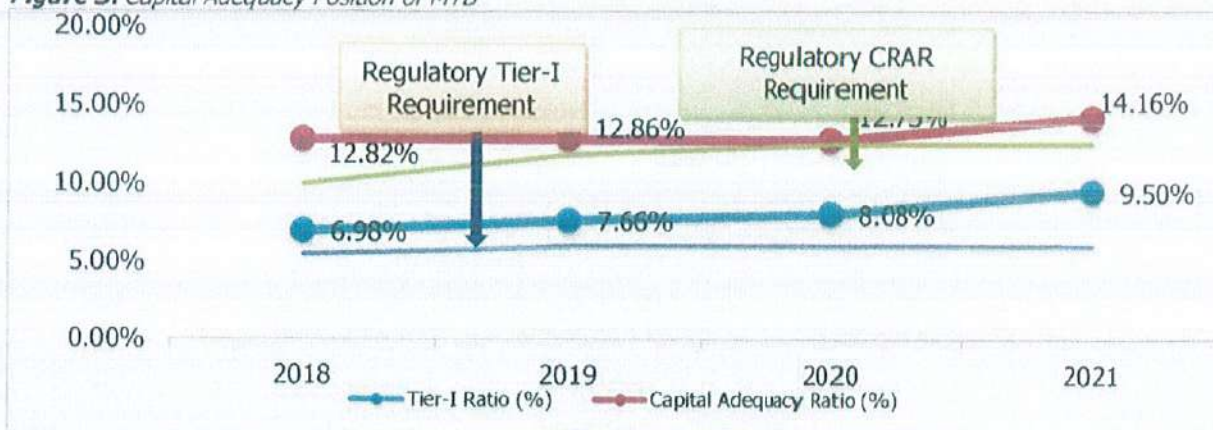
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Page 8 of 21

Syed Mahbubur Rahman
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Mutual Trust Bank Limited

Figure 3: Capital Adequacy Position of MTB



B.2. Asset Composition & Trends

Exhibit 4: Selected Indicators for Mutual Trust Bank Limited (MTB)

FY 31 st December	2021	2020	2019	2018
Total Asset (BDT Million)	304,742.53	267,913.21	256,056.00	221,827.58
Asset Growth (%)	13.75	4.63	15.43	10.21
Gross Loans (BDT Million)	222,924.20	200,848.10	186,768.62	163,281.71
Gross Loans Growth (%)	10.99	7.54	14.38	14.33
Investments (BDT Million)	45,776.42	35,381.95	33,194.75	26,589.50
Investments Growth (%)	29.38	6.59	24.84	8.18
Gross NPLs (BDT Million)	13,107.02	9,387.73	10,227.22	8,951.40
NPLs Growth (%)	39.62	(8.21)	14.25	42.80
Gross Loans to Total Assets (%)	73.15	74.97	72.94	73.61
Gross NPL Ratio (%)	5.88	4.67	5.48	5.48
Net NPL Ratio (%)	(0.19)	(0.75)	0.73	1.48
Loan Loss Reserve Coverage (%)	62.36	78.59	66.47	58.10
NPLs to Equity & Loan Loss Reserve (%)	47.95	39.20	45.02	49.10

FY2018-2021 Data Extracted from Audited Financial Statements

The banking sector is regaining its pace after a long closure of economic activities caused by the covid-19. In FY2021, total asset base reached to BDT 304,742.53 million from BDT 267,913.21 in FY2020 and BDT 256,056.00 million in FY2019. The total assets growth was aided by the improvement in its major contributors which are gross loan portfolio that grew by 10.99%, cash by 25.83%, other assets by 30.08% and investment portfolio by 29.38% in FY2021.

B.2.1. Asset Quality

The gross loans and advances of the bank showed continuous growth over the FY2018-21 period in review. Total loans portfolio of MTB reached to BDT 222,924.20 million in FY2021 from BDT 200,848.10 million in FY2020. Similar to the loan base, the investment portfolio of MTB has had continuous fluctuating growth in the recent four financial years with a remarkable 29.38% growth in FY2021. Since the interest rate cap was established, banks in the country have begun to focus more on diversifying their income streams and asset base by paying close attention to their investment portfolio. MTB has increased its investment in government's treasury bonds by 36.13% in FY2021 to BDT 40,209.43 million from BDT 29,538.19 million in FY2020.

MTB 5th Subordinated Bond

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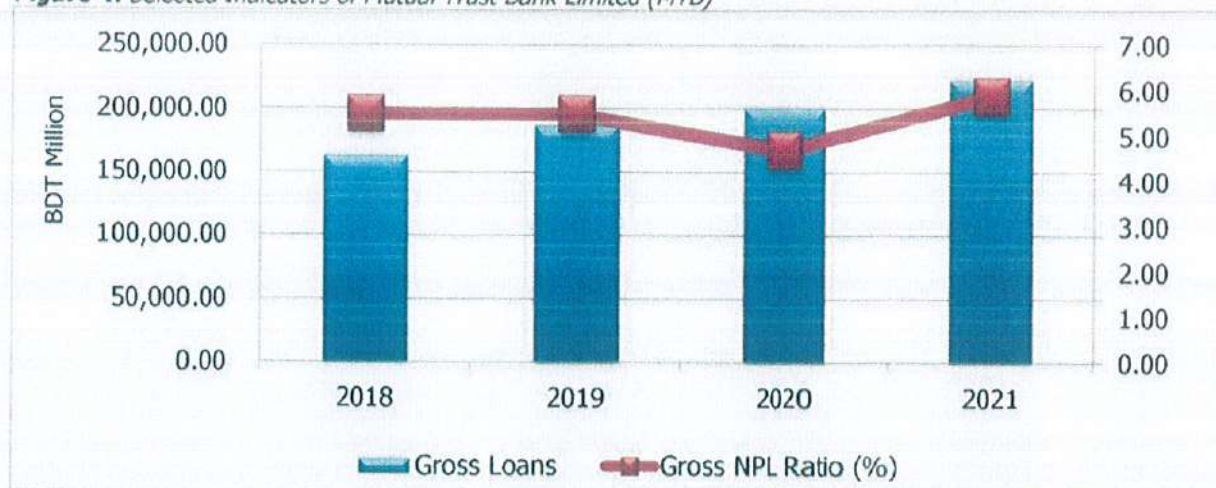
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Credit Rating Ltd.
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Mutual Trust Bank Limited
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Page 9 of 21

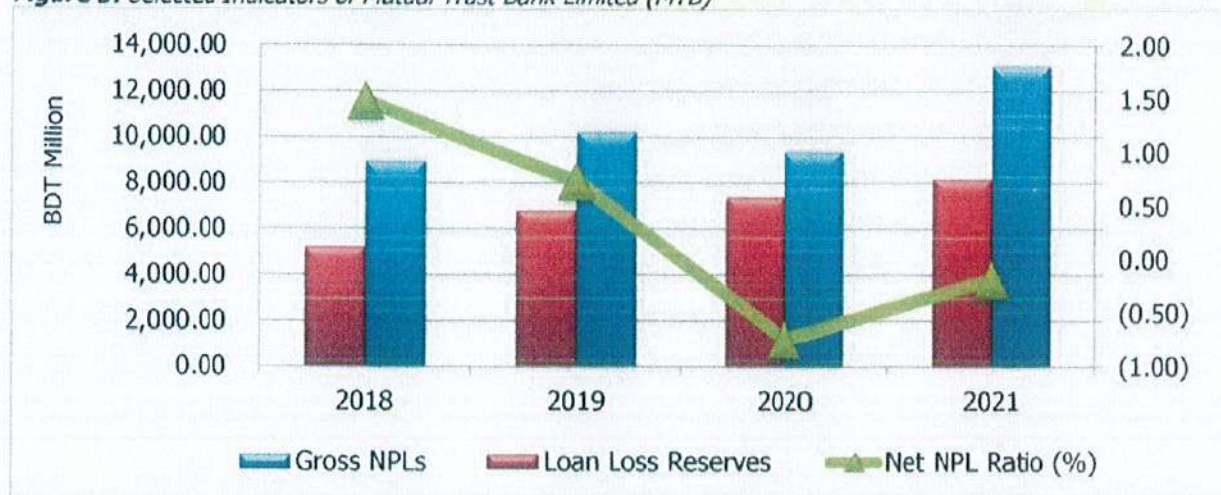
Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Figure 4: Selected Indicators of Mutual Trust Bank Limited (MTB)



NPL ratio of the bank remained at 5.88% in the latest year in review which was 4.67% in FY2020 and 5.48% in FY2019. Gross NPL has increased by 39.62% and 28.16% in 2021 as compared to FY2020 and FY2019 respectively. The gross NPL had 9.06% sub-standard, 5.05% doubtful and 85.90% bad loss loans in FY2021. In an effort to preserving banks' asset quality while helping the economy in dire needs, the central bank has provided relaxation over non-performing loans and penalties on late payments as well as prohibited downward loan classification in 2020 and 2021 to some extent. It is concerning that the performance of loan may further deteriorate in FY2022 due to the withdrawal of provided relaxation on loan repayment.

Figure 5: Selected Indicators of Mutual Trust Bank Limited (MTB)



Furthermore, the bank is under the provision deferral facility and as per Bangladesh Bank letter in April, 2022, the provision of BDT 2,567.34 million has been deferred which is equivalent to the shortfall amount at the end of year 2021. The deferred provision will be maintained in next three (03) years. For its classified loan full provision was kept but unclassified loan has provision deficit in FY2021 BDT 2,567.34 million for which deferral facility has been taken.

However, loan loss reserve coverage fell remarkably due to the provision shortfall. NPLs with regards to equity and loan loss reserve together were at 47.95% from 39.20% in the previous year which was primarily due to higher NPL in 2021. As mentioned earlier, the NPL has increased significantly by 39.62% in FY2021.

B.2.2. Loan Diversification and Concentration

The bank retains a diversified loan portfolio with concentration in different industries of the economy such as RMG, SME loans, Textile, Trade Service, Consumer credit and many more. Industry wise concentration shows that loans and advances portfolio was dominated by other manufacturing industry (27.43%), followed by RMG (16.62%), SME loans (12.48%), Trade Service (10.77%), and the rest by

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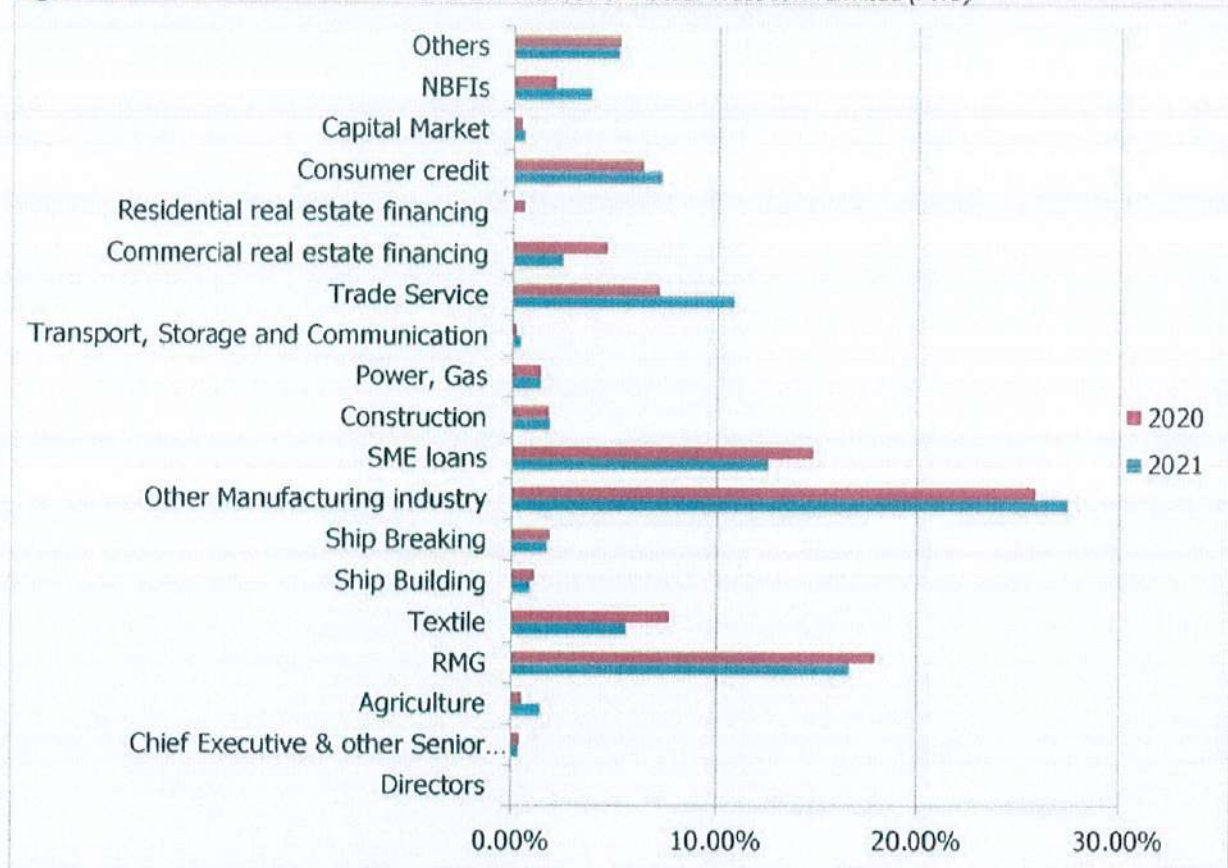
Page 10 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



various other industries by the end of 2021. Notably, the loan portfolio of RMG and SME segment was lowered in FY2021 while other manufacturing industry and trade service increased in FY2021.

Figure 6: Sector-wise distribution of loans & advances of Mutual Trust Bank Limited (MTB)



B.2.3. Rescheduled and Written-Off Loans

The bank rescheduled a total of BDT 759.59 million worth of loan against 62 accounts in FY2021 as compared to BDT 403.21 million loans of 17 accounts in FY2020 and BDT 4,201.00 million loans against 255 accounts in FY2019. The bank wrote off BDT 362.06 million, BDT 924.85 million and BDT 334.96 million bad loans respectively in last three years i.e. 2021, 2020 and 2019. NPL along with reschedule and written off loan altogether comprise 6.38% of loans & advances in FY2021 whereas the rates were 5.34% and 7.90% in the year 2020 and 2019 respectively.

B.2.4. Large Loan Exposure

The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has declined from a year ago. The number of such large loan accounts was 26 individual accounts with total outstanding amounting to BDT 73,336.40 million in FY2021 in contrast to the 28 accounts with total outstanding amount of BDT 91,205.00 million in FY2020.

B.2.5. Off-Balance sheet exposure

Total off-balance sheet exposure of the bank has increased to BDT 132,011.35 million in FY2021 from BDT 93,595.97 million in FY2020. The off-balance sheet items were 43.32% in comparison to the total asset in FY2021. The off balance sheet items consist of acceptances and endorsements, letters of guarantee, letters of credit and bills for collection which consisted 33.97%, 30.57%, 27.85%, 7.62% of total off-balance sheet exposure respectively in FY2021.

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MTB 5th Subordinated Bond

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Page 11 of 21

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Mutual Trust Bank Limited



B.3. Funding and Liquidity

Exhibit 5: Selected indicators of Mutual Trust Bank Limited (MTB)

FY 31 st December	2021	2020	2019	2018
Deposit (BDT Million)	212,956.94	189,220.78	191,369.29	166,700.99
Deposit Growth (%)	12.54	(1.12)	14.80	9.50
Loan to Deposit (%)	82.42	83.90	83.38	82.83
Net Loans to Stable Funding Base (%)	182.82	168.86	167.57	172.15
Net Loans to Customer Deposits (%)	98.34	100.43	92.93	93.97
Deposits to Total Funding (%)	69.88	70.63	74.74	75.15
Interbank Liabilities to Total Funding (%)	11.55	11.51	8.48	8.85

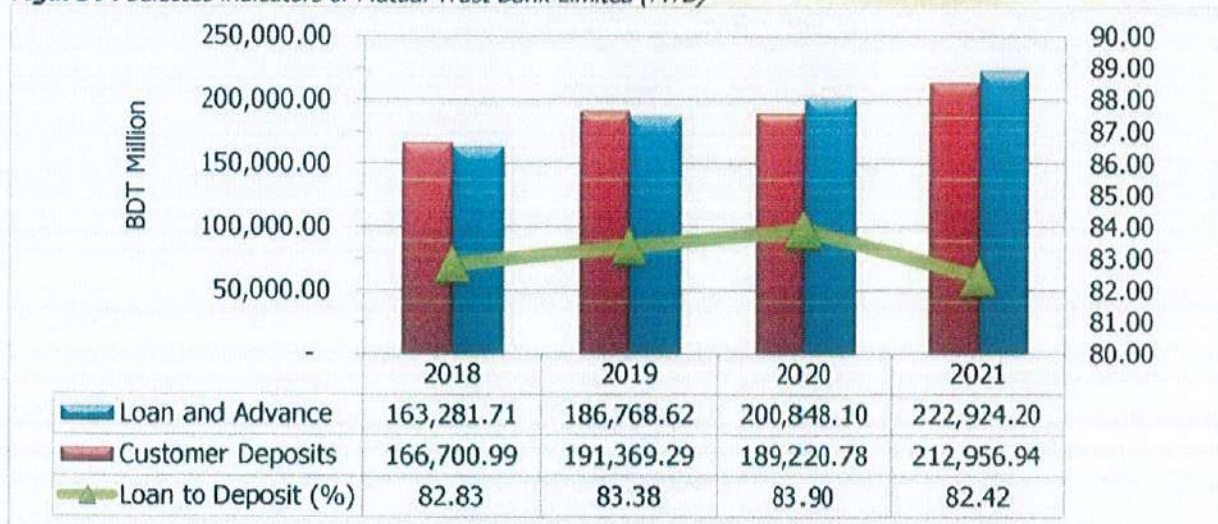
FY2018-2021 Data Extracted from Audited Financial Statements

B.3.1. Fund Management

MTB's total deposits account for 69.88% of the total liabilities & equity base at the end of FY2021. The rest of the total funding base is then comprised with 11.55% interbank liabilities, 8.14% other liabilities, 6.29% equity and 4.13% by bonds. The total deposit of the bank is made of 42.98% fixed deposits, 11.09% deposit products, 20.00% savings deposits, 12.64% current deposits & other accounts, 12.37% special notice deposits and 0.93% of bills Payable in FY2021. The deposit composition of the bank has changed recently and recently MTB is focusing more on low cost or no cost fund i.e. current account—saving accounts (CASA) thus, the CASA funding has improved to 32.64% of the total deposit in FY2021 as opposed to 29.30% and 24.16% in FY2020 and FY2019 respectively.

Loan to deposit ratio of the bank has been always within the regulatory limit (currently 87%) in last four years indicating a good balance between the deposit collection and loan disbursement. The net loans to stable funding base ratio stood at 182.82% in FY2021 which was 168.86% in FY2020, since the fixed deposit in FY2021 strategically reduced by 2.08% to keep the funding cost low. Moreover, the interbank liabilities in 2021 has increased to 14.13% but total funding based also grew with almost similar rate (13.75%) as a result interbank liabilities to total funding remained mostly similar in FY2021 and FY2020 as shown in the table above.

Figure 7: Selected indicators of Mutual Trust Bank Limited (MTB)



B.3.2. Liquidity Management

Bangladesh Bank's regulatory requirement states Statutory Liquidity Reserve (SLR) of 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month and Cash Reserve Requirement (CRR) of 4.00% on bi-weekly basis are to be maintained by conventional banks operating in Bangladesh. Bangladesh Bank has recently lowered the CRR from 5.00% to 3.50% on a daily basis, and 5.5% to 4% in bi-weekly basis due to the pandemic.

MTB has kept 4.08% CRR and 21.61% SLR at the end of FY2021 with a surplus CRR of BDT 168.36 million and surplus SLR of BDT 18,036.28 million against the requirement in FY2021.

MTB 5th Subordinated Bond

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Managing Director & CEO
Mutual Trust Bank Limited

Page 12 of 21



The maturity-based asset and liabilities profile of MTB are distributed over different time horizons. The bank had net liquidity gap in 1 – 5 years bracket in FY2021 and shown surplus net liquidity in the other brackets. However, the total net liquidity comprising all maturity periods in FY2021 has surplus liquidity.

B.4. Earning Trends and Profitability

Exhibit 6 Selected Indicators of Mutual Trust Bank Limited (MTB)

FY 31 st December	2021	2020	2019	2018
Net Interest Income (BDT Million)	5,508.26	3,837.11	5,285.13	5,090.84
Net Interest Income Growth (%)	43.55	(27.40)	3.82	19.88
Non-Interest Income (BDT Million)	6,341.50	5,779.46	5,535.80	4,300.03
Non-Interest Income Growth (%)	9.72	4.40	28.74	12.40
Pre-Provision Profit (BDT Million)	4,876.19	3,323.40	5,028.13	4,608.36
Pre-Tax Profit (BDT Million)	3,294.16	1,727.85	2,979.75	2,368.90
Post-Tax Profit (BDT Million)	2,917.83	899.32	1,263.71	1,582.40
Post - Tax ROAE (%)	32.66	5.54	8.73	12.81
Average Interest Spread (%)	3.25	3.42	4.12	4.47
Net Interest Margin (%)	2.21	1.70	2.63	2.91
Cost to Income Ratio (%)	58.85	65.44	53.53	50.93

FY2018-2021 Data Extracted from Audited Financial Statements

From the profitability perspective, MTB has regained its pace in FY2021 after a sharp decline of net interest income in FY2020. Net interest income increased by 43.55% in FY2021 as opposed to 24.40% decline in FY2020. However, comparing with the FY2019 income, net interest income of the bank only grew by 4.22%. The interest expense of the bank fell by 24.18% as a consequence of increasing low cost funding (i.e. CASA) in the deposit mix as well as the excess liquidity in the banking sector in FY2021. On the other hand, the bank has continued its growth in non-interest income portion through good growth in commission/fees, exchange and other operating income in FY2021. Consequently, the overall operating income of the bank improved with a rate of 23.22% to BDT 11,849.75 million in FY2021 from BDT 9,616.57 million in FY2020. Operating expense, however, increased by 10.81% which ultimately resulted a pre-provision profit of BDT 4,876.19 million in FY2021 from BDT 3,323.40 million a year ago with a record growth of 46.72% year-on-year.

As stated earlier, the bank is under the provision deferral facility and as per Bangladesh Bank letter in April, 2022, the provision of BDT 2,567.34 million has been deferred which is equivalent to the shortfall amount at the end of year 2021. The deferred provision will be maintained in next three (03) years. In FY2021, the bank had deferred tax income of BDT 883.20 million (specific provision caused huge differed tax income) which underpins the profit in that year. Therefore, post-tax profit had a sudden gain and reached BDT 2,917.83 million in FY2021 from BDT 1,263.71 million in FY2019 with 130.89% increase.

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MTB 5th Subordinated Bond

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Page 13 of 21

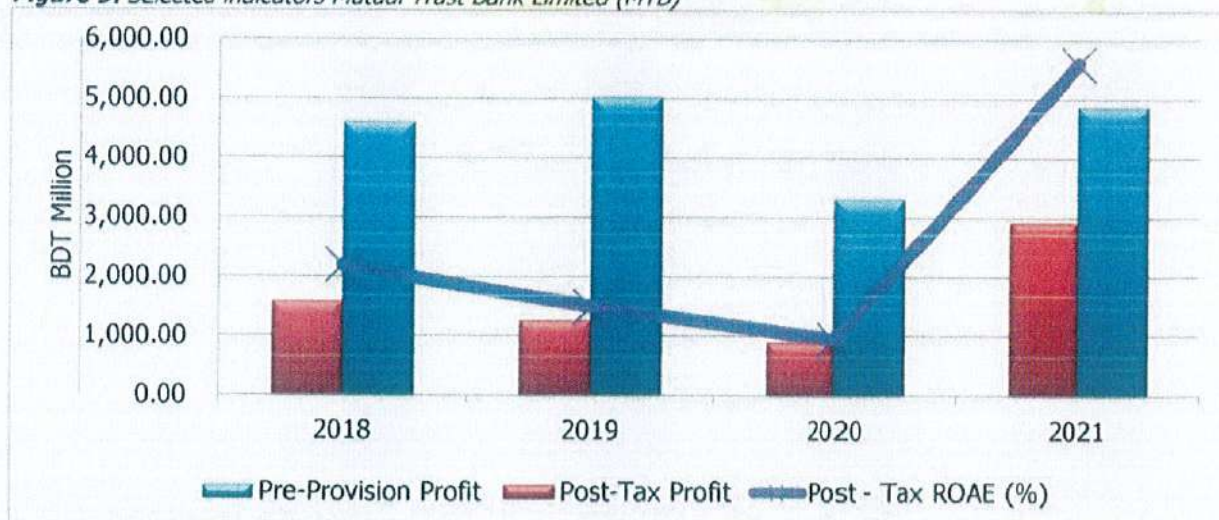

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Managing Director & CEO
Mutual Trust Bank Limited

Figure 8: Selected indicators of Mutual Trust Bank Limited (MTB)



Although average interest spread fell slightly but high gain in overall operating income as opposed to operating cost led relatively better cost to income ratio than a year back.

Figure 9: Selected indicators Mutual Trust Bank Limited (MTB)



C. MARKET RISK ANALYSIS

Markets risks of a Subordinated Bond may arise due to uncertainty related to interest rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However the bond market is still a new concept to the Bangladesh economy as well as the conventional bond market is underdeveloped.

The debt instrument that Mutual Trust Bank Limited has issued is sensitive towards both market and company specific risks. All investments which offer a Balance between risk and potential return are graded to be the higher rated investment. The Balance between risk and return varies by the type of investment (in this case Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publically traded in secondary market).

The entity in discussion will issue non-convertible Subordinated bond for the purpose of strengthening its Tire II capital base. RSA Advisory Limited is acting as the mandated lead arranger and MTB Capital Limited is acting as the co-arranger whereas UCB Investment Limited is acting as the trustee.

Interest rate risk affects the value of bonds that arises when an investment's value will change due to a change in the absolute level of interest rates. Coupon rate of the bond is determined by the benchmark rate and then a margin of 2.00% p.a. added to the benchmark rate. The coupon rate will be determined

MTB 5th Subordinated Bond

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based on latest average 6-month FDR rate of all private commercial banks excluding banks licensed after 2010 as published by Bangladesh Bank on the quotation day on the quotation day plus 2.00% margin. The published deposit rate will be taken from Bangladesh Bank sources. This will be fixed semi-annually.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk so that its return from business can be maximized. As a prudent and responsible financial institution, the bank attaches top priority to ensuring safety and security of the finances that are being extended.

D.1. Impact of COVID-19

As conferred earlier, the pandemic would affect the bank in many aspects both in short term and long term. Among various risks, credit risk and liquidity risk likely to shake the bank mostly. The Non-performing Loan (NPL) of the Bank likely to rise in a new level due to this pandemic. In this situation, the credit worthiness of the existing borrower will be deteriorated which would undermine the possibility of repayment of loan.

D.2. Credit Risk

Credit risk is the probability of a borrower or counterparty failing to meet its financial obligations in accordance with agreed terms. To manage these risks, MTB's credit functions are conducted in a compliant manner under strict and rational credit policies, and principles in conformity with Credit Risk Management (CRM) guidelines of Bangladesh Bank (BB). MTB approves credit to the eligible clients through credit processing system. In MTB, renewal and extension of any credit facility require completion of pertinent due diligence processes including, as applicable, stock verification, rigorous need assessment, insurance coverage of the insurable objects, appropriate collateral coverage, cash flow supported repayment capacity etc. MTB's panel lawyers examine the security related documents to reduce the legal risks. Other than these, the mechanisms and tools, through which MTB manages credit risks, are as follows:

Exposure ceilings: MTB has its lending cap for different business sectors, industries, and geographic locations. Lending cap is constantly reviewed, in order to remain reasonably aligned with the business needs. The bank never exceeds the Single Borrower Exposure Limit set by Bangladesh Bank.

Prudent credit sanctioning process: Credit initiation and approvals, in MTB, are done in a segregated manner. Each sanction is done through a very stringent evaluation process, which, in fine, ensures quality of assets and minimizes losses likely to arise from potential bad loans. In order to make credit operations judicious, quality and rewarding, MTB has a strict credit policy in place. The policy, among others, requires:

- Clean and up to date Credit Information Bureau (CIB) report of the client, and their allied concern;
- Verification of the collaterals by the enlisted surveyors, and obtaining legal opinion on acceptability of the collaterals and protecting banks interest;
- Ascertaining credit worthiness, need of the borrower, purpose, and sources of repayment;
- Conducting lending operations complying with the underlying norms, and regulations;
- Emphasizing maintenance of rational loan deposit ratio;
- Avoiding directed and name lending.

Credit monitoring: MTB Credit Monitoring Department (CMD) continuously monitors the asset (loan) portfolio of the Bank. MTB's credit monitoring system provides an early indication/alert about the deterioration in the status of the loans that allows immediate launching of effective management actions, in a rational manner, to prevent them from turning into Non-Performing Loans (NPL). Statements on early alert accounts, delinquent and special mentioned accounts are generated periodically. MTB's credit monitoring tools are effective to keep the overdue, and SMA loans well below the industry average.

Portfolio management: Credit concentration is against the spirit of diversification of portfolio, and enhances credit risks. To avoid concentration, the principle of credit diversification is followed in MTB,

MTB 5th Subordinated Bond

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Muhammad Masir Reza
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Mutual Trust Bank Limited
Corporate Head Office, Dhaka.



Syed Manabur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Page 15 of 21

keeping in mind the essence of geographic/sector/group concentration. Any exceptions in credit operations are considered for approval at appropriate level.

Review/renewal: All credits approved on revolving basis, are reviewed annually, and renewed if found renewal worthy by the appropriate authority as per credit approval discretion. Credits, continuous or term-based, are reviewed to ascertain the regularity in transaction, and repayments as per covenants of the approvals.

Borrowers' credit rating: Under the Standardized Approach of Risk Based Capital Adequacy (RBCA) guidelines of Basel-III, prescribed by the Bangladesh Bank, rating of the borrowers are an effective and efficient tool to manage credit risks. Good rating (i. e. low risk weight) of the borrowers, which facilitates identification of the borrowers as quality/rewarding one, also requires less capital. For achieving these two fold objectives, and to comply with the requirements under Basel III, management has assigned priority on rating of all the eligible clients, by External Credit Assessment Institutions (ECAIs). In its constant effort to understand the risk intensity of the assets, extent of capital relief and also, in order to be able to make appropriate choice in respect of selection of the borrowers, ECAI rating is considered while sanctioning credit. With laying of adequate importance on ECAI rating, the number of ECAI rated clients has increased significantly.

D.3. Asset Liability Management Risk

Asset Liability Management (ALM) is considered as a key to Balance sheet risk management discipline, which mainly focuses on liquidity risk, interest rate risk, and exchange rate risk of the bank. As per BB guideline, MTB has a fully functional ALCO for prudent Balance sheet risk management. The Committee consists of the Managing Director & CEO, as the Chairman of the Committee, and strategically important divisional heads. In accordance with Bangladesh Bank guidelines on ALM risk management, MTB has developed an Asset Liability Risk Management Manual, which is approved by the Board of Directors of the bank.

D.4. Internal Control and Compliance Risk Management

MTB has an Internal Control and Compliance (ICC) Department, which ensures internal control structure in the Bank with appropriate assignment, accountability of the personnel, and delegation of authorities to functional management to exercise control, and create a compliance culture within the organization, under the active guidance and supervision of the senior management, and the Board of Directors. ICC Department has the following three distinct divisions, headed by senior level executives:

1. Audit and Inspection Division
2. Compliance Division
3. Monitoring Division

As a tool of internal control, the audit and inspection division undertakes periodic and special audits and inspections on the branches and departments/divisions of the head office in order to find out the weaknesses and defects in the control processes. It reports to the Audit Committee of the Board for corrective measures to protect the interest of the bank.

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

Overall, the ICC Department reports on serious noncompliance issues, detected by the internal and external auditors and Bangladesh Bank's inspection teams, with up-to-date compliance position, large financial risk exposures, weaknesses in control mechanism, and other risk areas to the Audit Committee of the Board, for review and taking appropriate remedial measures.

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Corporate Head Office, Dhaka



Page 16 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



D.5. Information and Communication Technology (ICT) Risk Management

MTB pursues growth by ensuring the total security of the customers, and all other stakeholders. In the era of an increased reliance on complex IT systems, and operations in the financial sector, the risk of cyber-attacks and system disruptions is high, and it is increasing alarmingly. In this regard, MTB is constantly deepening its technology risk management capabilities by adopting strong "Information & Communication Technology (ICT) Security Policy." The underlying principles in this regard define responsibilities, and requirements for protecting information assets (e.g. hardware, network, operating system, database, application, storage and related technologies), and their use in providing world class financial services.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

Mutual Trust Bank Limited (MTB) believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help it deliver value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities. The bank focuses on ethics, innovation and transparency for establishing well organized corporate governance within the company. Focus is placed on educating and increasing awareness among directors, executive officers and employees on the bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures. The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, has been formulated as per guidelines of regulators. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, thereby improve its competitiveness, enhance value and promote stability. The policies are updated time to time in order to comply with the good governance principles and relevant regulatory requirements. The board of directors of MTB consists of twelve members including the Managing director & CEO. It is well structured with a Chairman, one Vice Chairman, seven Directors, two independent directors and Managing Director.

Currently, Mr. Md. Wakiluddin is holding the position as the bank's Chairman and supervising the bank's operation and ensuring compliance. Mr. Md. Abdul Malek is the respective Vice Chairman of the board whereas Mr. Syed Mahbubur Rahman is holding the position of Managing Director & CEO in the bank. All the directors are well-qualified, experienced professionals and carrying tremendous value in their respective management capability.

E.2. Board Committees

In order to ensure proper accountability and transparency to highest ethical standards MTB has in place three board committees. In broad terms the duties of these committees involve overseeing and directing the operations, performance and strategic direction of the bank. The corporate governance system of the bank ensures that duties and responsibilities are appropriately segregated between the BoD and management to provide sufficient checks, balance and flexibility for smooth business operation.

The BoD approves the bank's budget and business plan and reviews those time to time so as to give directions as per changing economic and market environment. The BoD reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. The BoD also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures that quality of financial reporting is maintained, assets of the bank are safeguarded against unauthorized use or disposition and accountability for assets and business transactions are maintained. With an objective to assist in screening and scrutinizing specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system, the bank has established three different board committee; the Board Executive Committee, the Board Audit Committee and the Board Risk Management Committee.



E.2.1. Executive Committee (EC)

The executive committee of the bank consists of five board members and is currently convened by Mr. Md. Hedayetullah. The Committee takes all necessary decisions and approves cases within the power delegated by the board. All decisions taken in the Board Executive Committee are approved in the board meeting. The committee oversees the degree of execution of policies and guidelines entrusted with the management.

E.2.2. Board Audit Committee (BAC)

The audit committee of MTB is formed with three members and is chaired by Ms. Nasreen Sattar. The role of the committee is set according to its charter and is bestowed with a wide range of responsibilities ranging from overseeing the bank's financial reporting process, hiring and performance of external auditors, review the adequacy of internal audit function, ensuring sound internal control, analyzing and assisting external auditors and making sure that the bank is compliant with the policies set by the regulatory body.

E.2.3. Board Risk Management Committee (BRMC)

The bank realizes the significance of risk management covering both internal and external risk factors. The committee is entrusted with the responsibility to supervise and oversee risk management processes in the Bank. Other responsibilities of the committee include identifying risks and developing well formulated strategy and ensuring the implementation of policies, complying with instructions issued by the controlling authority from time to time. The committee was also formed to congregate the requirement of section 15 of the Banking Company Act, 1991. The BRMC of MTB is formed with five members and lead by Mr. Rashed Ahmed Chowdhury.

E.3. Senior Management

The strategic management activities and overall business operations of MTB are supervised and directed by the core management team of the bank. In an effective corporate governance structure, the bank management has a collective mandate under the leadership of Managing Director & CEO to carry out daily operations to the best interest of the stakeholders. The management of team of MTB is headed by the Managing Director Mr. Syed Mahbubur Rahman. He has 34 years of experience in banking services and credit related arena. Prior to Joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited and BRAC Bank Limited. Mr. Rahman worked in various renowned financial institutions of Bangladesh such as Prime Bank limited, Citibank NA, Standard Chartered Bank, ANZ Grindlays Bank, IDLC Finance Limited etc. He holds his Master's in Business Administration (MBA) from the Institution of Business Administration (IBA), University of Dhaka. During his career, he attended numerous training, seminars and workshop on different aspects of Banking held in the country and abroad.

To perform the day-to-day tasks smoothly, provide support in decision-making process, and to comply regulatory requirements, the management forms different committees, subcommittees and units/cells comprising executives/staff of different levels. The committees are Core Management Committee, Management Committee (MANCOM), All Risk Committee, Asset Liability Committee (ALCO), Credit Evaluation Committee, Exception Approval Committee, Supervisory Review Process (SRP) Team, IT Steering Committee, IT Security Committee, Group Integrity Committee etc. Managing Director leads the two most important committees which are MANCOM and ALCO.

E.3.1. Management Committee (MANCOM)

MANCOM is considered the highest decision and policy making authority of the bank. MANCOM of MTB consists with thirteen members, which comprises of senior executives of the management headed by the Managing Director of the bank. MANCOM meets on regular basis to discuss relevant agenda and scrutinizes all the cases thoroughly before referring to Executive Committee/Board for due approval decision.

E.3.2. Asset Liability Committee (ALCO)

The bank has set up Asset Liability Committee which is headed by the Managing Director & CEO. The Asset Liability Management Committee (ALCO) consist seven members comprising senior management, which is responsible for the overall Balance sheet (Asset- Liability Management) of the bank. ALCO formulates and reviews strategies, and provides guidance to manage liquidity risk within the framework laid out in the ALM Policy. The committee proactively manages liquidity risk as a part of its ALM

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Page 18 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

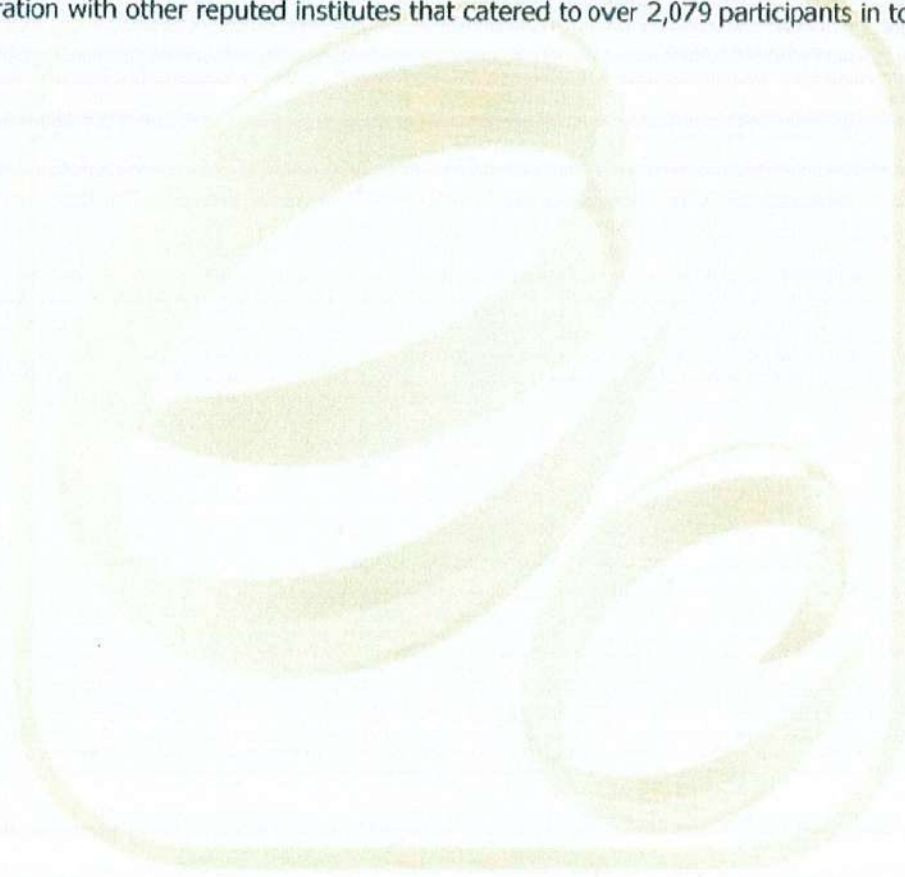
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



activities. ALM Desk analyses, evaluates and interprets the market scenario on a regular basis to ensure the right Balance between product profiles; cost and risk exposure places recommendations to the ALCO through the Head of Treasury & Financial Institutions. The committee's prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least complying bank's statutory obligations with the local Central Bank regulations. As per management correspondence, the committee calls for a meeting once every month to set and review strategies on Asset-Liability Management.

E.4. Human resource

As of 31 December 2021, the total manpower of the Bank was 2,418 of whom 356 work at executive level, 816 work at mid-level officer, 1,221 at junior level officer, 25 work at non officers. As part of the learning and organizational development, even in a year ravished by pandemics & lockdowns, MTB hosted 177 training sessions offline as well as online. It embraced this challenge by moving the training programs to the digital platform. The sessions were conducted by in-house trainers, invited speakers as well as collaboration with other reputed institutes that catered to over 2,079 participants in total.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

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Mark Moinasir Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



CORPORATE INFORMATION

Board of Directors

Mr. Md. Wakiluddin
Mr. Md. Abdul Malek
Mr. Syed Manzur Elahi
Mr. Md. Hedayetullah
Mr. Rashed Ahmed Chowdhury
Dr. Arif Dowla
Ms. Khwaja Nargis Hossain
Ms. Anika Chowdhury
Mr. Daniel Donald de Lange
Ms. Nasreen Sattar
Mr. Faruq Ahmad Siddiqi
Mr. Syed Mahbubur Rahman

Chairman
Vice Chairman
Director (Founding Chairman) & Chairman, MTB Foundation
Director & Chairman, MTB Board Executive Committee
Director & Chairman, MTB Board Risk Management Committee
Director
Director
Director
Independent Director & Chairman, Board Audit Committee
Independent Director
Managing Director & CEO

Management Committee

Mr. Syed Mahbubur Rahman
Mr. Chowdhury Akther Asif
Mr. Goutam Prosad Das
Mr. Md. Khalid Mahmood Khan
Mr. Rais Uddin Ahmad
Mr. Md. Bakhteyar Hossain
Mr. Md. Shamsul Islam
Mr. Malik Muntasir Reza
Mr. Usman Rashed Muyeen
Mr. Md. Shafquat Hossain
Mr. Masud Mushfiq Zaman
Mr. Azam Khan
Mr. Nazmul Hossain

Managing Director & CEO
Additional Managing Director & GCRO
Deputy Managing Director & GHOICC
Deputy Managing Director, CCB
Deputy Managing Director & CAMLCO
SEVP & HO Transaction Banking
SEVP & GHOT
SEVP & GCS
SEVP & HOCRM
SEVP & Head Of Retail Banking Division
Group Head Of Human Resources
SVP & GCCO
Group CFO

Shareholders Structure

(As on December 31, 2021)

Shareholders

Shareholders	Shareholding Percentage
Sponsor/Directors	32.81%
Foreign Investors	9.53%
Institutions	23.00%
General	34.67%

Auditor

M.J. Abedin & Co
Chartered Accountants
National Plaza, 3rd Floor 109 Bir Uttam C. R. Datta Road
Dhaka - 1205, Bangladesh

Corporate Head Office

MTB Center 26 Gulshan Avenue, Dhaka 1212, Bangladesh
Phone: 02-58812298, 02-222283966
Fax : 02-222264303
Email : info@mutualtrustbank.com
Website: www.mutualtrustbank.com

Tanzim Alamgir
Managing Director & CEO
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Mohammad Nazmul Hossain, FCA
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Page 20 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



BOND RATING SYMBOL

LONG-TERM RATINGS

ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.

RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than Obligations' with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than Obligations' with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt Obligations'.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), Bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favorable effect to the assigned rating.

Rating Outlook

ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :

POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

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Page 21 of 21

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Annexure 4: Declaration about the Responsibility of the Directors



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Mutual Trust Bank Ltd.

you can bank on us

Declaration about the responsibility of the directors, including the CEO of the issuer or originator in respect of the information memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.


SYED MAHBUBUR RAHMAN
MANAGING DIRECTOR & CEO

Date: July 31, 2022

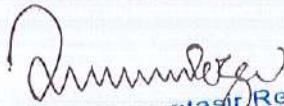
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan I, Dhaka 1212
Phone : 880 (2) 5881 2298, 222 283 966, Fax : 880 (2) 222 264 303, SWIFT : MTBLBD DH E-mail : info@mutualtrustbank.com

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Group Chief Financial Officer
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Rezaul Karim, Reza
Sr. Executive Vice President &
Group Company Secretary
Mutual Trust Bank Limited
Corporate Head Office, Dhaka



Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

Annexure 5: Due Diligence Certificate of the Trustee



DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman
Bangladesh Securities and Exchange Commission

SUBJECT: ISSUANCE OF MTB 5TH SUBORDINATED BOND OF MUTUAL TRUST BANK LIMITED

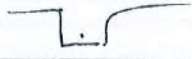
We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

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, its 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 (Debt Securities) Rules, 2021 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 (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- f) The above declarations as unequivocal and irrevocable.

For Trustee-


Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited

Date: June 14, 2022
Place: Dhaka

Annexure 6: Status of Debt Securities issued under trusteeship UCB Investment Limited




Status of Debt Securities issued under trusteeship of UCB Investment Limited

Present status of Debt Securities issued by Bangladesh Securities and Exchange Commission (BSEC) in which UCB Investment Limited is acting as Trustee is as follows -

SL	Name of the Issuer	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion of subscription	Issue Amount (BDT Million)	Repayment Amount (BDT Million)	Outstanding as on July 20, 2022 (BDT Million)	Default (if Any)	Remarks
1	NRB Commercial Bank Limited	NRBC Bank Subordinated Bond-1	07 years	Nov 23, 2021	Dec 26, 2021	3,000	-	3,000	Nil	
2	Bank Asia Limited	Bank Asia Perpetual Bond	Perpetual	Mar 02, 2022	N/A	5,000	-	5,000	Nil	
3	Mercantile Bank Limited	Mercantile Bank Perpetual Bond	Perpetual	May 24, 2022	N/A	5,000	-	5,000	Nil	
4	Mir Akhter Hossain Limited	Mir Akhter Zero Coupon Bond	04 Years	Apr 04, 2022	N/A	2,499	-	2,499	Nil	
5	Envoy Textile Limited	Envoy Textiles Zero Coupon Bond	05 Years	May 24, 2022	N/A	2,000	-	2,000	Nil	
6	Eastern Bank Limited	3 rd Subordinated Bond	07 years	-	N/A	5,000	-	5,000	Nil	
7	Mutual Trust Bank Limited	MTB 5 th Subordinated Bond	07 years	-	N/A	5,000	-	5,000	Nil	

Yours Faithfully,


Tanzim Alamgir
Managing Director & CEO

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E-mail: support@ucb-investment.com, Web: www.ucb-investment.com