

MTB SUSTAINABILITY REPORT 2022

GROWING WITH SUSTAINABILITY



মিউচুয়াল ট্রাস্ট ব্যাংক পিএলসি
Mutual Trust Bank PLC

you can bank on us



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**MUTUAL TRUST BANK PLC (MTB) PRESENTS ITS
9th SUSTAINABILITY REPORT**

For the period from

JANUARY 2022 TO DECEMBER 2022

This report has been prepared in accordance with the
GRI Standards: Core option



PREFACE

Mutual Trust Bank PLC (MTB) presents its 9th Sustainability Report for the period from January 2022 to December 2022. In this report, MTB has followed its compliance to the reporting framework of 'Global Reporting Initiative' (GRI). Application level of the framework applied in this report is GRI Standards: Core option.

MTB is a compliant bank as per compliance standard set by the regulatory bodies of Bangladesh. MTB follows the statutory and reporting guidelines prescribed by regulatory bodies. Yet, present management of MTB envisions the bank to rise up to an international standard in all plausible dimensions and hence the management has decided to bring out 'Sustainability Report' regularly since 2014.

This report serves as a primary instrument of communication regarding the company's philosophy, governance, management, policies and CSR initiatives (Corporate Social Responsibility), resulting to sustainability of its business, the environment and the community.

Feedback

We welcome any feedback on this sustainability report. For further information and comments, please contact 'Sustainable Finance Department' of the bank through following addresses:

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An aerial photograph of a dense, lush green forest. A winding road, marked with yellow dashed lines, cuts through the trees, starting from the bottom left and curving towards the top right. The word "STRATEGY" is written in large, white, sans-serif capital letters, following the path of the road. The letters are slightly transparent, allowing the green of the forest to be seen through them.

STRATEGY

STATEMENT OF THE MANAGING DIRECTOR & CEO (GRI 102-14)



Dear Valued Stakeholders,

It is my great pleasure to welcome you all to the 24th Annual General Meeting of Mutual Trust Bank PLC (MTB). I am hoping that all of you are staying happy and healthy. The pandemic has clearly reinforced the message that Health is Wealth.

I write to you at the end of a year which saw many unexpected events. It followed a sequence of such years and may not be the last one. In 2022, we witnessed the largest conflict in Europe since World War II, a resulting energy security crisis, a sustained rise in interest rates across the developed world, political uncertainty in many countries in the world with associated movement in gilt yields and in US Dollar, and the first re-alignment of global geopolitical lines since the end of the Cold War.

A year ago, I wrote that we were entering a period of unusual uncertainty. I had far more benign scenarios in mind than what has actually transpired. Not only was this an eventful year, but it has followed the devastating human and economic tragedy of COVID-19, the repercussions of which still persist. I want to use this submission to share my views on our performance and our priorities, and also my thoughts on the potentials of Bangladesh as we look ahead into 2023.

I am very proud of how MTB responded when faced with the most difficult and, at times, trying circumstances. However, opportunities came back strongly, and your Bank was well poised to grab them and close the year on a positive note. Our performance in 2022 was a landmark. This was the year when the hard work and focus of the last few years began to come to fruition. But we must remain prepared for testing economic and market conditions. We have truly entered the all-important phase of Reinventing, Rebuilding and Resurrecting.

Economic Overview

After witnessing significant contraction related to COVID-19 pandemic in 2020, global economy started recovering in 2021. However, the momentum was slowed down in Q3 2021 by a deadlier variant of the virus, the impact of which was fortunately short lived helped largely by mass vaccination drives across the world. Towards the end of Q1 2022, escalated geo-political tension arising from prolonged Russia-Ukraine conflict has led to increased financial volatility. Oil and other commodity prices have surged significantly, thereby worsening the already high inflation dynamics of both advanced as well as emerging economies. Record inflation has led the US Fed to accelerate its monetary policy normalization. This, in turn, has led to capital outflows from the emerging markets as risk-off takes centre stage. Global growth is thus expected to moderate to 2.8% in 2023.

Even the global trade estimates for 2023 have been revised downwards to 1.7%. Against this backdrop, Bangladesh made remarkable progress in FY 2021-2022 registering impressive GDP growth of 7.1%. Despite this optimism, the trade deficit in Bangladesh has increased due to global inflation, supply chain disruptions, and a rise in imports cost due to globally increased fuel and commodity prices, which

has led to the depreciation of the Bangladeshi currency against the dollar and other foreign exchange currencies. The foreign exchange reserve, which was US\$46.15 billion in 2021, reduced to US\$33.75 billion in 2022, despite measures taken by the Central Bank to bolster it. The banking sector faced difficulties maintaining its profitability due to rising costs of deposits, non-performing loans, increasing external debt, and capital shortfalls. Although export earnings reached a record high of US\$54.70 billion in FY'22, remittances decreased, and rising import costs resulted in a negative trade account balance. The Central Bank has indicated plans to adjust the lending rate cap keeping a range of 3% spread with a monthly reference rate based on the weighted average rate of the short-term treasury bills from July 2023, while continuing to focus on facilitating liquidity and investments. Meanwhile, Repo rate has been revised four times since May last year, now stands at 6%, make loans costlier and rein in inflation, which is running at a multi-year high, while supporting growth. However, hardening global crude and commodity prices amidst prolonged geo-political tensions, along with supply chain issues arising out of prolonged lock down in China could keep inflationary pressures on the upside. While Bangladesh is expected to grow by 5.3% ~ 5.5% in FY'23 according to ADB and IMF, the current account balance could continue to see high deficit till 2027, predicts the IMF mainly due to geopolitical tensions and elevated crude oil prices.

Our Strategic Priorities In 2022

On this backdrop, the Bank set the following strategic priorities:

- Investing in technology to improve customer experience, reduce costs, and simplify operations
- Maintaining cost discipline while increasing non-interest income
- Maintaining a strong capital base more than what was in 2021
- Managing the Balance Sheet efficiently amid shrinking liquidity and regulatory requirements
- Proactively manage asset quality, thus achieving a loan classification rate below than 2021
- Serve seamlessly trade business customers during foreign currency crisis

Earnings and Profitability KPIs

During the year 2022, the Bank reported an operating profit of Tk. 7,802.79 million, reflecting a growth of 38%. This is the highest operating profit made by the Bank in its 22 years of operations. The Bank's profitability was driven by various factors, including an increase in non-funded income in the form of commission and exchange gain, prudent asset liability management resulting in a stable balance sheet growth, and strong monitoring of classified loans throughout the year. Interest income grew by 10% to Tk. 16,065 million from Tk. 14,562 million, while interest expense also saw a rise of 38% to Tk. 12,198 million from Tk. 8,815 million due to tightening liquidity situation arose from multiple macroeconomic factors. This resulted in higher liability costs and a squeezed spread to 3.20% in 2022 from 3.25% in 2021. Non-interest income grew to Tk. 12,235 million from Tk. 7,057 million, registering a significant growth of 73%.

However, after tax profit stood at Tk. 2,369.16 million, representing a 20% decline from previous year, mainly attributed to the adjustment of all deferred provisions of Tk. 2,567 million, which the Bank had to pay in phases by 2024, and an additional Tk. 266 million provision in accordance with the Central Bank's instruction. This strategic move speaks about the strength of our balance sheet. Consequently, MTB finally came out from the list of "Provision Shortfall" Banks. The decline in profit will add value to the Bank's credibility, bring confidence among foreign and local investors. Consequently, ROA of the Bank declined to 0.72% and ROE to 11.56% which were 1.03% and 16.22% in 2021, respectively.

Business Highlights

Bank's total assets reached to Tk. 353,644 million in 2022, compared to Tk. 306,501 million in 2021, representing a 15% growth. Deposits reached Tk. 232,657 million compared to Tk. 211,782 million with a growth of 10% and Loans and advances was 12% higher than the preceding year and stood at Tk. 253,836 million. Bank's imports increased by 7% and stood at US\$2,212 million in 2022 against US\$2,060 million in 2021. Exports increased by 22% and reached US\$1,234 million, compared to US\$1,009 million in the previous year. Inward remittances in 2022 showed positive growth of 58% and reached US\$849 million in 2022. The CMSME sector is a crucial driving force for economic growth and has significant potential for socio-economic development. The CMSME

portfolio in 2022, stood at Tk. 31,365 million, registered 13% yearly growth. Consumer banking also plays a vital role in the country's economic activities. Portfolio of this business segment registered 9% growth to Tk. 14,147 million. In 2022, we have crossed 100K+ credit cards, scored 1.5 times higher active credit holders from previous year. Our emphasis is on expanding secured retail financing like home loan, car loan, secured overdraft than the other modes of consumer financing. MTB Yaqeen, the Islamic Banking Wing of the Bank started operation on May 12, 2021. Therefore, last year was its full operational year. Within this short span, we are receiving tremendous responses across our network. Consequently, its deposit and investment portfolio stood at Tk. 6,936 and 4,430 million respectively. Overall book size was Tk. 7,291 million and earned operating profit of Tk. 73 million. Riding on the noteworthy responses and being the Muslim major country, we firmly believe that this channel will bring greater prospects for the Bank in future. Last year we have received over US\$100 million short and long-term foreign borrowing. MTB's single largest shareholder is Norwegian Fund Norfund with 9.53% Stake. This gives immense confidence to our interested foreign investors and put incredible positive impact on the Bank's brand. During current foreign currency shortage, such access to fund enabled us to maintain foreign exchange liquidity, contributing to smooth import performance for our valued customers.

Cost Optimization

Improving profitability entails enhancing operational efficiency and productivity. Given the banking industry's low margins and robust compliance standards, it is imperative to exercise caution and maintain costs to achieve cost efficiency. Our efforts to improve process efficiencies and productivity amid our expansion have led to a significant improvement in the cost-to-income ratio, from 55.79% in 2021 to 51.54% in 2022. This efficiency ratio was excessively high in 2020 to 64.77%. Going forward, we aim to focus on cost rationalization to ensure an eco-friendly operational environment, minimize wastage, and foster a committed human resource base with a positive mindset that delivers value for the Bank.

Subsidiaries Performance

The stock market of Bangladesh passed a dismal year as the investors' confidence was hit hard in 2022 witnessing of prolonged bearish trend on the market. Major indices and turnover of stock market of Bangladesh mostly saw decline in whole year. DSEX, the key index of the Dhaka Stock

Exchange, dropped by 8.1%, or 549 points, over the year 2022 to close at 6,206.8 points on December 28, the last trading session of the year. Amidst the bearish trends of market, MTB Securities Limited (MTBSL) has retained its position to 11th of DSEs Top - 20 in terms of daily turnover throughout the year. Total operating profit stood at Tk. 444 million in 2022. During the same period, MTB Capital Limited (MTBCL) made operating profit Tk. 79 million.

'Digital First' Model: Bridging The Gap Between Digital And Conventional Banking

The Bank has been reimagining banking by focusing on customized platforms to empower diverse customer profiles through new technology. We have adopted a "DIGITAL FIRST" strategy to enhance their digital experience and serve customers better. The Bank has made significant progress in their digital transformation journey, achieving key milestones such as Smart Banking Application, Personalized finance management, Open Banking, and digitalizing Inland Documentary Bill Purchases (IDBP) for Trade customers. We are investing heavily in technology and adopting the latest technologies such as AI, ML, Blockchain, and Open Banking technology to develop innovative products and services. The Bank is developing a comprehensive digital product suite, including Digital Onboarding for Retail and SME customers, quick digital loans, and wealth management tools. They are leveraging data analytics to offer personalized services to customers and collaborating with fintech and other partners to enhance their digital capabilities. Aligned with the dream of Honorable Prime Minister Sheikh Hasina's developing "Smart Bangladesh" and following the directions from current Governor of Bangladesh Bank regarding implementation of 'Cashless Bangladesh', we are prioritizing e-commerce transactions and QR payments across the country. We proudly participated in the Central Bank's "Cashless Bangladesh" campaign at the heart of the capital's Motijheel area. In continuation of this campaign, MTB partnering with Mastercard has implemented Bangladesh's first cashless market DNCC-1, 'All Payments in One QR'.

Omni-Channels For Convenience

MTB, a resilient financial brand, with over 23 years of strong market existence, a sustainable growth record and superior image, provides simple and easy to understand and smart banking solutions. The Bank serves more than 1.1 million customers through 119 branches, 37 Sub branches, 198 Agent Banking Centers in 45 districts, 8 kiosks, 299 modern ATMs including 11 Cash Recycler

Machine (CRM) Booths, 17 Cash Deposit Machine (CDM), 6 Air Lounges – the largest air lounge network in the country, over 3,036 Point of Sales (POS) machines and 1,140 QR-based micro-merchants, the Bank has already made a distinct mark in the realm of Private Sector Banking through personalized service, innovative practices, dynamic approach and efficient management. Besides all conventional branches provide Islamic Banking services MTB Yaqeen through online based Yaqeen desk. This year we have a plan to open a full-fledged Islamic Banking Branch subject to approval from the Central Bank. We have centralized off shore banking unit which has been recognized as one of the best offshore banking business of the country over the years of operations.

Firming Capital Base – Cushion Against Unforeseen Risks

To manage our overall risk exposure, we have always placed a high priority on strengthening our capital base. Consequently, MTB ended the year with a strong capital base, maintaining a Capital to Risk-Weighted Asset Ratio (CRAR) of 14.50%, compared to the minimum requirement of 12.50% set forth in the BASEL III roadmap. MTB has also decided to issue sub-ordinated bond in order to bring in good business growth and ensure compliance with the Basel III capital accord. Consequently Tk. 5,000 million out of which Tk.3,500 million has been already collected from the market.

Impaired Asset Management

One of our core business priorities is to curb non-performing loans by maintaining quality assets. With our continued aim to ensure quality portfolio growth, we contained Non-Performing Loans (NPL) to 5.77% in 2022, down from 5.80% in 2021. Our credit approval process and policy have been framed to identify and assess inherent risk so that asset quality does not deteriorate in the long run. Additionally, an early warning system has been emphasized so that precautionary action can be taken against vulnerable assets. Above all, proper monitoring and a strong recovery drive from branches and corporate office have been intensified to maintain the quality of Bank's assets.

Credit Rating Speaks For Our Strength

In 2022, the Bank's long-term credit rating was AA+ whereas the short term rating was ST-2. Your Bank has maintained a superior and steady credit ratings that express our strong credibility in both short and long term.

Dividend To The Shareholders

MTB recorded an excellent performance during the year 2022. The business and profitability parameters of the Bank have improved remarkably as compared with the previous financial year. I am happy to inform you that the Bank has proposed 10% stock dividend for the year ended December 31, 2022 to strengthen its capital base. The consistency in dividend payment is a clear indication of the Bank's strong financial position and increasing profitability.

Social Welfare As An Obligation To The Society And People
MTB has always been aware of its Corporate Social Responsibility (CSR) to ensure that it is perceived as a Bank with a conscience and a catalyst for change. In order to contribute to a better quality of life for society at large, MTB is perpetually working to become a socially responsible corporate entity. In 2022, the Bank Spent Tk.185.42 million for this purpose, which is a 47% increase from 2021. This was devoted to education, health, and other underprivileged sectors for the nation's betterment. We have contributed to the Prime Minister's relief fund on several occasions to help the government achieve its goal of eradicating poverty and reducing people's distress. Like every year, we have distributed winter relief among the destitute to sustain them in the coldest winter season.

People Comes First

At MTB, we firmly believe that our employees are the cornerstone of our success, and we prioritize their well-being and professional development. As part of our commitment to supporting our staff, we made adjustments to our employee benefits in response to the increased cost of living in 2022. We particularly focused on ensuring that our colleagues in lower-paid roles received the support they needed to survive. Additionally, after the fuel price hike in August of last year, we revised our transport allowances for all employees to ensure that expensive commuting would not pose a barrier to their daily attendance at work. Moreover, starting this year, we implemented a "Boishaki Bonus" at a variable rate, with a unique philosophy that employees in lower grades would receive a higher percentage. We strive to create a work environment that fosters growth and career advancement for our employees. As part of this, we invest in local and foreign training programs to equip our staff with the knowledge and skills they need to excel in their roles. As a recognition of its human capital management excellence, the Bank won the 'Best Work Place for Diversity and Inclusion in Banking in Bangladesh 2022' from International Finance Magazine

and 'Best Place to Work Bangladesh 2022' by International Business Magazine for its exemplary practices for ensuring gender balance, equality, equity and diversity within its workforce. The Bank received such recognition first time since its inception.

Awards And Recognitions

MTB has established a strong reputation both nationally and internationally, which has been recognized through numerous awards and accolades. Last year MTB received a total of 26 national and international awards, marking the highest-ever awards won by any Bank in the country in a single year. The Bank has been recognized for its exceptional performance in categories such as Leadership, Best Workplace, Best in CSR, and Service Excellence. MTB has been awarded 'Best Customer Service Bank – Bangladesh in 2022' by the UK- based premium business and finance magazine International Finance. Global Banking & Finance Review recognized MTB for 'Banking Customer Satisfaction & Happiness Bangladesh 2022', 'Best CSR Bank Bangladesh 2022' and 'Best Bank for Digital Banking Service Bangladesh 2022'. 'World's Best Consumer Digital Banks in Asia Pacific 2022' by Global Finance. '3G Excellence in Sustainability Reporting Award 2022' and '3G Championship in Green Innovation and Solutions Award 2022' by Global Good Governance Awards. World Business Outlook Magazine has awarded MTB in categories like 'Best Bank in Bangladesh 2022', 'Retail Bank of the Year Bangladesh 2022', 'SME Bank of the Year Bangladesh 2022'. MTB has been awarded the "Best Bank for Diversity and Inclusion in Bangladesh 2022" by AsiaMoney. In addition to these accolades, MTB has also been recognized as a market leader in the "Diversity & Inclusion" and "Digital Solutions" categories in Euromoney 2020 Market Leaders rating. These awards reflect the Bank's continuous efforts in providing innovative and inclusive solutions to its customers, as well as its dedication to staying at the forefront of banking business.

Acknowledgement

I would like to express my sincere appreciation to our Board of Directors for their visionary leadership during an unprecedented year. The Board's unwavering support has been invaluable throughout the challenging times, and I am grateful for their ongoing engagement, counsel, and encouragement. My extended gratitude to Bangladesh Bank and the Securities and Exchange Commission for their continued policy support and guidance during these adverse circumstances. Additionally, I would like to

wholeheartedly thank all of our stakeholders for their unwavering trust in the Bank. I express my sincere appreciation for the continuous patronage we have received from our valued customers.

Thank You To My Colleagues

We have achieved a great deal this year, progressing our objectives and supporting our customers. None of this would be possible without the skill and dedication of our colleagues across MTB. I am grateful to every one of them for their hard work and commitment to our purpose, especially in two of the most trying years in the human history.

Conclusion

2022 has shown us the importance of being a purpose-led Bank. But it has also shown us what it takes to be purpose-led. Against a volatile economic backdrop, we continue to demonstrate the strength and resilience of our business, delivering a strong financial performance while supporting our customers and putting in place proactive support to help those who are most vulnerable. We are continuously adapting to the new normal in order to continue doing this. Underpinned by the strong foundations of our strategy, we are investing in our technology and colleagues so that we can serve our customers in new and comfortable ways to make their lives easier. Our focus now is on the opportunities those relationships offer for growth: for our customers, for our economy and, as a result, for the Bank. Summing up, despite the economic headwinds, your Bank has adapted well to the challenges posed by the operating environment. I am more than hopeful that the performance achieved in 2022 will show further improvement in 2023. I also strongly believe that together we can help build a more sustainable future for people, families, businesses and the planet.

We would continue to look forward for your support, goodwill and patronage.

With best wishes,

Yours sincerely,



SYED MAHBUBUR RAHMAN
MANAGING DIRECTOR & CEO

STATEMENT OF THE ADDITIONAL MANAGING DIRECTOR & GROUP CHIEF RISK OFFICER



Looking ahead to 2025, the risk function is poised for significant transformations. It will assume broader responsibilities, actively engaging at a strategic level, and fostering robust collaborative relationships with other departments within the bank. Simultaneously, the talent pool within the risk function is expected to undergo a substantial shift, with a strong focus on advanced analytics, enhanced collaboration, and a reduced emphasis on operational processes. Automation, real-time systems, and paperless workflows will likely become the norm.

The evolution of IT and data infrastructure will bring about increased sophistication, leveraging big data and complex algorithms. This enhanced technological landscape will enable the risk function to make more accurate risk decisions while reducing operating costs, ultimately leading to superior customer experiences.

As the Chief Risk Officer, it is crucial to acknowledge and emphasize the significance of risk management in ensuring the stability and longevity of the organization. Risk management holds a pivotal role in the banking industry, encompassing the identification, assessment, and prioritization of potential risks that may impact the bank's operations and financial performance. By making well-informed decisions and proactively implementing measures to mitigate or avoid risks, we can minimize losses and maximize returns.

The early years of this decade have been marked by a particularly disruptive period in human history. The transition to a "new normal" following the COVID-19 pandemic was swiftly interrupted by the outbreak of war in Ukraine, triggering a fresh wave of crisis in food and energy. These challenges have remerged, bringing back "older" risks such as inflation, cost-of-living crisis, trade wars, widespread social unrest, and geopolitical confrontations. These risks are further amplified by comparatively new developments in the global risk landscape, including unsustainable levels of debt, low global investment, de-globalization, a decline in human development despite prior progress, and mounting pressure from the impacts of climate change. These converging factors create a unique, uncertain, and turbulent decade ahead. In summary, the risk function in 2025 will be characterized by expanded responsibilities, strategic engagement, and strengthened collaborations. It will leverage advanced analytics and automation to make better risk decisions at reduced costs, enhancing customer experiences. Risk management will continue to play a vital role in ensuring organizational stability and longevity. However, the global landscape presents a blend of both new and familiar risks, underscoring the need for vigilance and proactive measures to navigate the challenges and uncertainties of the future.

Global Risk Perspective

In 2022, the global landscape shifted as Russia's invasion of Ukraine redirected attention from health issues related to the coronavirus towards escalating political, security, and macroeconomic risks. The ripple effects of the war in

Ukraine, global monetary tightening, and an economic slowdown in China are expected to weigh on the economy in 2023, leading to a reasonable slowdown in global growth. Furthermore, severe droughts and heat waves in Europe, China, India, and the US during 2022 have contributed to the rising prices of certain foodstuffs.

The ongoing war between Russia and Ukraine, both major agricultural exporters, has resulted in severe price spikes and the potential for global shortages of grains and fertilizers in 2023, crucial for harvests. These factors raise the risk of prolonged crop shortages and soaring prices, ultimately threatening food security on a global scale. In addition, persistent inflationary pressures driven by supply-chain disruptions and Russia's invasion of Ukraine have pushed global inflation to its highest level since the 1990s. If inflation rises significantly higher than wage increases, it could lead to difficulties for lower-income households in affording basic necessities and potentially trigger social unrest. To proactively manage these externalities, major central banks are rapidly raising interest rates in an attempt to curb rising inflation worldwide. However, these measures are fueling a sharp increase in long-term interest rates, thereby raising borrowing costs. Prolonged inflationary pressures could prompt central banks to maintain aggressive policies, undermining household purchasing power amidst high energy and commodity prices. Governments and central banks may face persistent challenges in combating inflation, particularly in light of a potential prolonged war in Ukraine, ongoing bottlenecks resulting from the pandemic, and economic warfare driving supply chain decoupling.

Looking ahead to the next decade, environmental and societal crises will characterize the global landscape, driven by underlying geopolitical and economic trends. The “cost of living crisis” is identified as the most severe global risk over the next two years, while “biodiversity loss and ecosystem collapse” is projected as one of the rapidly deteriorating risks in the coming decade. Economic warfare is becoming increasingly prevalent, with heightened conflicts between global powers and increased state intervention in markets expected over the next two years. Economic policies will be employed both defensively, aiming to establish self-sufficiency and sovereignty from rival powers, and offensively, as a means to constrain the rise of others. The technology sector will become a primary target of stronger industrial policies and increased state intervention. While technology may exacerbate inequalities, the risks associated with cybersecurity will remain a constant concern. The rapid development and

deployment of new technologies, often lacking sufficient protocols governing their use, present their own set of risks that need to be addressed.

Continued Expansion of the Breadth and Depth of Regulation

We expect that the trend towards increased consumer protection and “conduct” regulation will continue and potentially accelerate in the coming decade. There will be closer scrutiny of information asymmetries, barriers to switching, inappropriate or incomprehensible advice, and non-transparent or unnecessarily complex product features or pricing structures. Bundling and cross-selling of products may also raise concerns, leading to an expectation of “fair pricing” in certain markets. In some cases, banks may even be obligated to inform their customers about alternative products that better suit their needs. This practice, although it may seem far-fetched, is already a reality for energy utilities in some markets, where consumers are regularly informed about cheaper tariffs they can switch to. The pace of these regulatory changes is challenging to predict, and different jurisdictions are expected to adopt them at varying speeds. Supervisory oversight practices are also evolving. In the near future, banks will likely be required to provide supervisors with more information, supported by quantitative data. For instance, some regulators no longer accept qualitative statements about a bank's efforts to enhance its risk culture, but instead demand regular staff surveys to track progress and benchmark against peers. These regulatory trends will have significant implications for banks' risk management, including the following:

Optimization within a regulatory framework: Banks will need to construct balance sheets and businesses that comply with capital, liquidity, funding, leverage ratios, and recovery and resolution regimes while fully utilizing their capacity within these constraints. This necessitates a new, highly analytical process for business optimization and strategy setting. Risk functions can play a key role in this regard due to their expertise in these areas.

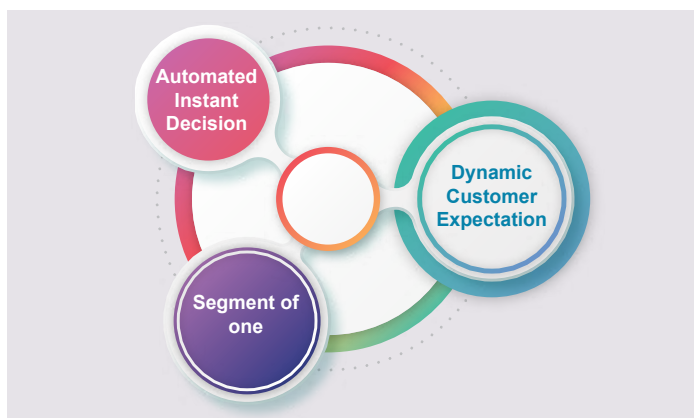
Principles-based compliance: Merely complying with existing rules will not suffice. Banks will need to adhere to broad principles to protect themselves from potential future rules and interpretations with retroactive effects. They should assess whether their practices are “fair” from the customer's perspective and whether they are comfortable disclosing their business practices to customers, supervisory authorities, and the public. Discomfort in doing so should serve as a warning sign.

Automated compliance: As regulations become more complex and noncompliance consequences more severe, banks will be compelled to minimize human interventions in risk interactions with customers and embed the right behaviors into their products, services, and processes. Where human intervention is unavoidable, robust surveillance and monitoring will become increasingly crucial to ensure a low error rate within the first line of defense and enable proper oversight by the second line.

Collaboration with businesses: Regulatory preparedness can only be achieved through closer collaboration between the risk function and businesses. Full compliance and risk protection should be integrated into the thought process from the beginning, rather than an afterthought once businesses have established strategies or designed new products.

Changing Customer Expectations

Over the next decade, the banking industry is poised for significant transformation driven by evolving customer expectations and technological advancements. Customer adoption of technology is expected to become the norm, with the younger generation emerging as a major revenue contributor to banks by 2025. Simultaneously, older bank customers are projected to embrace technology at a higher rate. The sector has witnessed a surge in innovation and investment in financial technology (fintech) start-ups in recent years. This innovation is disrupting every aspect of



the value chain, particularly in banks' origination and sales processes. Fintech and technology firms are not seeking to become banks themselves; instead, they aim to capture the direct customer relationship and tap into the most profitable segments of the value chain, such as origination, sales, and distribution. These start-ups offer a diverse range of highly competitive and seamless offerings, leveraging new apps

and online services that challenge the traditional stronghold banks have had on customers. One effective strategy employed by fintech start-ups is to gradually acquire pieces of customers' financial business, simplifying the process of opening accounts and enabling easy switching among providers. To retain customer relationships and compete effectively, banks must undergo significant changes. Customers will expect intuitive experiences, seamless access to services across devices, personalized propositions, and instant decisions. Achieving these expectations will require a comprehensive redesign of the organization from a customer-experience perspective and extensive digitization efforts. The risk function should play a central role in this transformation, collaborating closely with the business units. The risk function's focus should revolve around two key priorities:

Automated instant decisions. Banks must deliver rapid real-time responses to customer requests, such as loan applications or account openings, through highly customized processes. To achieve this, risk functions will need to explore ways to assess risks and make decisions without human intervention. This often involves redesigning processes from scratch and utilizing nontraditional data sources. Some banks in developed economies have already implemented account-opening processes that prepopulate most of the requested data from public sources, simplifying the onboarding experience. In such cases, the risk function faces the challenge of ensuring a secure yet customer-friendly approach to identification and verification.

"Segment of one." As banks refine their customer segmentation and offerings, they may eventually be able to tailor prices and products to each individual, creating a "segment of one." However, this level of customization comes with increased complexity and costs for supporting processes. Regulatory constraints are also likely to prevent inappropriate pricing and approval decisions. Risk functions will be responsible for collaborating with operations and other units to manage emerging concerns while still providing highly personalized solutions. In the digital era, banks must remain attentive to evolving customer demands and strive to be truly customer-centric.

Risks in the Country Context

Bangladesh, with a economy heavily reliant on imports of essential goods and capital machinery, has been severely impacted. The depletion of the country's foreign exchange reserve, primarily derived from exports of ready-made garments and remittances from migrant workers, has led to

a dollar crisis in the local market. Bangladesh's economic growth has been supported by various factors, including the ready-made garments sector, remittances, agricultural growth, MSME expansion, declining population growth, and government safety net programs. The ready-made garments sector has experienced significant growth since the late 1970s, making it the country's most important industry and the second-largest exporter of apparel to Western brands after China. As the year 2023 unfolds amidst a highly uncertain environment, challenges such as a strong US dollar, high inflation, and upward pressure on interest rates persist. In this context, banks play a vital role as financial institutions that collect the hard-earned money of the common people, safeguard it, and invest it for the future. The Bangladesh government has taken measures to tighten control over the banking sector and ensure good governance. However, the banking sector in Bangladesh is often the subject of public discussion and debate due to various irregularities and risks, leading to losses in state-owned banks and weakening of some private commercial banks. Despite these challenges, the government has implemented measures to prevent bank liquidation, and the Bangladesh Bank is constantly improving and evolving its regulatory monitoring and intervention to address irregularities.

A report from the Bangladesh Bank indicates that banks and financial institutions would remain moderately resilient to different shock scenarios. However, concerns arise from loan concentration to large borrowers and the significant level of non-performing loans in some banks, which could impact overall financial stability. Proper corporate practices and adherence to guidelines on large loans and single-borrower exposure are essential to reduce risks associated with banks' exposure to large corporations or specific groups, sectors, or regions. Banks must allocate substantial provisions for defaulted loans, which can affect their capital base. The capital adequacy ratio (CAR), a measure of a bank's financial strength, reveals that the banking industry in Bangladesh is slightly weaker than its counterparts in South Asia. To strengthen the capital base, the Bangladesh Bank has initiated the implementation of Basel III guidelines since 2019. The banking industry in Bangladesh has made significant progress in meeting the minimum CAR threshold of 12.5% set by the regulatory roadmap. The IMF predicts a challenging year for the global economy, with the poor in Bangladesh requiring continuous support to overcome uncertainty and rising prices. Bangladesh slipped in the global hunger index, emphasizing the need to prioritize social safety nets and healthcare services alongside GDP growth. Research

suggests an increase in the number of people experiencing hunger, and a global recession may impact exports and remittances, affecting the purchasing power of major trading partners in Europe and the US. Economists have highlighted the vulnerability of Bangladesh's balance of payments and advised the government to monitor capital flight and delays in paying import dues. The majority of the population is facing a decline in real income, while food and energy prices continue to rise. The challenges for 2023 include high inflation and dwindling foreign exchange reserves, as remittances and export earnings declined in 2022. However, Bangladesh's self-sufficiency in food production and recent export trends offer hope. The country possesses fertile land, skilled farmers, and has recently achieved a bumper harvest of food grains. Export performance in the current fiscal year has shown improvement, and remittance inflows are beginning to recover.

MTB's Proactive and Robust Risk Management Governance

Risk management is an essential aspect of banking, as banks face various risks inherent to their operations. While some risks are common to all businesses, the nature of banking amplifies certain risks. Fraud risk is particularly significant due to the intangible nature of money, making it susceptible to theft or diversion. Other risks include credit

<ul style="list-style-type: none"> • Digitization of Core Processes • Experiment With Advanced Analytics • And Machine Learning 	Balance-sheet Optimization <ul style="list-style-type: none"> • Putting The Enablers In Place • The Operating Model • Processes 	<ul style="list-style-type: none"> • Shift The Risk Function's Recruiting Focus • Create Data Infrastructure • IT/Data Infrastructure
Enhanced Risk Reporting		Enhanced Risk Reporting

risk, interest rate risk, securities speculation, foreign exchange risk, risk from related organizations, operational risk, regulatory risk, and liquidity risk. These risks can be mitigated through diversification (within legal and regulatory constraints), as well as robust internal controls. In the banking sector, trade-based money laundering has emerged as a growing concern. Trade-based money laundering involves the manipulation of invoices, over- or under-invoicing of goods and services, and false declaration of goods. To address this issue, our bank has established a comprehensive risk management framework that encompasses various risk types, such as credit risk, market risk, operational risk, and reputation risk. This

framework follows a systematic approach to risk management, ensuring that all relevant risks are identified, assessed, and effectively managed. A crucial component of our risk management framework is the regular review and update of risk assessments. Our dedicated risk management team conducts thorough analyses of the bank's operations, including products, services, systems, and processes. These assessments also consider external factors like economic and political developments, market conditions, and regulatory requirements. Additionally, we have implemented internal controls to minimize operational errors and fraud risks. These controls include ongoing account monitoring and reconciliation, segregation of duties, and leveraging technology for process automation. Effective communication channels between the risk management team and other departments are established to ensure timely identification and escalation of risks. To foster a risk-aware culture, we prioritize employee training, awareness sessions, and the distribution of risk management guidelines and best practices throughout the bank. One of the significant challenges faced by the banking industry today is keeping up with evolving technology and the increasing adoption of digital channels. To address this challenge, we have made strategic investments in technology and systems that support our risk management framework. These investments enable real-time risk identification and assessment through advanced analytics, machine learning algorithms, and continuous monitoring of transactions and activities. By leveraging these technological advancements, we aim to adapt to the changing landscape and effectively manage risks in the digital era.

Way Forward

Climate change and environmental risks are the primary concerns in global risk perception for the next decade, yet we are considered unprepared to address them adequately. The lack of substantial progress in meeting climate targets has highlighted the gap between scientific necessities for achieving net zero and political feasibility. Moreover, the diversion of resources to address other crises will likely impede the speed and scale of mitigation efforts in the next few years, leaving vulnerable communities and countries without sufficient adaptation support. As current crises absorb resources, natural ecosystems face increasing burdens due to their undervalued role in the global economy and planetary health. The interconnection between nature loss and climate change is crucial, as failures in one sphere will have cascading effects on the other. Without significant policy changes and investments,

the combined impacts of climate change, biodiversity loss, food security challenges, and natural resource consumption will lead to ecosystem collapse, jeopardize food supplies and livelihoods in climate-vulnerable economies, worsen the consequences of natural disasters, and impede further progress on climate mitigation. Furthermore, the affordability and availability of basic necessities can fuel social and political instability, as evidenced by protests and political upheavals driven by increased fuel prices in various countries. In the banking sector, technology plays a transformative role that not only changes customer behavior but also enables new risk management techniques. The proliferation of new technologies, such as big data and machine learning, provides banks with access to vast amounts of customer data and improved computing power for better risk decision support and process integration. Leveraging external and unstructured data can enhance credit risk decisions, portfolio monitoring, early warning systems, financial crime detection, and operational loss prediction. Machine learning, with its ability to identify complex patterns in large datasets, has the potential to revolutionize risk modeling in areas such as financial crime detection, credit underwriting, and early warning systems. However, the adoption of self-learning models may face regulatory challenges regarding validation. Crowdsourcing, facilitated by the internet, offers the opportunity for incumbent banks to tap into collective ideas and improve their effectiveness in specific areas, reducing risk costs and fines. Early and bold application of these technological innovations can give banks a competitive advantage, although data privacy and protection remain crucial prerequisites. Risk management is an ongoing process that requires continuous attention and commitment at all levels of the organization. Our bank is dedicated to improving our knowledge base through training, remaining vigilant in the digital banking space, conducting risk awareness programs for employees and customers, monitoring transactions rigorously to prevent fraud, and ensuring regulatory compliance with utmost diligence. With our robust risk management framework and the expertise of our employees, we are confident in our ability to navigate potential risks and provide our customers with the highest level of safety and security.



Chowdhury Akhtar Asif
Additional Managing Director & GCRO



SUSTAINABILITY ANALYSIS

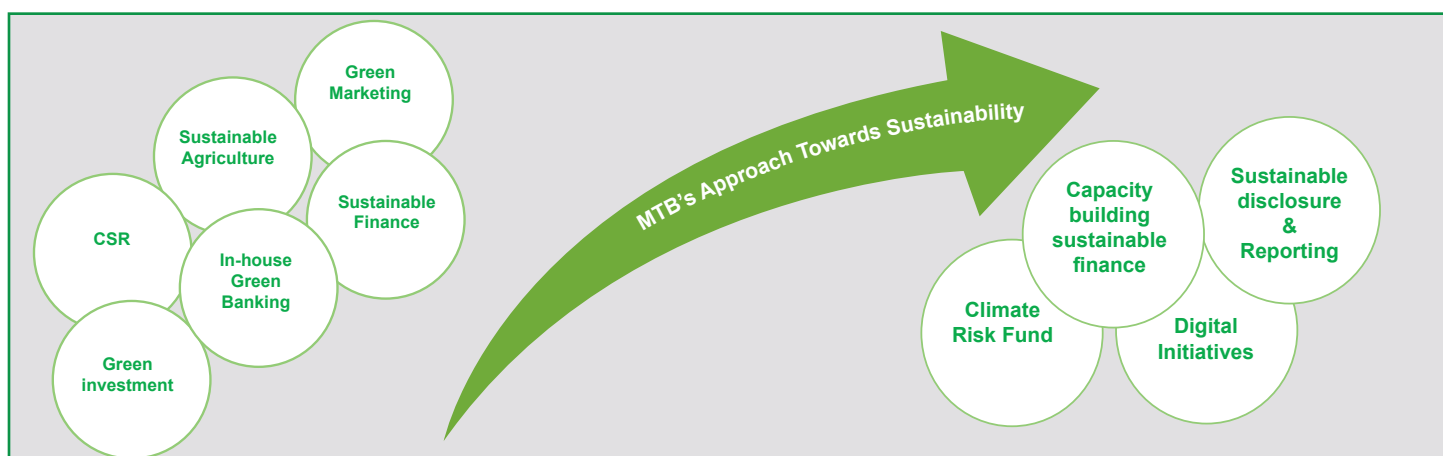
ABOUT SUSTAINABILITY ANALYSIS

MTB's Approach to Sustainability

At Mutual Trust Bank PLC (MTB), our path towards sustainable banking is driven by the commitment to creating economic and social stability in parallel with conserving the environment. To achieve this goal, MTB seeks to provide financial services that meet evolving customer needs, promote financial inclusion and sustainable products, as well as creating shared value and building stakeholder trust. MTB recognizes that its existence and aspiration to achieve “MTB 3V- 1) One of the best performing banks in Bangladesh, 2) The bank of choice and 3) A truly world-class bank”- must rest on an ethical foundation that incorporates sustainability into its path ahead.

MTB is a signatory to United Nations Global Compact (UNGC) since January 05, 2016. MTB endorses 10 UNGC principles while screening loans of its clients as a promise to uphold MTB's corporate sustainability. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles & Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.


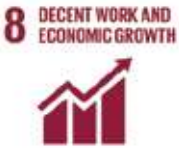




MTB always looks forward to helping its clients carry out sustainable business practices. MTB provides its expertise towards its clients while doing so since in MTB, we make a positive impact doing what we do the best: banking.



MTB's sustainable strategy is built on concrete ambitions in the area of climate change, the global as well as national economy and social impact. MTB is strictly following the directions of Bangladesh Bank on sustainability (e.g. Sustainability Policy, ESRM guideline etc.) which is the central Bank of Bangladesh. MTB is also following Perspective Plan of Bangladesh, National Sustainable Development Strategy, Intended Nationally Determined Contributions (INDCs), Bangladesh Delta Plan 2100 and Sustainable Development Goals (SDGs). By integrating sustainability into business practices based on good governance, the bank has been earning recognition in Bangladesh. MTB acknowledges that competitiveness is not measured in financial terms alone but also in how the organization fulfills its responsibility to society and the environment.

Supporting UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are targets for global development adopted in September 2015, set to be achieved by 2030. All countries of the world have agreed to work towards achieving these goals. The objective of the cumulative goals is to achieve a better and more sustainable future for all. MTB, through its operations, focuses on social impact and creates positive influences in its surrounding since inception. The bank identifies how its activities have contributed to the 17 SDG goals and incorporates structured planning to further strengthen its contribution towards SDG objective.

UN Sustainable Development Goals	MTB Implementation	Related Sustainability Topics
 <p>Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Promote sustainable energy production in Bangladesh through responsible lending for renewable energy sector and energy efficiency projects as well as providing loans to businesses on green products as stated by Bangladesh Bank</p>	<p>Climate change risks, Responsible lending, Green finance.</p>
 <p>Goal 8: Promote sustained, inclusive, and sustainable economic growth and productive employment</p>	<p>Offer comprehensive financial products and services that satisfy the needs of every customer segment to facilitate economic growth and employment. In addition, the Bank also has fair employment practices ensuring equal treatment and safe work environment for employees.</p>	<p>Talent attraction and retention, Customer experience, Culture and mindset, Community and society empowerment.</p>
 <p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<p>Develop interfaces-Mobile Apps, Internet Banking Services for digital banking, promote business financial innovation on digital platforms, and build on existing innovation through joint venture investments with local and global leading companies.</p>	<p>Digital transformation, Customer experience, Data governance and cyber security, Community and society empowerment.</p>
 <p>Goal 13: Take action to combat climate change</p>	<p>Committed to mitigating climate change impact through maximizing operational eco-efficiency as well as raising employee awareness and interest through CSR activities. Moreover, the Bank collaborates with external organizations time to time to address environmental concerns</p>	<p>Climate change risks, Responsible lending, Operational eco-efficiency, Green finance, Community and society empowerment.</p>
 <p>Goal 05: Achieve gender equality and empower all women and girls</p>	<p>Sound policy for the promotion of gender equality and the empowerment of women in all levels.</p>	<p>Women empowerment, Gender equality.</p>
 <p>Goal 06: Ensure availability and sustainable management of water and sanitation for all</p>	<p>Treating wastewater (ETP), minimizing release of hazardous chemicals, Improvement of water quality by reducing pollution.</p>	<p>ETP, Waste water</p>

Social and Relationship Capital

Social and relationship capital is an integral component of the value of MTB's business. It involves the business itself, the formal and informal entities and institutions associated with it, as well as the relationships with and between employees, communities, and other stakeholders. Our social and relationship capital involves the relationships we have created and nurtured with our stakeholders as well as the inter-relationships between them that enable greater value creation for all.



Eradicating poverty in all its forms remains one of the greatest challenges facing humanity. MTB strives to work unitedly for this cause



MTB's commitment to gender equality is evidenced at every level of the bank, from our Board through our senior leadership to our new hires. MTB is focused on engaging both women and men across the organization to attract, develop and retain women at all levels.



In MTB, we believe that we have an opportunity through our business to advance SDG 10 on Reduced Inequalities.

Overview

MTB believes that a responsible and sustainable business organization is one that does its business responsibly by keeping in mind the interests of its stakeholders - both internal and external. We believe our conscious choice of protecting the environment today will lead to a better and sustainable tomorrow.

How We Manage Our Social and Relationship Capital

We care about our stakeholders (employees, shareholders, communities, and government), the environment and our bank



We acknowledge our role in the development of the communities within which we operate to sustain the business



We recognize that our impact goes beyond the workplace and that our long-term sustainability is linked with our communities.

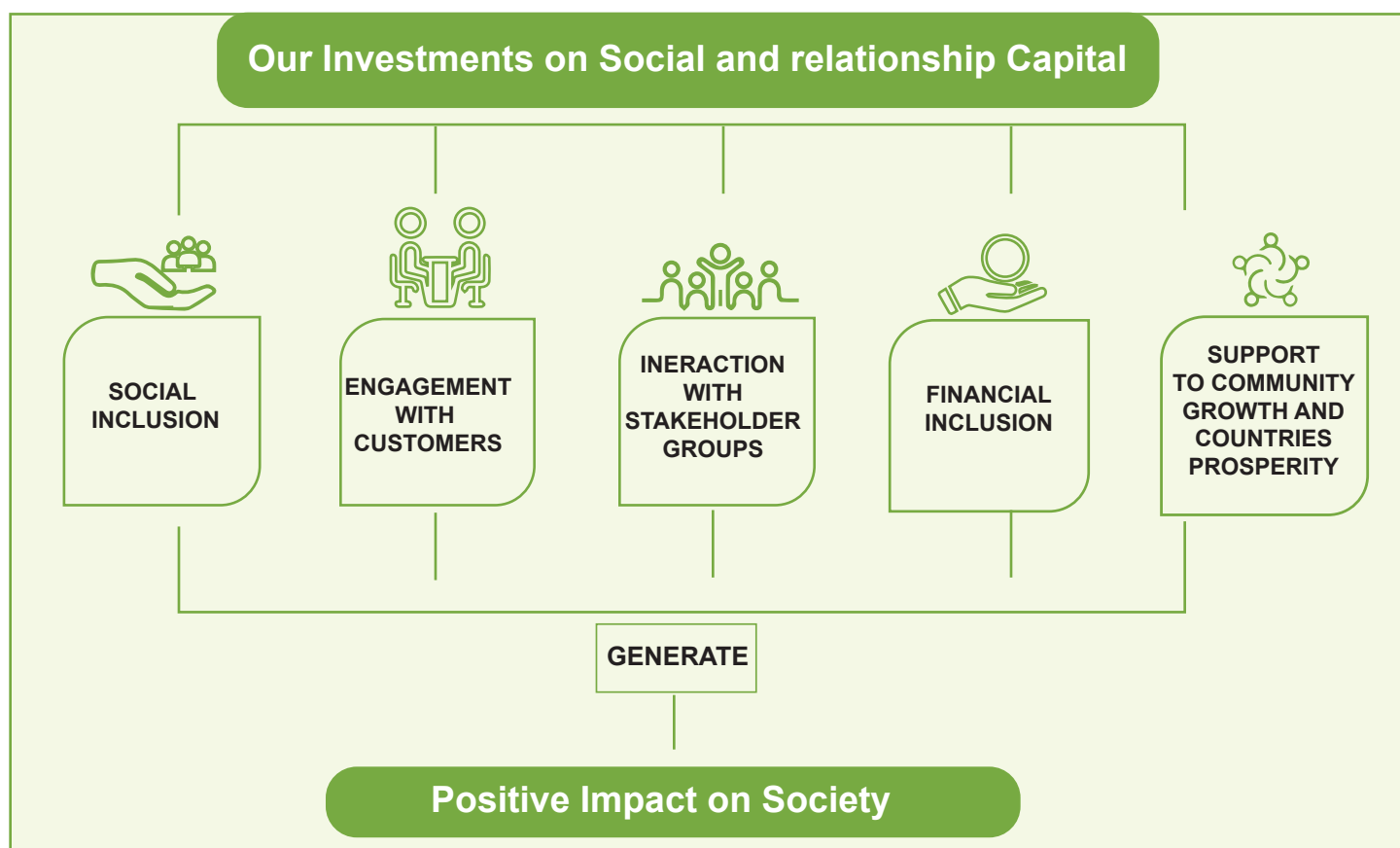


Our strategy is keenly focused on addressing risks to society from our operating activities by managing our direct and indirect impacts.



Our approach to community development is underpinned by our philosophy of using resources appropriately in responding to community needs, identifying key partnership opportunities, and streamlining our efforts to ensure tangible and sustainable impact. We do this by implementing a robust stakeholder engagement strategy that responds to community needs, creating opportunities for employment, local vendors, the procurement of goods and services, and directing tangible development benefits to communities.

The viability of our business depends on our ability to create and sustain strong relationships with customers and the wider community. In our approach, we aim to generate a positive impact on society by improving how people live and how businesses operate. MTB's products and services are designed to support the wellbeing and competitiveness of the area where we are present.



Challenges

- Evolving with the needs and demands of the customers.
- Addressing shareholders queries & potential complaints
- Establishing & growing interrelationships with the stakeholders
- Finding the right partnerships that can bolster value creation for the company in the process of serving the larger community.

Responses

- Better and more efficient customer service
- Earning disclosure sessions with analysts, increased engagement through social media.
- Events that bring various stakeholders on common platforms
- Partnerships with multilateral organizations to innovate financing solutions for underserved segments.

REPORTING PRINCIPLE (GRI 101)

Section 1: Principles for Defining Report Content

1.1 Stakeholder Inclusiveness

In this sustainability report, MTB has identified its stakeholders, described how MTB seeks to engage its stakeholders. Furthermore, MTB explained how MTB has responded to their reasonable expectations and interests. MTB has also drawn up the outcomes of stakeholder engagement processes used by MTB in its ongoing activities, and as required by the legal and institutional framework in which it operates. The first step in engaging MTB's stakeholders is to identify them. Then as a bank, MTB needs to have a firm understanding of stakeholders' expectations. Our strategies are formulated according to the material matters for the stakeholders so that visible outcomes can be achieved for the stakeholders. We have a firm understanding of the expectations of our stakeholders and the values, we can generate as a bank, an employer, an investor and a responsible business entity via regular internal and external discourse.

1.2 Sustainability Context

MTB Sustainability Report 2022 presents the reporting organization's performance in the wider context of sustainability. Moreover, in this report-

- MTB has presented its understanding of sustainable development, drawing on objective and available information, and authoritative measures of sustainable development, for the topics covered
- MTB has presented its performance with reference to broader sustainable development goals, as reflected in recognized local and global instruments
- MTB has presented its performance in a manner that communicates its impacts and contributions in appropriate geographic contexts
- MTB has described how economic, environmental, and/or social topics relate to its long-term strategy, risks, opportunities, and goals, including in its value chain

1.3 Materiality

This report covers topics that reflect the reporting organization's significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of stakeholders, such as-

- Reasonably estimated environmental and social impact
- Broader economic, social, and/or environmental interests and topics raised by stakeholders such as workers who are not employees such as local community
- Material topics are appropriately prioritized in the report
- Our belief that digitization of our operation will transcend us to a new height and will create an atmosphere for safe and secure multi-channel banking experience for our customers.
- Our promise to safeguard the trust of our customers by embracing integrity and sincerity.
- Our responsibility to our customers, our stakeholders, our country and its community and to the planet
- Performance driven culture embodying transparency in the governance

1.4 Completeness

This report has included coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess MTB's performance in the reporting period of 2022.

- The report takes into account impacts MTB causes, contributes to, or is directly linked to through a business relationship, and covers and prioritizes all material information on the basis of the principles of Materiality, Sustainability Context, and Stakeholder Inclusiveness
- The information in the report includes all significant impacts in the reporting period of 2022
- The report does not omit relevant information that substantively influences stakeholder assessments and decisions, or that reflects significant economic, environmental, and social impacts

Section 2: Principles for Defining Report Quality

1.5 Accuracy

Information presented in MTB Sustainability Report 2022 is sufficiently accurate and in detailed form for stakeholders to assess MTB's performance. Such as-

- MTB Sustainability Report 2022 indicates the data that have been measured;
- The measurements for data, and bases for calculations, are adequately described, and can be replicated with similar results
- The margin of error for quantitative data is not sufficient to influence substantially the ability of stakeholders to reach appropriate and informed conclusions;
- The report indicates which data have been estimated, and the underlying assumptions and techniques used for the estimation, or where that information can be found;
- The qualitative statements in the report are consistent with other reported information and other available evidence.

1.6 Balance

The overall presentation of the MTB Sustainability Report 2022's content has provided an unbiased picture of the organization's performance. The report has been prepared in a manner that avoids selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence a decision or judgment by the report reader.

1.7 Clarity

MTB acknowledges it is important that stakeholders are able to find the information they want without unreasonable effort. Therefore, in this report, MTB has made information available in a manner that is understandable and accessible to stakeholders who have a reasonable understanding of the organization and its activities. While preparing the report, graphics and consolidated data tables have been used since they help to make information in the report accessible and understandable. Furthermore-

- This report contains the level of information required by stakeholders, but avoids excessive and unnecessary detail
- Stakeholders can find the specific information they want without unreasonable effort through tables of contents, maps, links, or other aids
- The report avoids technical terms, acronyms, jargon, or other content likely to be unfamiliar to stakeholders, and includes explanations (where necessary) in the relevant section or in a glossary

1.8 Comparability

MTB has selected, compiled, and reported information consistently while preparing this report. The reported information is presented in a manner that enables stakeholders to analyze changes in the organization's performance over time. Furthermore, the report and its information can be compared on a year-to-year basis; MTB's performance can be compared with appropriate benchmarks; any significant variation between reporting periods in the list of material topics, topic Boundaries, length of reporting period, or information covered in the report can be identified and explained. Besides, this sustainability report utilizes generally accepted protocols for compiling, measuring, and presenting information, including the information required by the GRI Standards.

1.9 Reliability

MTB has gathered recorded, compiled, analyzed and reported information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information.

1.10 Timeliness

MTB has prepared this report on a regular schedule so that information is available in time for stakeholders to make informed decisions. The information in the report clearly indicates the time period (January 01, 2022 to December 31, 2022) to which it relates.

Section 3: Using the GRI Standards for Sustainability Reporting

Applying the Reporting Principles

MTB has applied all Reporting Principles from Section 1 to define report content and quality.

Reporting General Disclosures

MTB has reported all the required disclosures from GRI 102: General Disclosures.

Identifying Material Topics and their Boundaries

MTB has identified its material topics using the reporting principles for defining report content. In addition, MTB has identified the boundary for each material topic.

Reporting on Material Topics

For each material topic, MTB has reported the management approach disclosures for that topic, using GRI 103: Management Approach and also reported the topic-specific disclosures in the corresponding GRI Standard for material topics which are covered by an existing GRI Standard (series 200, 300, and 400)

Presenting information

While reporting required disclosures using references, MTB has reported the required disclosures using a reference to another source where the information is located by ensuring the reference includes the specific location of the required disclosure and the referenced information is publicly available and readily accessible, wherever necessary. Since MTB prepared the report in accordance with the GRI Standards, MTB also included a GRI content index in one location and included the page numbers or URLs for all disclosures report.

SCOPE OF THE REPORT (GRI 103-1)

In our view, the scope and boundary of MTB sustainability report addresses all significant economic, environmental and social impacts resulting from MTB's activities in the financial year 2022. Our aim is to fully inform our stakeholders about all the activities that we have committed to undertake as we seek to minimize any potential unexpected impacts which could result from any of our activities.

Our stakeholders can now follow the ways of measuring, monitoring and improving required to be made in our sustainability report. The sustainability report is prepared once in a year describing activities and achievements throughout the year in compliance with GRI Standards.

Pillar III Disclosure

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

- **MTB Securities Ltd. (MTBSL)**
- **MTB Capital Ltd.**
- **MTB Exchange (UK) Ltd.**

However, the same list of subsidiaries is excluded from the scope of this sustainability report.

STAKEHOLDER ENGAGEMENT



Stakeholder Engagement and Materiality

Our sustainability reporting approach is to identify our material aspects that are important to our stakeholders and our business operations realign the aspects with our business strategies and prepare ourselves for future challenges while achieving sustainable growth with our stakeholders.

CREATING VALUE FOR OUR STAKEHOLDERS



Stakeholder Identification, Expectation & Impact (GRI 102-40,102-42)







The first step in engaging MTB's stakeholders is to identify them. Then as a bank, MTB needs to have a firm understanding of stakeholders' expectations. Our strategies are formulated according to the material matters for the stakeholders so that visible outcomes can be achieved for the stakeholders. We have a firm understanding of the expectations of our stakeholders and the values, we can generate as a bank, an employer, an investor and a responsible business entity via regular internal and external discourse.








Materiality Issues





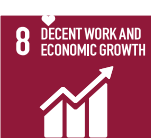




"Materiality" means different things to different organizations. Issues about which, MTB stakeholders are concerned, and those may have sound impact on business of MTB, are the "materiality" issues to MTB. In order to define materiality for MTB, we conducted a materiality analysis engaging all groups of stakeholders. In the process, we obtained information from the stakeholders to learn what issues matter most to the business of MTB and how much concerned they are about that issue.

Stakeholder Identification, Expectation & Impact

Stakeholders (Who are our stakeholders and how we contribute to SDGs with respective stakeholders?)	Type of Engagement (How we engage stakeholders?)	Expectations (What do stakeholders expect of us?)	Impact (Where we create value)	Outcome 2022									
<div>Shareholders</div> <div><ul style="list-style-type: none">IndividualInstitutionBondholders</div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<ul style="list-style-type: none">Annual general meetingAnnual reportPress releaseQuarterly financial reportRoadshow eventCredit ratingPrice sensitive information (PSI) on newspapers	<ul style="list-style-type: none">A sustainable growthAttractive returns based on moderate risk profile while maintaining sound governance system.Good governance that incorporates environmental and social considerationLong-term value creationHolistic risk management	<ul style="list-style-type: none">Investors receive regular dividends and interest payments. We add value by delivering positive financial results and ensuring that MTB has a strong balance sheet, management with vision and leadership, and a business model that can adapt quickly to changing market conditions.Timely repayment of debt with stated returnFair establishment of risk management cultureTransparency & integrity in financial reportingMaintain consistent ratings through financial commitment.	<div>The following table describes outcome 2022 for MTB shareholders- (In BDT)</div> <table><tr><td></td><td>Conso.</td><td>Solo</td></tr><tr><td>EPS</td><td>2.65</td><td>2.47</td></tr><tr><td>NAV per share</td><td>23.87</td><td>23.40</td></tr></table>		Conso.	Solo	EPS	2.65	2.47	NAV per share	23.87	23.40
	Conso.	Solo											
EPS	2.65	2.47											
NAV per share	23.87	23.40											

<p>Customers</p> <ul style="list-style-type: none"> Retail & SME customers Wholesale & corporate customers Private banking customers Public sector clients Intermediaries and distributors 	<ul style="list-style-type: none"> A bank that excels and goes beyond traditional banking and delivers valuable services, any time, any place while securing customer interests first. Access to loans, financing and quality advice Positive, seamless customer experience 	<ul style="list-style-type: none"> A bank that excels and goes beyond traditional banking and delivers valuable services, any time, any place while securing customer interests first. Access to loans, financing and quality advice Positive, seamless customer experience 	<ul style="list-style-type: none"> Customers derive value from MTB products and services – from round-the-clock banking, digital access to finances, continuous improvements of operational activities, innovative product offering and smooth and convenient banking services. Total number of customer accounts- 1143059 119 Branches, 198 Agent Banking Centers, 312 ATMs, 2854 POS.
<p>Employees</p> <ul style="list-style-type: none"> All full-time employees Contract employees    	<p>Meetings and online channels such as MNet and intranet for policy and news announcement</p> <p>Employee meetings, seminars and CSR activities</p> <p>Annual performance evaluation</p> <p>Employee engagement survey</p> <p>Employee development programme</p> <p>Employee recognition programme</p> <p>Business conferences, teleconferences, video conference etc.</p> <p>Training, workshops, and orientation program</p> <p>Team meeting.</p> <p>Management</p> <p>Trainee (MMT) Program for future leadership</p> <p>Safe and Clean working environment</p>	<p>An employer that empowers and offers opportunities to make the most of people's potential for career growth and excel.</p> <p>Fair salaries and benefits</p> <p>Award for good performance</p> <p>Training, development and career opportunities</p> <p>Co-operative working environment</p> <p>Clean and sanitized working environment</p> <p>Skill and capability development</p> <p>Internal mobility and career advancement</p> <p>Stress management</p>	<p>Employees benefit from salaries, training and leadership development and also from a work environment that fosters involvement and brings in new talents</p> <p>Group Health Insurance-Guardian Life</p> <p>Sports Tournament-Football, Cricket and Table Tennis</p> <p>Clean MTB Movement on every Thursday</p> <p>Yearly performance Bonus for employee motivation</p> <p>Well set KPIs for performance and inherent quality analysis</p> <p>Ensure continuous learning and application ground for career build-up.</p> <p>All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise.</p> <p>Formulation of 'MTB anti-harassment Policy' and 'MTB Speak Up Policy' to resolve complaints in a fair manner.</p> <ul style="list-style-type: none"> 275 training programs for 2427 participants MTB Speak Up Policy

<p>Government</p> <p>Central Bank of Bangladesh (Bangladesh Bank)</p> <p>Other regulatory government bodies/ organizations</p>  	<p>Assign Compliance unit to serve as the Bank's regulatory liaison;</p> <p>Attend meetings on regulatory policies and guidance from relevant authorities;</p> <p>Attend forums on regulatory compliance;</p> <p>Seek feedback and guidance on regulatory compliance;</p> <p>Offer feedback on regulations through customer survey;</p> <p>Prepare and provide support for regulatory audit.</p>	<p>Proper and appropriate compliance of applicable rules and regulations;</p> <p>Good governance that incorporates environmental and social impact mitigation management;</p> <p>Responsible lending;</p> <p>Data privacy and cyber security;</p> <p>Financial accessibility and financial literacy.</p>	<p>Government obtains value when MTB proactively adopt and apply latest laws and regulations and also when internal control processes of MTB are constantly ensured with proper due diligence. MTB also complies with regulations and acts to deter corruption and other financial crime</p>	<p>No penalty incurred due to non-compliance since its inception.</p>
<p>Suppliers</p> <p>External suppliers</p> <p>External Consultants</p> 	<p>Procurement management, training and communication</p> 	<p>An organization that has transparent procurement system which provides equal scope for every participant and has the ability to repay on timely basis.</p>	<p>MTB suppliers extract value when MTB adheres to the well-defined procurement regulations while maintaining strong business relationships with suppliers.</p>	<p>MTB Procurement Manual</p> <p>Pool of reliable enlisted suppliers</p>
<p>Environment</p> <p>Surrounding environment</p>   	<p>Climate change risks management</p> <p>Ensure Environmental and Social Due Diligence (ESDD)</p> <p>Strict maintenance of ESDD checklist</p> <p>sustainable banking practices</p>	<p>Conduct business in harmony with the environment</p> <p>Propagate a culture in which MTB stakeholders, especially employees, are deeply aware of the importance of environmental preservation and sustainable banking practices</p>	<p>MTB always invests and lends to support clean energy and manages own power consumption and carbon footprints for providing a sustainable and green environment.</p>	<p>Green Banking Initiatives</p> <p>In-House Environmental Management System</p> <p>Environmental and Social Safeguard Policy</p> <p>Sustainable Finance Help Desk</p> <p>Capacity building on sustainable finance and environment friendly finance.</p> <p>Refinance on green product/ project/ Initiative.</p>

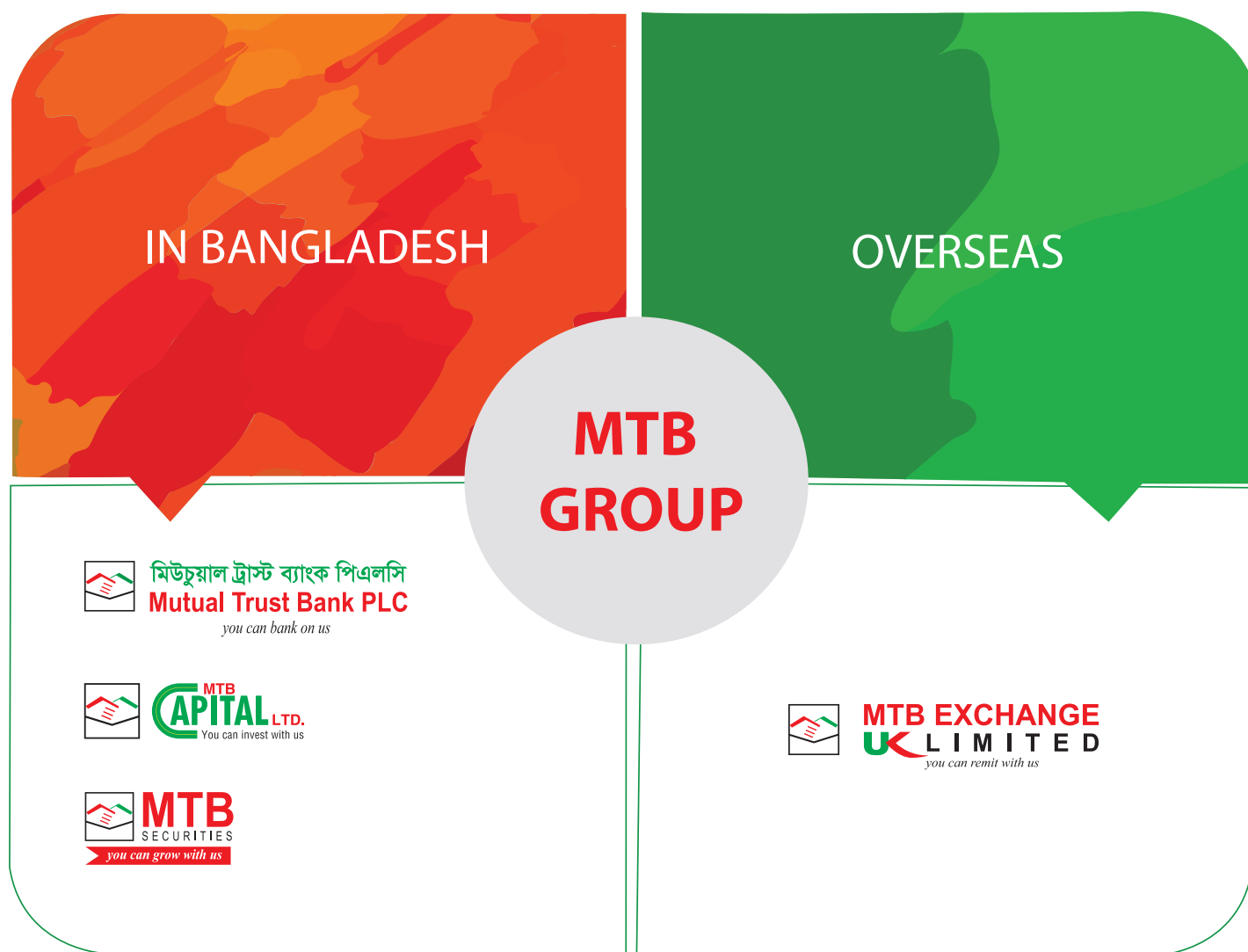
				Capacity building on sustainable finance and environment-friendly finance.
Community Local communities Non-government organizations      	Promoting financial inclusion for unbanked people CSR contribution Scholarship Health programs Disaster Management   	An engaged financial institution that invests in the future sustainably and responsibly.	MTB contributes to community by investing responsibly, ensuring MTB behaves with integrity. MTB also pays taxes, supports local communities and finances non-government environment. Through responsible financing, MTB thus drives sustainable economic growth.	BDT 185.42 Million Contribution in CSR in 2022.

COLLECTIVE BARGAINING AGREEMENTS (GRI 102-41)

In MTB, no employee is covered under collective bargaining agreement.

ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF MTB (GRI 102-45)

Entities included in the consolidated financial statements in are –Mutual Trust Bank PLC, MTB Securities Limited, MTB Capital Limited & MTB Exchange (UK) Limited. However, MTB Sustainability Report 2022 has been prepared on solo basis and includes data regarding Mutual Trust Bank PLC only. The entities that have been included in the annual report are MTB and all its subsidiaries.



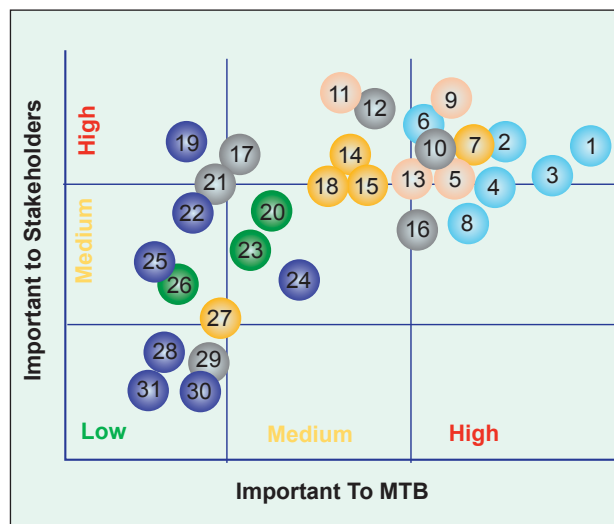
ENGAGING OUR STAKEHOLDERS (GRI 102-43)

In MTB, we engage our stakeholders regularly and respond to their priorities and expectations by creating a two-way channel for communicating stakeholder needs and the Bank's impact. MTB is committed to engaging regularly with its stakeholders as a way to understand their needs and ambitions that are core to its sustainability objectives.



FOCUSING ON WHAT MATTERS (GRI 102-44)

We focus our efforts on topics that are important to our stakeholders and strategically significant to our business. Prioritizing the sustainability topics enriches our understanding of our stakeholders' needs and focuses our strategic approach. Material issues are those that reflect our organization's most significant environmental, social and governance impacts, or those that influence the assessments and decisions of our internal and external stakeholders. To understand the current and emerging issues that matter most to our stakeholders and that will have the most material impact of our business, we conduct regular comprehensive assessment of the Bank's material issues. Same as previous years, we have analyzed all the relevant material issues and examined them with our sustainability team. As a result of our materiality process, we have revised our materiality issues and identified 31 material sustainability issues; presented in our Materiality Matrix below-



MATERIAL SUSTAINABILITY ISSUES (GRI 102-47)

Material Issues	Material Sustainability Issues (GRI 102-47)
GOVERNANCE & TRANSPARENCY	<ul style="list-style-type: none"> 1. Legal and Regulatory Compliance 2. Governance and Accountability 3. Combating Corruption and Money Laundering-GRI 205 8. Responsible and Ethical Behavior 4. Transparent Disclosure of Performance 6. Economic Contribution-GRI 201, GRI 203
SUPPORTING THE CUSTOMERS IN ACHIEVING THEIR OBJECTIVES	<ul style="list-style-type: none"> 13.Information Security and Data Privacy-GRI 418 11.Customer Experience and Satisfaction-GRI 416 9. Accessibility to Products and Services 5. Communicate Transparently with Customers
RESPONSIBLE FINANCING	<ul style="list-style-type: none"> 7. Diversified Customer Range 14. Supporting Local Communities- GRI 413 15. Financial Inclusion 27. Measurement of Environmental & Social Risk in Financing 18. Offering Sustainable Products and Services
EMPLOYEE EMPOWERMENT	<ul style="list-style-type: none"> 10. Competitive Benefits 21. Training & Development- GRI 404 12. Diversity & Equal Empowerment- GRI 405 29. Employees Engagement- GRI 406 17. Health and Safety of Employees- GRI 403 16. Child Labor/ Forced or Compulsory Labor- GRI 408, GRI-409
SYSTEM OPTIMIZATION & RESOURCE EFFICIENCY	<ul style="list-style-type: none"> 31. Process Digitization 22. Emissions-GRI 305 24. Water Usage- GRI 303 25. Energy Usage-GRI 302 30. Material Consumption- GRI 301 19. Managing impacts of our Supply Chain- GRI 308 28. Waste and Effluent Management- GRI 306
ENVIRONMENTAL COMPLIANCE & COMMUNITY ENGAGEMENT	<ul style="list-style-type: none"> 26. Engaging with our Community Based Organizations- GRI 413, GRI 419 23. Behavior and Culture of Community- GRI 413, GRI 419 20. Environmental Compliance- GRI 307

MATERIAL TOPICS & IMPACT BOUNDARIES (GRI 102-46)

Material Topics	Impact Location	
	Inside	Outside
Economic		
Economic performance	√	
Social		
Employment	√	
Training and education	√	
Diversity and equal opportunity	√	√
Non-discrimination	√	
Marketing and labeling	√	√
Customer privacy	√	√
Socioeconomic compliance	√	√
Business-specific Topics		
Product responsibility	√	√
Code of ethics	√	√
Transparency	√	√

EFFECT OF ANY RESTATEMENT OF INFORMATION PROVIDED IN PREVIOUS REPORTS (GRI 102-48)

There has been no significant restatement of any information during the compilation of this report. All information is relevant for the reporting year of 2022.

SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE AND TOPIC BOUNDARIES (GRI 102-49)

In pursuit of continuous improvement, we have some changes in the list of material topics and topic boundaries in this sustainability report for the reporting year of 2022 from the previous reporting year. They are as follows:

GRI 303-5: Water Consumption

GRI 306: WASTE 2020

***The details under this GRI Standards have been discussed in respective chapters.*

REPORT PROFILE (GRI 102-50,102-51,102-52,102-53,102-54)

Reporting Period	January 1, 2022 to December 31, 2022
Date of the most recent previous report	Sustainability Report 2021 Date: February 28, 2023
Reporting Cycle	Annual
Contact point regarding the report	We welcome any feedback on this sustainability report. For further information and comments, please contact Sustainability Finance Department of the Bank through following address: e-mail: sustainability@mutualtrustbank.com
Disclosure	This report has been prepared in accordance with the GRI Standards: Core option
External Assurance	External assurance is under consideration by management
MTB's Engagement Tier with United Nations Global Compact (UNGC)	Signatory since 05 January, 2016

EXTERNAL ASSURANCE (GRI 102-56)

MTB has been preparing sustainability report since 2014. MTB Sustainability Report 2022 is our Ninth sustainability report. The Sustainable Finance Department of the bank has been preparing the report following the standards and ensuring the following-

- The level of accuracy of data included in the reports is fair and acceptable.
- The overall report content and quality were well established and articulated.
- The level of sustainability performance information in the report was found to be satisfactory.
- The information has been presented in a correct and prudent manner.
- Most of the personnel responsible were able to reliably demonstrate the origin (s) and interpretations of data contained in the report. It has been based on the publicly available annual report as well.
- The report provides reasonable and balanced presentation of the sustainability performance of the bank.

However, the sustainability report has not been externally assured.



A dense, artistic arrangement of various tropical leaves, including large monstera leaves with characteristic holes, heart-shaped variegated leaves, and feathery fronds, all in shades of green against a dark background.

ORGANIZATIONAL PROFILE

COMPANY PROFILE



Name of the Organization (GRI 102-1)

Registered name of the company: Mutual Trust Bank PLC

Location of the Organization's Headquarters Registered Office (GRI 102-3)

MTB Centre, 26 Gulshan Avenue, Gulshan 1 Dhaka 1212, Bangladesh

Location of MTB Operations (GRI 102-4)

MTB carries out its activities from MTB branches and head office. All MTB operations are centrally monitored by MTB Operations Division from MTB Corporate Head Office.

Regional & Global Presence (GRI 102-6)

MTB has got 119 branches and 38 sub-branches in Bangladesh with a strong regional presence. Apart from that MTB has also got a global presence with the activities of MTB Exchange (UK) Limited. These are the markets served by MTB.

Nature of Ownership and Legal Form (GRI 102-5)

MTB 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 billion divided into 1 billion ordinary shares of BDT 10 each. The shares of the bank are listed with the Dhaka and Chattogram Stock Exchanges, as a publicly quoted company since 2003. 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.

MTB has three fully-owned subsidiaries –

MTB SECURITIES LTD.

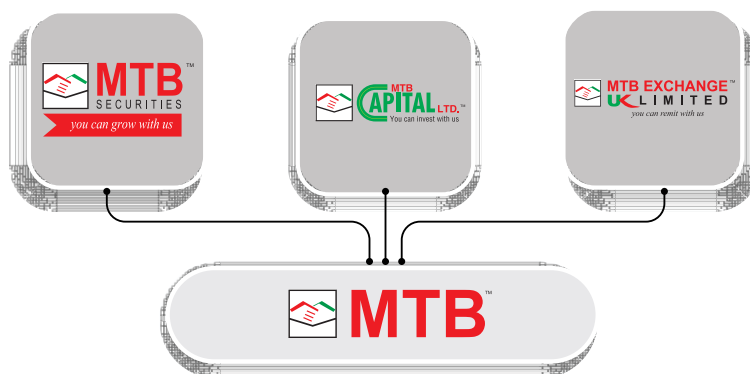
MTB securities Limited (MTBSL) has been incorporated on March 01, 2010 as a private limited company with the Registrar of Joint Stock Companies and Firms, Bangladesh under Companies Act, 1994 with the objective to carry out business related to capital market. As a fully owned subsidiary of Mutual Trust Bank PLC, MTB securities Limited has started its operation as a corporate member of Dhaka Stock Exchange Limited (Member No. 197) since September 23, 2010.

MTB CAPITAL LTD.

MTB Capital Limited (MTBCL) is a fully owned subsidiary of Mutual Trust Bank PLC and a full-fledged Merchant Banker, licensed by the Bangladesh Securities and Exchange Commission (BSEC) on December 6, 2010 under Bangladesh Securities and Exchange Commission act, 1993. MTBCL has started its operation since April 17, 2011.

MTB REMITTANCE NETWORK

To facilitate smooth remittance inflows, we offer modern payment solutions to expatriate Bangladeshis, leveraging a global remittance network across Asia, the Middle East, Europe, and the United States.



GLOBAL PRESENCE

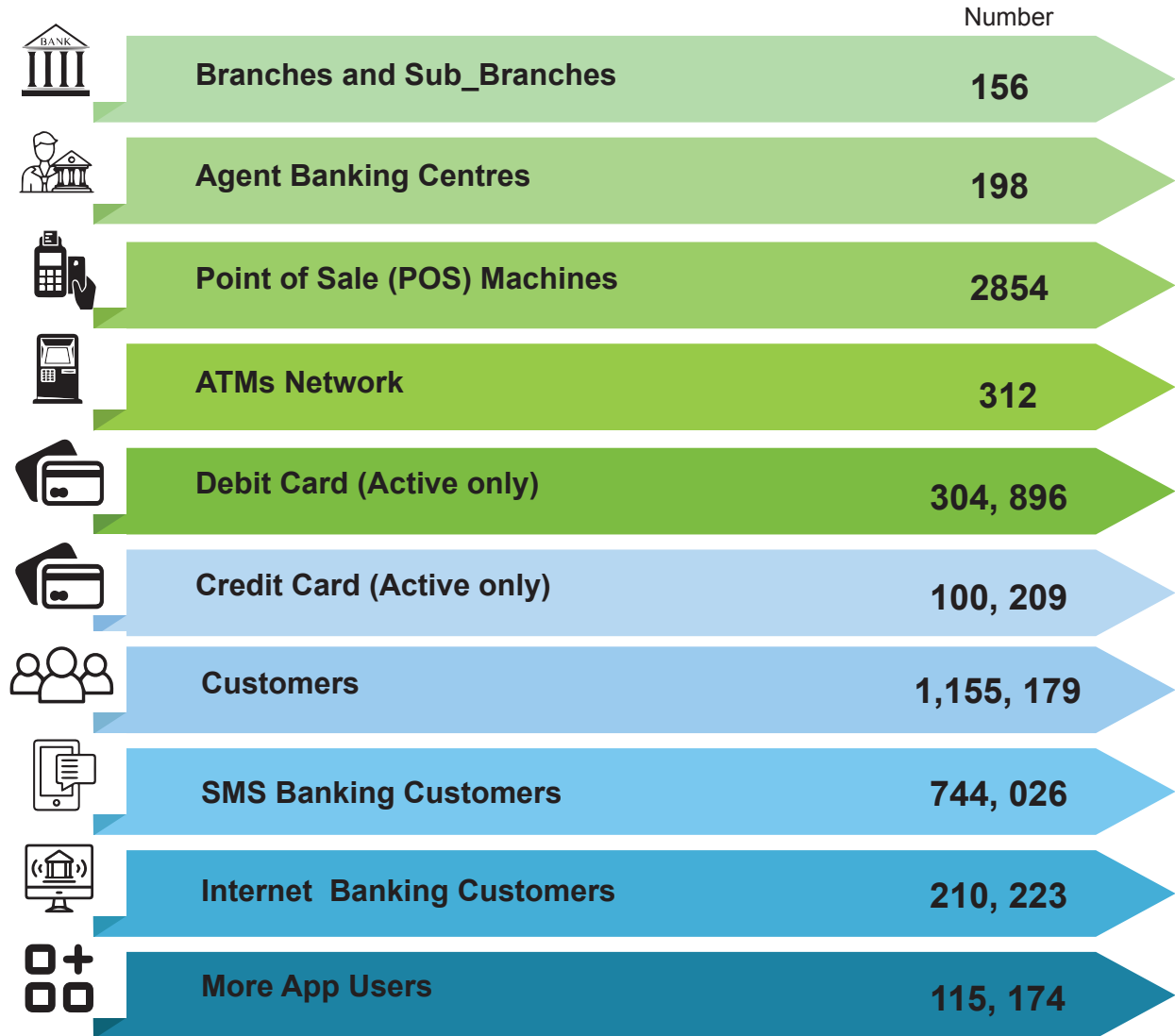
MTB successfully maintains strong correspondent relationships with different renowned banks of the world. MTB received remittance of USD 849 million through our esteemed remittance partners around the world in year 2022. In 2022, 13 new Exchange Houses were on integrated with in Remittance System making it total 58 partners over all.

MTB EXCHANGE (UK) LTD.

Bangladesh Bank vides their letter No: 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. Company was incorporated on June 14, 2010 under the Companies Act 2006 of UK with the registration number 07282261 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.

COMPANY REGISTRATION NO:	BANGLADESH BANK PERMISSION NO:	LISTING INFORMATION:	SWIFT CODE:	TRADE CODE:
C38707 (665)/99 on September 29, 1999	BRPD (P) 744(78) /99-3081 on October 5, 1999	Listed with DSE: July 12, 2003 Listed with CSE: July 12, 2003	MTBL BD DH	MTB

CUSTOMER EXPERIENCE



EMPLOYEE ENGAGEMENT



ACTIVITIES, BRANDS, PRODUCTS AND SERVICES (GRI 102-2)

WHOLESALE BANKING

Term Finance

Term Loan
Project Finance
Lease Finance
House Building Finance
Term Loan to NBF

Working Capital Finance

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

Investment

Preference Share



SME BANKING

Deposit Product & Transactional A/C

MTB Probaho
MTB Bunlad
Angona Bunan
Angona Vitti
Agamikaler SME CD

Loan Products

MTB Small Business Loan (SBL)
MTB SME CC (Hypo)
MTB Krishijat
MTB Mousumi
MTB Commercial Space Finance
MTB Shachal (Term Loan & Lease Finance)

MTB Supply Chain Finance

MTB Abason
Microfinance Scheme
MTB Microfinance
MTB Microfinance Agri Revolving Loan
MTB Microfinance Enterprise Revolving Loan
MTB Krishi
MTB Uddog
MTB CMSME Stimulus Loan
MTB Ava
Agamikaler SME (Loan
MTB Welcome
CMSME Stimulus Loan EMI
MTB-SMEF Stimulus

MTB SME Factoring

MTB Agri Demand Loan
MTB Marginal Loan

Other Products and Services

Loan General
PAD
Loan against TR
Letter of Credit (sight/deferred/UPAS)
Bank Guarantee
Performance Guarantee
Bio Bond Guarantee
SOD (General),
SOD (Work Order)
IDBP

RETAIL BANKING

Deposit Products

Current Account
MTB Regular Savings
MTB Privilege Savings
MTB Senior
MTB Inspire
MTB Junior
MTB Graduate
MTB Ruby
MTB Care
MTB Sanchay
MTB Ankur
Fixed Deposit
Special Notice Deposit

MTB Brick by Brick
MTB Double Saver
MTB Millionaire Plan
MTB Education Plan
MTB Monthly Benefit Plan
MTB Children Education
Deposit Scheme
MTB Kotipati
MTB Gift Cheque
MTB Quarterly Benefit Plan
MTB FDR In Days
MTB Shield
MTB Extreme
Instant

Loan Products

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

Payroll Banking

MTB Payroll E-Savers
MTB Payroll Savers
MTB Payroll Premium

OFF- SHORE BANKING UNIT (OBU)

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

SYNDICATIONS & STRUCTURED FINANCE

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

NRB BANKING

NRB Products

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

MTB CARD PRODUCTS

MTB Debit Cards

a. Visa Debit Cards

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

b. Mastercard Debit Cards

MTB Mastercard Gold
MTB Mastercard Titanium
MTB Mastercard World

c. UnionPay Debit Cards

MTB UnionPay Debit

MTB Credit Cards

a. Visa Credit Cards

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

b. Mastercard Debit Cards

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

c. UnionPay Credit Cards

MTB UnionPay Platinum

MTB Contractless Credit Cards

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

MTB Prepaid Cards

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

TRADE FINANCE

Export Finance

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

Import Finance

Loan against Trust
Receipt (LTR)
EDF Loan

Non-funded Trade Finance

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

Guarantee

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

MTB Co-branded Cards

a. Co-branded Debit Cards

MTB Sonali Life Insurance Visa
Platinum Debit Card

b. Co-branded Credit Cards

MTB Apex Rewards Visa
Platinum Credit Card
MTB Baridhara Cosmopolitan
Club Limited Visa Signature
Credit Card
MTB Cadet College Club
Limited Credit Card
MTB Chittagonj Club Limited
Mastercard World Credit Card
MTB Sylhet Club Limited
Credit Card
MTB Sylhet Station Club
Limited Credit Card
MTB University of Dhaka
Credit Card

c. Co-branded Prepaid Cards

MTB e-CAB Visa Prepaid Card
My Easy Payment Card
MTB Sheba.xyz Prepaid Card

MTB YAQEEEN

Deposit Products

Yaqeen Savings Account
Yaqeen Employee Savings Account
Yaqeen Privilege Savings Account
Yaqeen Banaat Savings Account
Yaqeen Banaat Premium Savings Account
Yaqeen Monthly Profit Paying Savings Account
Yaqeen Payroll Premium Account
Yaqeen Payroll Savers Account
Yaqeen Payroll E-savers Account
Yaqeen Students Savings Account
Yaqeen Junior Savings Account
Yaqeen Al-Wadee'ah Current Account (Individual)
Yaqeen Al-Wadee'ah Current Account (Non-Individual)
Yaqeen Short Notice Deposit (SND) Account (Individual)
Yaqeen Short Notice Deposit (SND) Account (Non-Individual)
Yaqeen Mudarabah Term Deposit Account (Individual)
Yaqeen Mudarabah Term Deposit Account (Non-Individual)
Yaqeen Mudarabah Term Deposit Account in Days (Individual)
Yaqeen Mudarabah Term Deposit Account in Days (Non-Individual)
Yaqeen Banaat Term Deposit Account
Yaqeen Monthly Profit Scheme
Yaqeen Quarterly Profit Scheme
Yaqeen Hajj Savings Scheme
Yaqeen Umrah Savings Scheme
Yaqeen Mahr Savings Scheme

Yaqeen Marriage Savings Scheme
Yaqeen Mudarris Savings Scheme
Yaqeen Sayyida Savings Scheme
Yaqeen Farmer Savings Scheme
Yaqeen Students Savings Scheme
Yaqeen Smart Junior Savings Scheme
Yaqeen Senior Savings Scheme
Yaqeen Monthly Savings Scheme
Yaqeen Flexible Savings Scheme
Yaqeen Aghniya Savings Scheme
Yaqeen Asriya Savings Scheme (Individual)
Yaqeen Asriya Savings Scheme (Non-Individual)
Yaqeen Flexible Asriya Savings Scheme (Non-Individual)
Yaqeen Micro Deposit Savings Scheme

Retail Investment Products

Yaqeen Home Finance
Yaqeen Home Equity Finance
Yaqeen Auto Finance
Yaqeen Personal Finance
Yaqeen Employee Home Finance
Yaqeen Employee Qard for Home Finance

Islamic Credit Cards

Yaqeen Visa Gold Ujrah Card
Yaqeen Visa Platinum Ujrah Card
Yaqeen Visa Signature Ujrah Card

Corporate & SME Investment Products

Yaqeen Bai Murabahah Working Capital Finance (Term/Deal)
Yaqeen Musharakah Working Capital Finance (Deal)
Yaqeen Musharakah Continuous Finance
Yaqeen Bai Salam Cash Advance Finance (Deal)
Yaqeen HPSPM Fixed Asset Finance
Yaqeen HPSPM Term/Project Finance

Trade Facilitation Products

Yaqeen Wakalah/ Murabahah Letter of Credit Facility (Sight/Deferred/UPAS)
Yaqeen Post Import Finance:
Bai Murabahah Trust Receipt Finance
Bai Murabahah EDF Finance
Bai Murabahah Import Bill Finance
Hire Purchase under Shirkatul Milk (HPSPM)
Yaqeen Pre Shipment Finance (Bai Salam Pre Shipment Finance)
Yaqeen Post Shipment Finance (Musharakah Documentary Bill Finance)
Yaqeen Kafalah Bank Guarantee

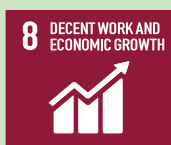
Wholesale Banking Division:

2022- A glorious year for Bangladesh marked by lots of events including the inauguration of some landmark mega projects like Padma Bridge and Metro Rail. The Padma Bridge has significant economic impacts on Bangladesh by connecting northern part, especially the capital city, Dhaka with agriculturally rich southern part of the country. Connectivity always plays a pivotal role in economic development. One study suggested that Padma Bridge is projected to contribute a 2% increase in the GDP growth of the economy of Bangladesh.

SDG RELEVANCE

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

Our Wholesale business contributes to the following SDG goals



Since the war between Russia and Ukraine began on February 24, 2022, the global economy has entered a new realm of uncertainty. War-induced challenges have surfaced on various fronts. With the increasing global economic integration, a crisis of this magnitude, involving a country like Russia, is destined to have far-reaching repercussions on other economies. The Russian invasion of Ukraine has occurred precisely when the world was beginning to regain its footing after enduring over two years of the devastating Covid-19 pandemic fallout. The ongoing war has created a new shock for the world. Supply disruptions and financial sanctions pose serious economic challenges. With no signs of reconciliation between Russia and Ukraine, the global economic implications will be much more severe. Before Russia invaded Ukraine, estimated global economic growth in 2022 would be around 5 percent. The war in Ukraine was a “massive and historic energy shock” to the markets that induced inflationary pressure in all countries and some parts of the world are facing economic recession. These were the main factors that had slowed economic growth in 2022 to just 3.1 percent and why the OECD projected it to slow to 2.2 percent in 2023.

Bangladesh's economy rebounded in 2021 and showed robust economic growth of 6.9% from 3.4% in 2020, a year that human civilization will remember for the great

catastrophe in human history. Economic recovery continued and Bangladesh registered 7.2% economic growth in 2022. Bangladesh's economy proved its resilience once again. This was only possible through the combined efforts of the public and private sectors. Rebound exports, strong remittance inflows play a pivotal role in economic recovery. Russian invasion in Ukraine, posed huge challenges for Bangladesh economy. The price of fuel, commodities, and raw materials skyrocketed. Bangladesh is also facing inflationary pressure, devaluation of currency, depletion of Forex reserve. To contain inflation, central banks in developed countries started to surge policy interest rate. The Federal Reserve has increased its policy interest rate to 5%. This action further aggravated our external sectors as taka is pegged with US Dollar. Taka lost its value by up to 30%. As the foreign currency has become dearer in our market, business houses are facing the problem of opening LCs for importing commodities and raw materials. To tackle the situation, Bangladesh had to request IMF for Special Drawing Rights (SDR) and it has approved USD3.3 billion under the Extended Credit Facility (ECF) program and USD1.4 billion under the newly created Resilience and Sustainability Facility (RSF) program. IMF pledged Bangladesh for total USD 4.70 billion which will be available in different phases. Bangladesh is the first Asian country to access the RSF. MTB has once again demonstrated its resilience by standing alongside its corporate customers by opening Letters of Credit (LCs) for commodities and essential raw materials, ensuring uninterrupted operations for their businesses.

The “Wholesale Banking Division” of MTB provides a wide array of financial solutions and services to the corporate Houses keeping the sectorial exposure aligned with the fiscal policy of the country. The Bank's wholesale business segment provides an entire bouquet of products and services including overdraft facilities, short-term loans, project finance, export credit, post import finance, letters of credit, bank guarantees, foreign exchange and treasury products etc.

This year MTB has thrived to enhance its relationship with better rated entities and groups by focusing more on working capital loans and engaging with them through cross selling of our other segment products. While we continue to participate in the credit business, we have been putting all efforts to gain a higher share of Trade and Cash Management businesses.

After the centralization, MTB has tightened its governance and risk culture in the wholesale banking segment with respect to coverage and credit underwriting, product and processes. Revenues of this segment consist of interest and fees earned on loans given to the segment's customers and fees arising from transaction services like trade and cash management.

In 2022, Wholesale Banking asset portfolio has grown by almost 16.39%, which largely ensured the overall asset growth of the bank by 12%. The growth has been on the account of financing provided to highly rated corporates, with strong group financials and new relationships in addition to the existing corporate customer fleet. We kept our focus on the industry top players in different sectors and on-boarded quite a few names despite dealing through challenging economic condition. Wholesale Banking tried to optimize wallet share of the existing customers to maximize the outcome keeping the risk level at a minimal.

Trade growth of Wholesale Banking in 2022 was 15% where Export growth was 28% and Import growth was 9%. The non-funded business in the trade space is one of our key priorities to blend the revenue mix and also towards self-liquidating product mix in the coming days.

The stiff competition and volatile Foreign Exchange and other economic challenges have been evident across the industry especially in the larger segment. Nonetheless, MTB's 'Wholesale Banking' managed to substantially grow its revenue resulting in a very good return in 2022. The portfolio health will continue to be considered as the highest priority and zero loan impairment cost is the target in the coming years.



SME BANKING DIVISION:

From Exclusion to Inclusion: How Inclusive Finance is Changing Lives

Cottage, Micro, Small & Medium Enterprises (CMSME) are the lifeblood of our economy, directly contributing to grassroots development and generating employment opportunities. CMSMEs also significantly contribute to 25% of the country's GDP. The Bangladesh government is providing unwavering support to the CMSME sector, and the timely initiatives of the regulator have helped CMSMEs overcome the devastating effects of the Covid-19 pandemic on their businesses.

MTB is a proud associate of the government's vision of scaling up SME business, actively working to bring formal banking facilities to the doorstep of unbanked customers through its nationwide branch, sub branch network, and agent banking outlets. MTB successfully achieved the 100% CMSME stimulus loan disbursement target set by Bangladesh Bank in 2021 and continued the same in 2022, while also forming a dedicated SME Business Hub to accelerate business growth and collaborating with various companies to provide financing facilities to vendors and suppliers. MTB addresses the diverse financing needs of SME borrowers by designing contemporary and holistic products and participating in various refinance and pre-finance schemes with Bangladesh Bank, providing loans at a considerably lower interest rate. Additionally, MTB is committed to financing in the agricultural sector, which plays a crucial role in Bangladesh's economic growth, providing a significant source of rural jobs and ensuring food security in a changing world economy. Using its robust branch, sub-branch, and agent network, along with the help of microfinance institutions, MTB disburses loans to marginal farmers, exceeding the loan disbursement target set by Bangladesh Bank in Agricultural Credit and achieving the 100% disbursement target of Agri Stimulus formed by the central bank to address the financial crisis caused by the Covid-19 pandemic in the agricultural sector. In the changing economic conditions worldwide, MTB provided low-cost financing to 479 marginalized farmers for the cultivation of Maize.

Looking ahead, MTB is determined to provide faster and easier financing solutions to customers through digital channels, offering unique value chain products and solutions to meet the needs of the customers. In 2023, MTB aims to continue its journey of inclusive financing by

providing low-cost financing to women, marginal farmers, and new entrepreneurs, contributing to the promising CMSME sector of Bangladesh.

Key Business Achievement MTB's commitment to providing excellent customer service is reflected in the 13% growth of its CMSME business in 2022.

Achievement in International Trade Business

The international trade business of this Division has grown by approximately 70% from 2020 to 2022, showing significant progress.

RETAIL BANKING DIVISION:

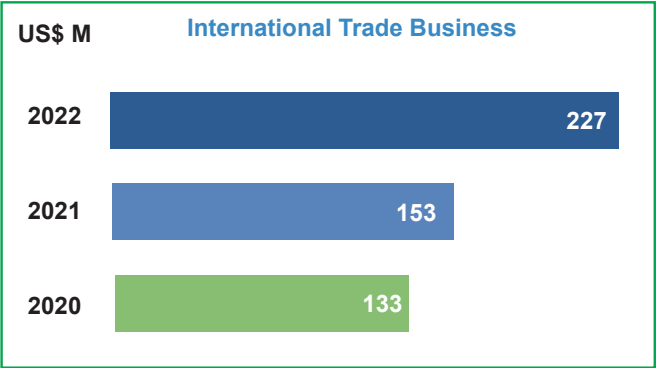
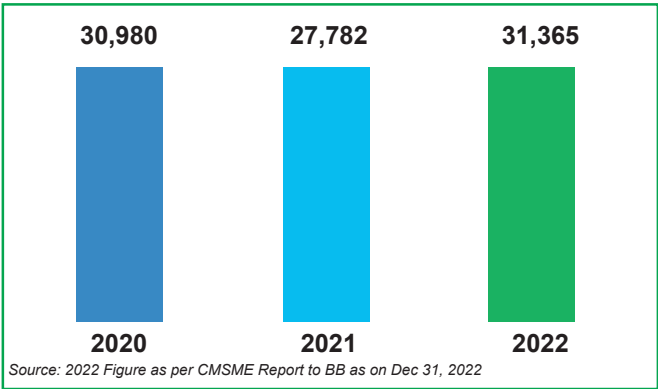
MTB Retail Banking Division has gradually evolved by pushing business front-liners to strengthen the bank's core deposit base by ensuring low-cost deposit mobilization. Customer-centric value propositions are offered to increase customer satisfaction with a long-term view to retain & enhance the customer base. MTB Retail Banking Division is focusing on substantial growth to its customer base by providing superior customer services through its branch network and contact center.

SDG RELEVANCE

Our business is aligned with achievement of SDG goals. Through our retail banking, we contribute to the following SDG goals



In 2022, MTB Retail Banking Division made significant strides towards enhancing its digital offerings and improving customer experiences by exploring its own technological solutions and incorporating product-centric



strategies and branch interactions. MTB has successfully increased its customer base through its digital footprint, delivering an Omni-channel customer experience. With the focus on digitization and simplified lending and deposit products, and with a formidable customer base, MTB Retail Banking Division is poised for growth in coming years. Thus the year 2022 was one where the Retail Banking Division continued to tap into new customers with all the wings of the division, including Women Banking under MTB Angona, Payroll Banking, Student Banking, and Privilege Banking contributing to the overall success of the division

Initiatives taken in 2022

- Higher deposit mobilization through customer-centric campaigns
- Balance growth of asset and liability portfolio with an increased focus on secured lending.
- Growth in loans and advances: 9.1% (2022 vs 2021)
- Launching of Micro DPS with Bkash
- Launching of Visual IVR (Integrated Voice Response)

Retail Loan:

Bank's retail loan portfolio has continued to grow steadily over the past year. Our focus on providing personalized lending solutions to our customers has resulted in a 9.1% increase in our retail loan portfolio in the year 2022 with significant growth in secured lending products such as home loans and auto loans. We believe this growth is a testament to our commitment to providing accessible and affordable lending options to our customers which includes Personal Loan, Home Loan, Auto Loan, Secured Term Loan, and Secured Overdraft, while also ensuring the highest level of service quality. Retail Banking Division's lending unit remains committed to supporting our customers as they pursue their financial goals, and also we are confident that the retail loan portfolio will continue to grow in the years ahead. Strict monitoring and implementation of effective strategy also ensured that the quality of the retail loan portfolio was maintained. In 2022, mortgage loans and auto loans witnessed growth which ultimately helped to change the as- set mix of the retail asset portfolio. The ratio of unsecured and secured retail loan portfolio stood at 42.6%: 57.4% in 2022 end. In the coming year, MTB is committed to building and maintaining a sustainable Retail portfolio through a secured asset business.

Retail Deposits:

Bank's retail deposit portfolio has continued to grow steadily throughout the year, recording an impressive 8.3% YoY growth. Retail Deposit strategy has been centering on customer and product, so as to have a sustainable growth in deposits from both existing and new customers. At the beginning of the year, there was more emphasis on cost optimization, with focus on CASA as a key driver of deposit growth. During the year, we have focused on expanding our reach, increasing product awareness and services, and providing superior customer experience. As a result, we have witnessed an increase in the number of new customers opening accounts with us, as well as existing customers continuing to maintain deposit with MTB. We have also launched new products during the year, including the "Micro DPS with Bkash" which offers customers the opportunity to avail an MTB Recurring Deposit Account through Bkash app. As an initiative for inclusive banking, MTB Angona has launched dedicated payroll account named "MTB Angona Payroll Account" for female payroll customers with special benefits and valued proposition. MTB excelled in all parameters in terms of retail deposit portfolio growth with CASA and TD & RD ratio of 34.2%: 65.8% in 2022 end. MTB recognizes the importance of providing secure and convenient banking services to our customers. Therefore, we have continued to invest in our

technology infrastructure, enabling us to offer a range of digital banking services to our retail customers (i.e. internet banking, mobile banking, and SMS banking).

TREASURY DIVISION:

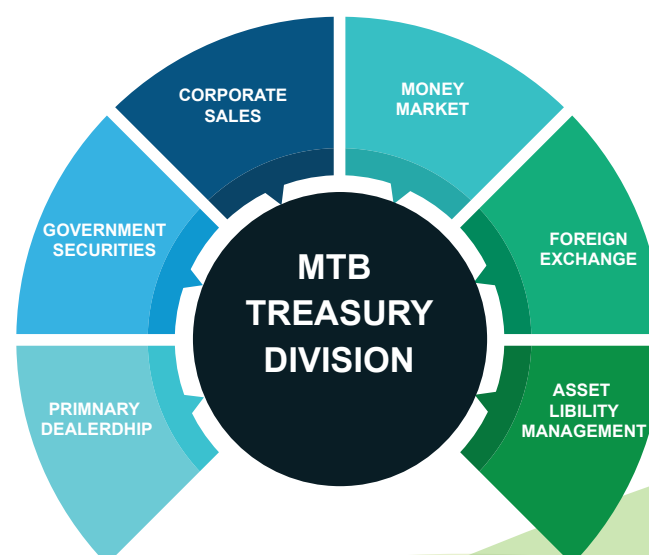
MTB Treasury Division's Performance in 2022:

Driving Growth and Managing Liquidity

MTB's Treasury Division operates in an integrated manner, providing comprehensive treasury solutions to both internal and external stakeholders. Along with managing the bank's liquidity and meeting regulatory requirements, the division administers the bank's financial assets, acts as a market maker, and serves a diverse group of customers through dedicated desks.

Although 2022 was expected to be a year of economic recovery, global commodity price hikes resulting from the COVID-19 pandemic and supply disruptions due to the ongoing Russia-Ukraine war have led to growing inflationary and exchange rate depreciation pressures in Bangladesh since the second half of FY22. This is mainly due to the spillover effect of unexpectedly higher global inflation rates and widening current account deficits.

Despite these challenges, MTB's Treasury Division has shown remarkable performance, contributing to the bottom line in 2022. The division has been vigilant in monitoring market movements and managing risks in a favorable manner, despite the global and domestic economic turmoil.

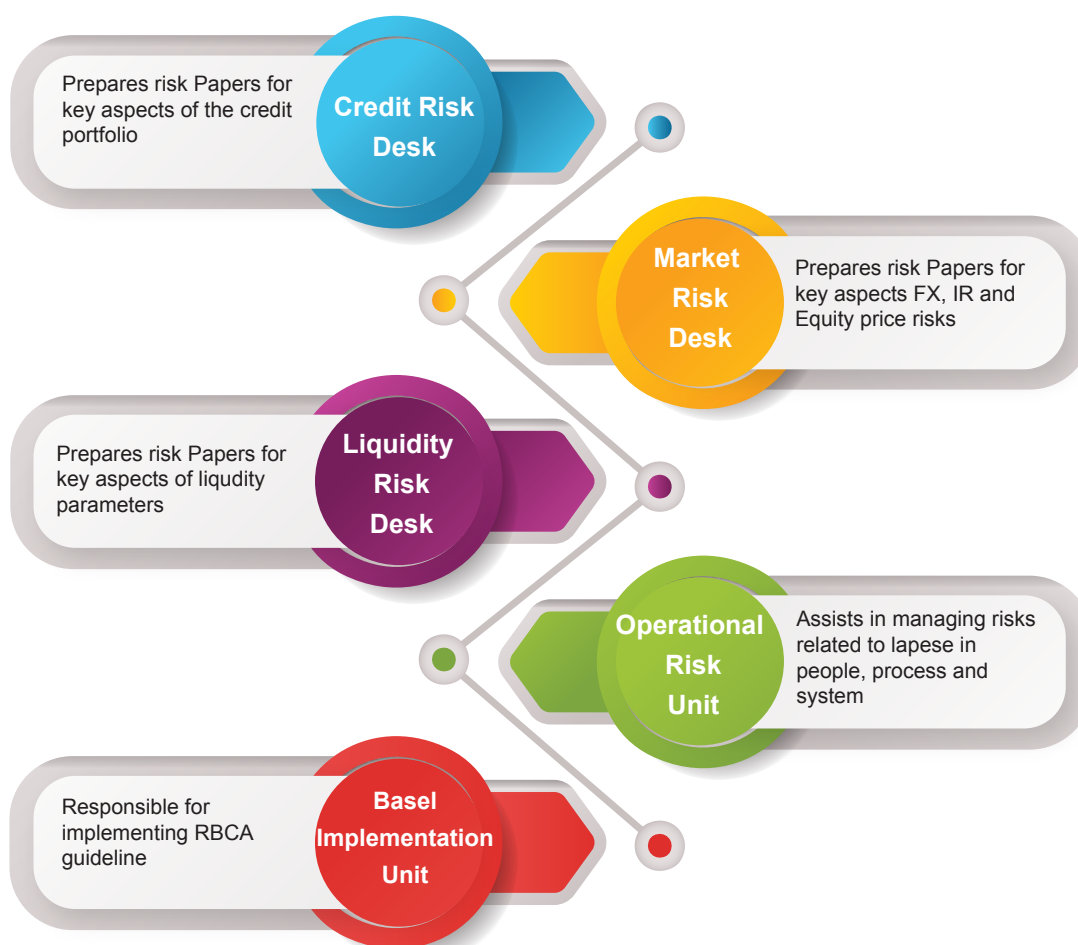
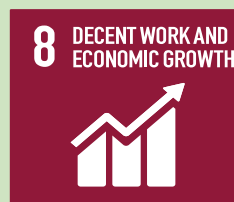


RISK MANAGEMENT IN MTB

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

SDG RELEVANCE

Our business is aligned with achievement of SDG goals. Through our treasury, we contribute to the following SDG goals-



OTHER MTB DIVISIONS/DEPARTMENTS

Share Department	Group Finance	Group Human Resources	Research & Development Department	Communications Department	ITS Division	Digital Banking Division
Information Technology Security Department	International Trade Services & Offshore Banking Division	Agent Banking	Card Division	Contact Center	Credit Risk Management	Group Legal Affairs Division
Special Asset Management	Credit Monitoring Department	Credit Administration Department	Collection Department	Operations Division	Group Security & Fire Safety Department	AML & CFT Division
Infrastructure Division	Service Quality Department	Technology Operations Division	Islamic Banking Division	Branch Banking Division	Structured Finance Department	Internal Control & Compliance Division

MTB GERMAN DESK



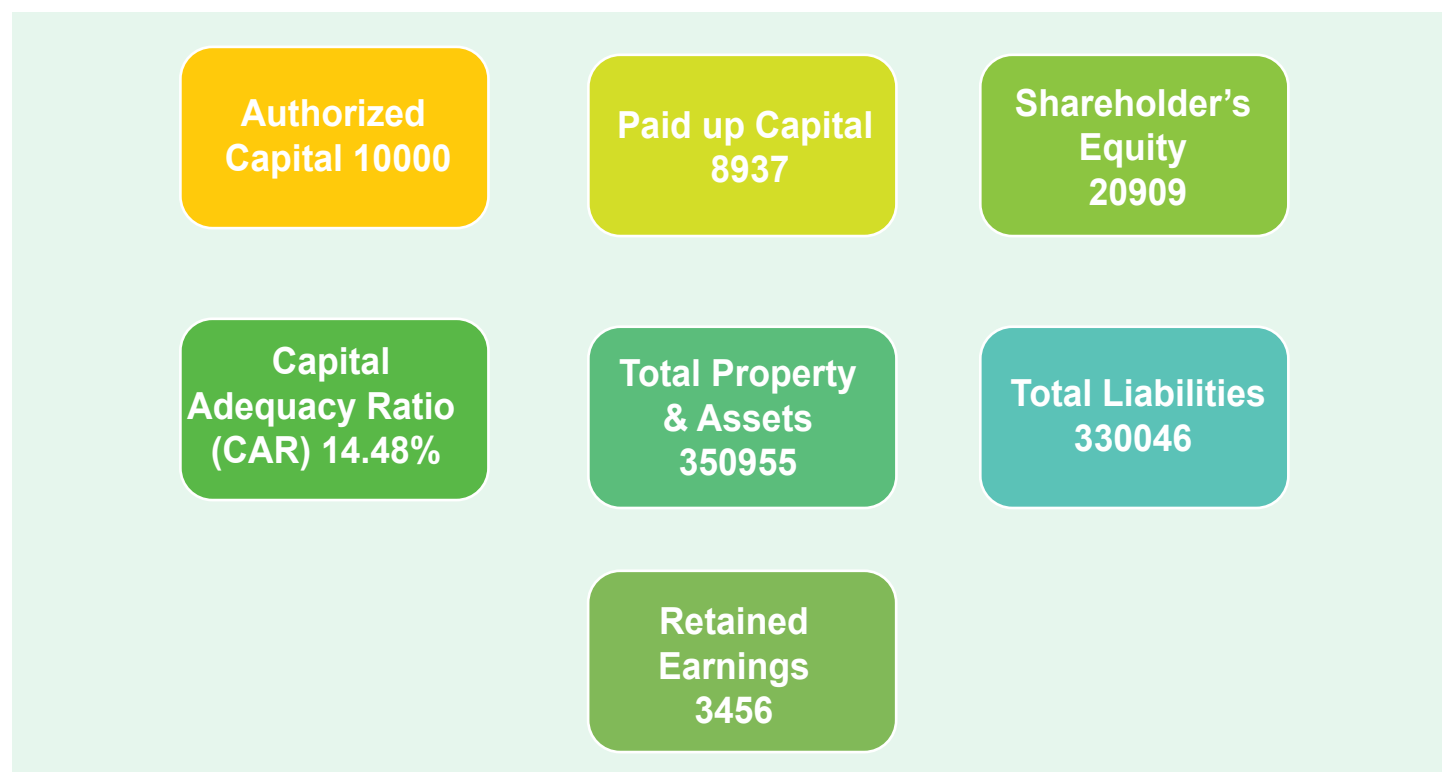
Mutual Trust Bank PLC (MTB) and Deutsche Investitions-und Entwicklungsgesellschaft (DEG) have jointly launched “German Desk – Financial Support and Solutions” at a local hotel in the capital on Tuesday, April 17, 2018. DEG is a Development Finance Institution (DFI) based in Germany and a subsidiary of KfW Group. The rapidly growing financial sector of Bangladesh is becoming increasingly significant for its global partners like Germany. With a view to boosting bilateral trade volumes between these two countries, MTB and DEG will be offering products and services with the help of the German Desk for German SMEs and Bangladeshi companies. The German Desk will enable companies to gain access to financial solutions through a single point-of-contact that combines all the products and services offered by MTB with the network and support of DEG. The range of services extend from setting up a bank account through to trade finance products and transaction banking, credit lines or investment financing for local companies wishing to acquire German equipment and services.

SCALE OF THE ORGANIZATION (GRI 102-7)

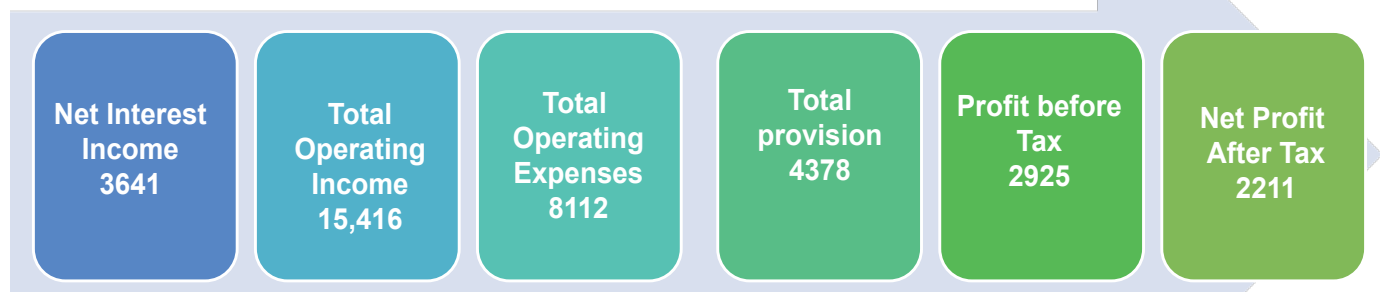
Total Number of Employees in 2022

MTB ended the year 2022 with a workforce of 2,527 people, 500 of whom are female. The gender distribution rate (19.78%) shows an upward trend which highlights an effort to insure more inclusivity & participation. This workforce is our driving force that runs our widespread network of 119 branches & 38 sub-branches.

Financial Highlights of MTB in 2022 (IN BDT MILLION)



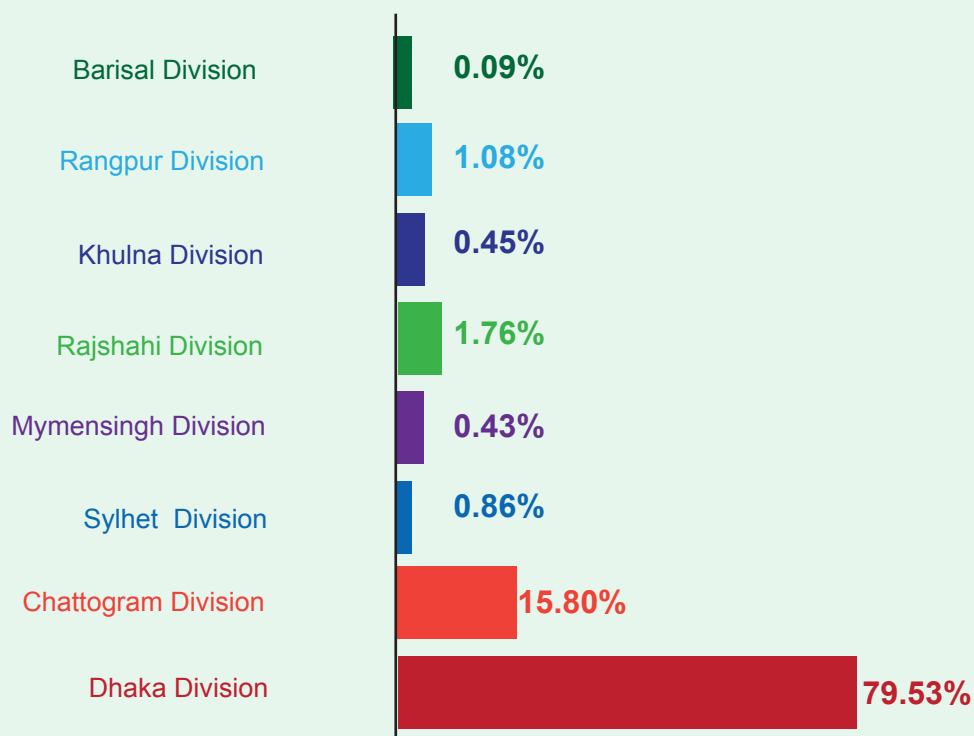
Performance of MTB in 2022 (IN BDT MILLION)



GEOGRAPHICAL LOCATION WISE LOANS AND ADVANCES IN 2022

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

Particulars	Amount (Solo)
Dhaka Division	199,585,217,668
Chattogram Division	39,644,651,167
Sylhet Division	2,146,247,778
Mymensingh Division	1,073,692,394
Rajshahi Division	4,422,468,319
Khulna Division	1,126,247,786
Rangpur Division	2,720,646,034
Barisal Division	226,068,513
Total	250,945,239,659



SUPPLY CHAIN PRACTICE IN MTB (GRI 102-9)

Supply chains are the engines for today's global economy: accounting for an estimated 80% of global trade they are one of the most important levers for business to create positive impact in the world. At the same time, at every stage of the supply chains there are ethical, social and environmental impacts: for example, supply chain impacts can include modern slavery and child labor, environmental pollution and land degradation as well as unethical conduct. Through Supply Chain Sustainability, by working together, buyers and suppliers in global supply chains can advance nearly every aspect of sustainability.

MTB realizes sound supply chain and procurement practices have both economic and environmental impacts on communities. MTB is therefore committed to supporting local and environmentally responsible suppliers. Regulators have taken significant steps toward transparency in the supply chain by mandating disclosure of labour practices and supply chain due diligence for companies meeting certain criteria. Transparency is a key element to achieve supply chain sustainability. Publicly disclosing supply chain information builds the trust of all stakeholders- employees, consumers, business partners, and investors. It also sends a strong message that the company has a clear picture of its current stage in supply chain sustainability, and is ready to mitigate the potential risks. Traceability is the ability to identify and trace the history, distribution, location and application of products, parts and materials, in the supply chain. In the context of sustainability, traceability enables the reliability of sustainability claims, in the areas of human rights, labour (including health and safety), the environment and anti-corruption. Traceability can:

- Enable proof of good business practices
- Unite companies and stakeholders around a common purpose

MTB has set out parameters for contributing towards sustainable development of the bank through the application of a sustainable procurement policy (MTB Procurement Manual) and explains the key issues and principles associated with this object.

Distribution of Value Created

We distribute value to our stakeholders in several ways. Some manifest themselves in financial value while others bring about intangible benefits. We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments. In addition, we distribute non-financial values to our stakeholders in the following ways:

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

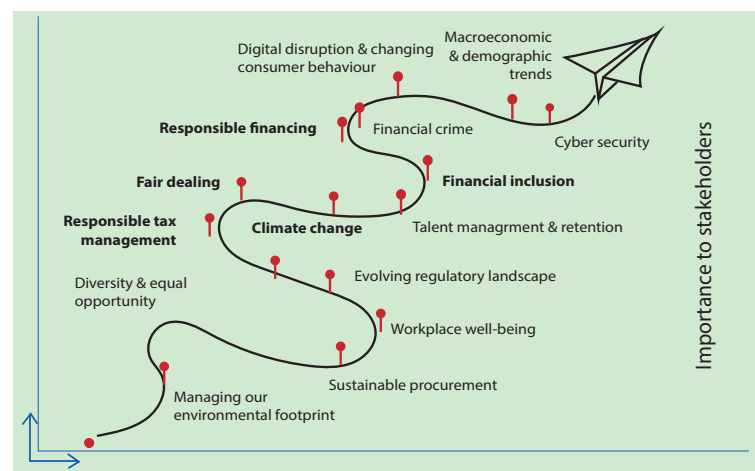
Employees: Training, reskilling and development of our people as well as health and other benefits

Society: Taking shared responsibility and promoting financial

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

Sustainability Screening Of Our Suppliers

The engagement and scrutiny of a substantial number of suppliers requires considerable resources, however, MTB looks forward to introducing checkpoints through its procurement processes to ensure a minimized impact on environment in addition to cost reductions. The board frames policies and procedures for Bank's purchase and procurement activities and



accordingly approves the distribution of power for making such expenditures. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business are adopted with the approval of the board. MTB suppliers extract value when MTB adheres to the well-defined procurement regulations while maintaining strong business relationships with suppliers. There is well developed Procurement Manual and a Pool of reliable enlisted suppliers to serve the bank with transparency and accountability. MTB Infrastructure Division often engages with suppliers to achieve these objectives and values through raising awareness to sustainable procurement and moreover through supporting them in their social and environmental contributions. In July 2019, MTB reviewed its procurement policy and outlined the requirements for suppliers to conduct their business in alignment with the bank's ethical standards. This policy includes codes of ethics for MTB suppliers/ tenderers as well for MTB personnel engaged in supply chain management of MTB.

SIGNIFICANT CHANGES TO MTB & ITS SUPPLY CHAIN (GRI 102-10)

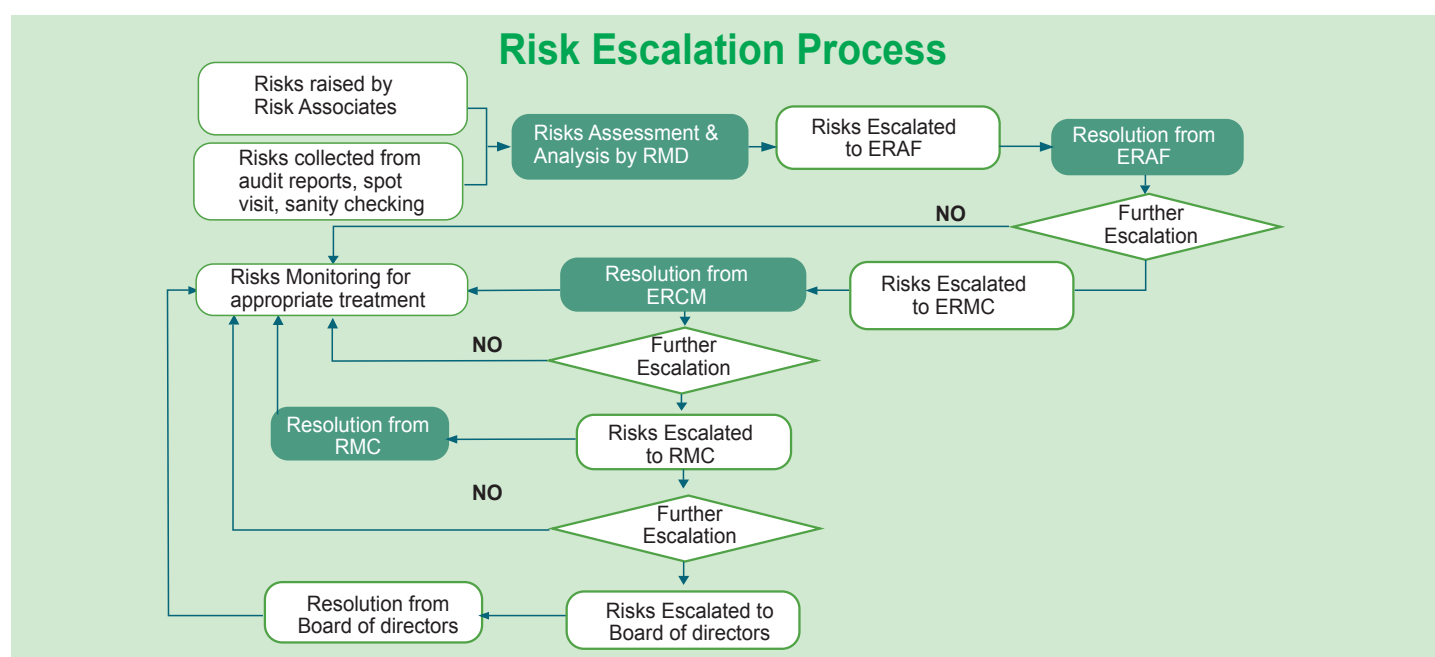
No significant change occurred during the reporting period.

PRECAUTIONARY PRINCIPLE (GRI 102-11)

The precautionary approach is not applied directly throughout the organization instead MTB assesses loans regarding their impact on the environment or other social factors. The bank has a lot of contribution towards Corporate Social Responsibility (CSR), and always tries to help preserve the environment and enhance communities throughout the entire country. Therefore, MTB takes into environmental, social and economic factors into account when it does business with clients.

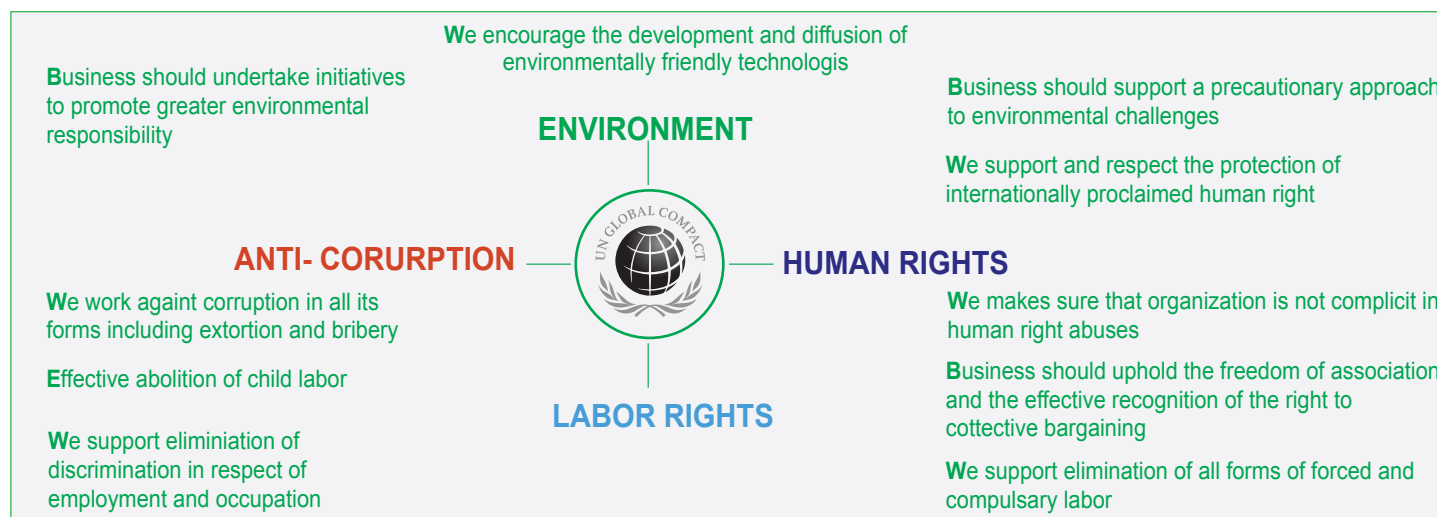
MTB follows Environmental & Social Due Diligence (ESDD) properly. MTB also follows an exclusion list developed in accordance with national and international laws and regulations. On that basis, MTB screens loans of the prospective clients and assesses their Environmental & Social Risk Rating (ESRR), categories loans and finally provides an action plan or provide covenants (if necessary) to clients to further finance in their business. MTB strongly discourages the engagement of child labor both in its business as well as in its clients' business.

Furthermore, MTB also follows the following Risk Escalation Process while doing business-



EXTERNAL INITIATIVE (GRI 102-12)

MTB is a participant of United Nations Global Compact (UNGC) since January 05, 2016. UNGC has over 13,000+ signatories in over 170 countries, both developed and developing, representing nearly every sector and size. MTB endorses 10 UNGC principles while screening loans of its clients as a promise to uphold MTB's corporate sustainability. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, MTB is not only upholding its basic responsibilities to people and planet, but also setting the stage for long-term success.



The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The principles are stated below:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Memberships with Chambers and Associations (GRI 102-13)

- The Institute of Bankers Bangladesh (IBB)
- Bangladesh Association of Banks (BAB)
- Bangladesh Foreign Exchange Dealer Association (BAFEDA)
- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI)
- International Chamber of Commerce Bangladesh Limited (ICCB)
- Dhaka Stock Exchange Limited (DSE)
- Dhaka Chamber of Commerce & Industry (DCCI)
- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- American Chamber of Commerce in Bangladesh (AmCham)
- Primary Dealers Bangladesh Limited (PDBL)
- Bangladesh Business and Disability Network (BBDN)
- Bangladesh Employers' Federation
- SAARC Chamber of Commerce and Industry (SAARC CCI)



GOVERNANCE



GOVERNANCE STRUCTURE (GRI 102-27)

Mutual Trust Bank PLC (MTB) believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help it deliver value to all its stakeholders. Therefore, the Bank has strived to have good corporate governance practices along with knowledgeable and highly experienced board and employees.

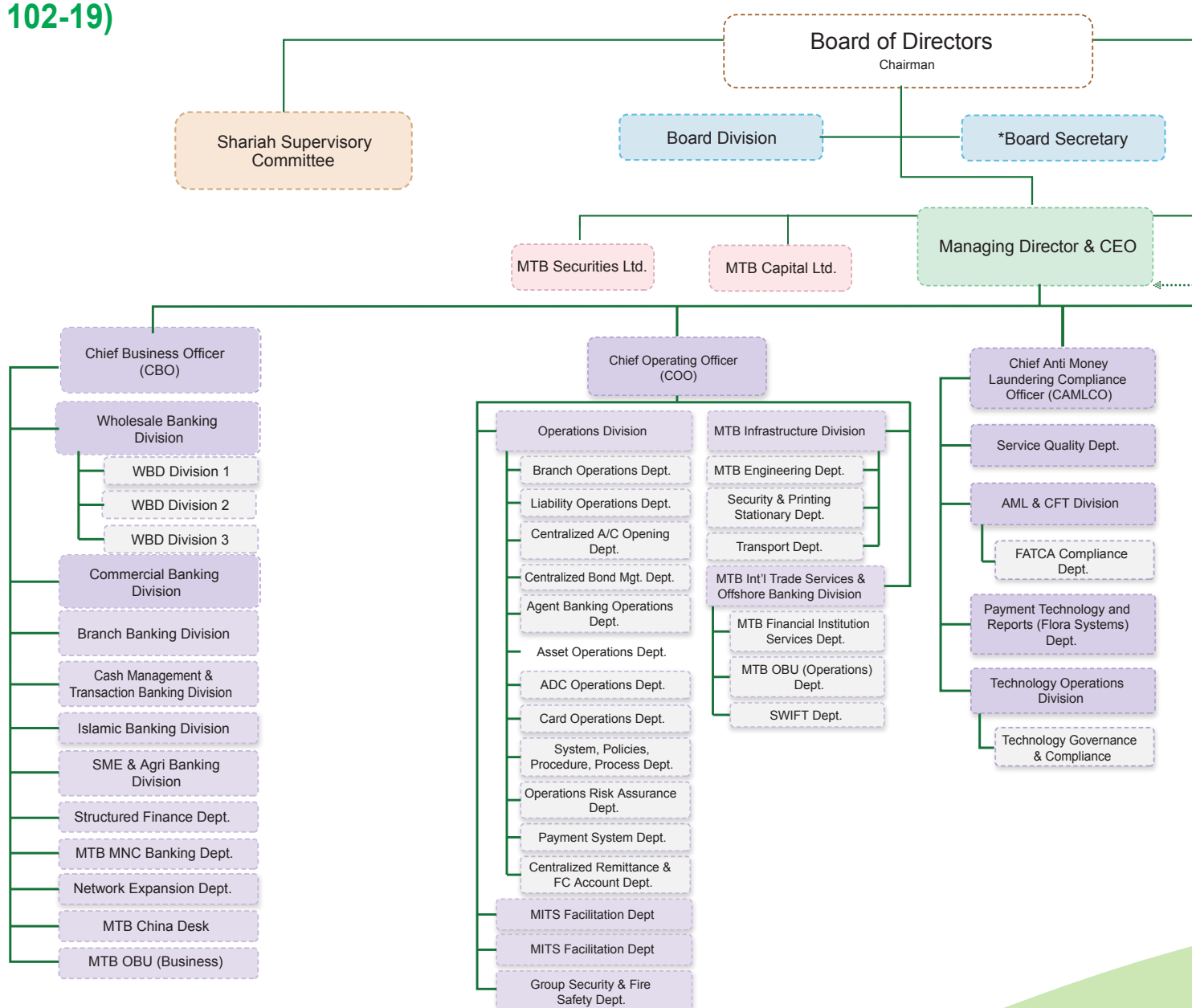
MTB CORPORATE GOVERNANCE PRINCIPLES

(GRI 102-18)

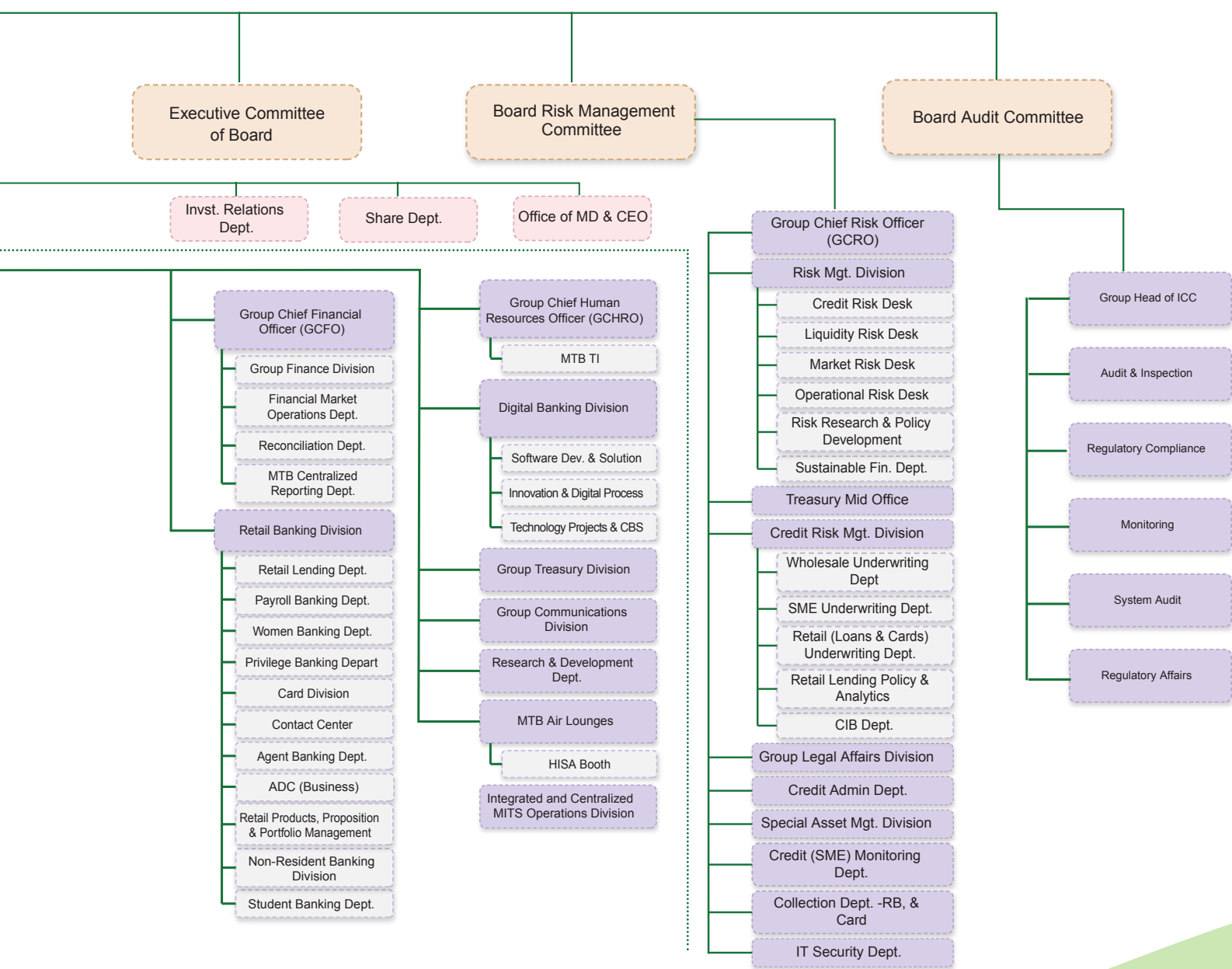
MTB has developed processes for identifying, assessing and managing the significant risks and uncertainties may pose as a threat to the bank. Internal control processes have been established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Group Internal Control and Compliance Division has been tasked to provide oversight and support to ensure that individual business units conduct their businesses and affairs in a manner that drives forward the bank's strategic objectives, while complying with applicable laws and regulatory requirements.

MTB GROUP ORGANOGRAM

(GRI 102-19)

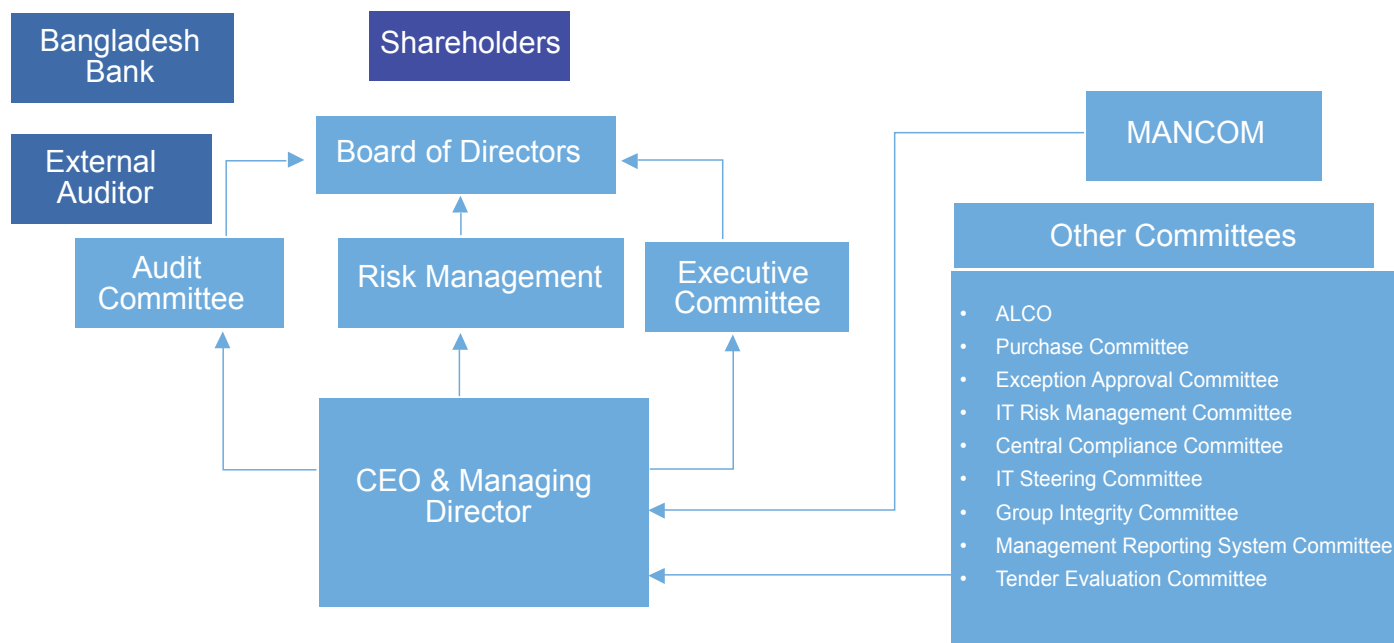


A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures. The bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, has been formulated as per the guidelines of regulators. With adherence to this policy in its operations, the bank aims to build trust and confidence among investors and stakeholders, thereby improve its competitiveness, enhance value and promote stability. The policies are updated time to time in order to comply with the proper governance principles and relevant regulatory requirements.



MTB Corporate Governance Structure

Following flow chart describes the corporate governance process of MTB



GOVERNANCE BODY AND THE COMMITTEES

(GRI 102-23)

	Highest Governance Body	<ul style="list-style-type: none"> Board of Directors
	Other Board Committees	<ul style="list-style-type: none"> Executive Committee Board Risk Management Committee Board Audit Committee
	Tenure of Governance Body	<ul style="list-style-type: none"> Two years No member in governance body from under-represented social group.

MTB BOARD STRUCTURE (GRI 102-22)

In 2022, there were 13 Board members, including two independent Directors and Managing Director & CEO. The Board of Directors consisted of:

SL	Name of Director	Positon
1	Mr. Md. Abdul Malek	Chairman
2	Mr. Syed Manzur Elahi	Vice-Chairman(Founding Chairman)
3	Mr. Md. Wakiluddin	Director
4	Mr. Md. Hedayetullah	Director
5	Mr. Rashed Ahmed Chowdhury	(Representing Associated Builders Corporation Ltd.) Director
6	Dr. Arif Dowla	(Representing Advanced Chemical Industries Ltd.) Director
7	Mrs. Khwaja Nargis Hossain	Director
8	Ms. Anika Chowdhury	(Representing ASTRAS Ltd.) Director
9	Mr. Syed Shahriyar Ahsan	Director
10	Mr. Daniel Donald de Lange	(Representing NORFUND) Director
11	Ms. Nasreen Sattar	Independent Director
12	Mr. Faruq Ahmed Siddiqi	Independent Director
13	Mr. Syed Mahbubur Rahman	Managing Director & CEO

The Board of MTB is composed of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise in finance and accounting, economics as well as business ethics. There are Non-Executive Director and Independent Director. Non-Executive Director means a Director, who does not hold any position in the Bank other than being a member of the Board and its Committees. Independent Director means a Director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision. Election of the Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the BB and BSEC. The Board composition is as follows: 1 (one) Executive Director, i.e., the Managing Director, 2 (two) Independent Directors and 9 (Nine) Non-Executive Directors. MTB has 2 (two) Independent Directors in the Board. They are: Ms. Nasreen Sattar, a renowned banker and leader and Mr. Faruq Ahmad Siddiqi, a retired veteran of the industry. According to the existing principles and guidelines of corporate governance, they don't have any noteworthy relationship, regardless of whether pecuniary or something else, with the bank, its top administration and the board. The two Independent Directors who concurrently serve on the Audit Committee must satisfy the criteria based on the corporate governance guidelines issued by the BSEC and BB. The Board appoints two of its Directors to be the Chairman and Vice-Chairman. As per guideline, the Managing Director & CEO and the Chairman are different person. The functional obligation of the Chairman and the Managing Director are kept separate and independent of one another. Each Director's term of office is prescribed in the Articles of Association, Bank Company Act as well as in the Company Act. At every Annual General Meeting (AGM), one-third of the Directors retire. In any subsequent years, the Directors, who have been in office the longest, retire. The retiring director may be re-elected.

GENDER DIVERSITY AMONG BOARD OF DIRECTORS (GRI 405-1)

Gender	Number	Percentage
Male	10	77%
Female	3	23%
Total	13	100%

APPOINTMENT OF DIRECTORS (GRI 102-24)

Selection, Appointment and Removal of Directors

Appointment of Directors

The Board of Directors elects/re-elects Directors and submits recommendation to the meeting of the shareholders for approval and appointment/reappointment, subject to compliance of Articles of Association of the Bank and fulfillment of regulatory procedures. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members, at the next Board meeting appoint another qualified and suitable Director to fill that position for the remainder of the term of office of his/her predecessor.

Election/Re-election of the Directors

As per the Companies Act, each year one-third of the Directors retire from office at the Annual General Meeting (AGM), except Independent Directors, and, if eligible, as per the bank company act, may offer themselves for reelection by shareholders at the AGM.

At the 24th AGM to be held on June 21, 2023, Md. Hedayetullah, Director, Khwaja Nargis Hossain, Director, Syed Shahriyar Ahsan, Director (Representing Pioneer Insurance Company Ltd.), and Daniel Donald de Lange, Director (Representing NORFUND) will retire and are eligible for re-elections.

Vacation of Office of Director

The office of Director to be vacated according to the instructions specified in section 108 (1) of the Companies Act, 1994. Besides, when a Bank Director becomes defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director to be vacated.

Removal of Directors from Office

According to section 108 (2) of the Companies Act, 1994, with the prior approval of BB, a Director of any Bank, other than specialized Banks, can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the Board and list of Directors should be submitted to BB. In this case, the removal becomes effective from the date of BB's approval.

Appointment of Alternate Director

Subject to compliance of section 101 of the Companies Act, 1994, an alternate Director can be appointed to act for a Director, during his absence for a continuous period of not less than three months from Bangladesh.

BOARD EXECUTIVE COMMITTEE (GRI 102-20)

The Board has established the Board Executive Committee, the Board Audit Committee and the Board Risk Management Committee to assist in screening and scrutinizing specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system. MTB Board Executive Committee formed with 7 (seven) members of the board nominated by the board of directors from themselves to take all necessary decisions and to approve cases within the power delegated by the board.

Roles, Duties and Responsibilities of the Board

To ensure good governance in the bank management, it is essential to have specific demarcation of responsibilities and authorities among the controlling bodies over bank affairs. In the bank company act, Section 15 (kha) and (ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.

AUTHORITIES OF THE BOARD OF DIRECTORS

Internal Control Management	
Human Resources Management And Development	
Work-planning And Strategic Management	
Human Resources Management and Development	
Appointment of Chief Executive Officer (CEO)	
Financial Management	

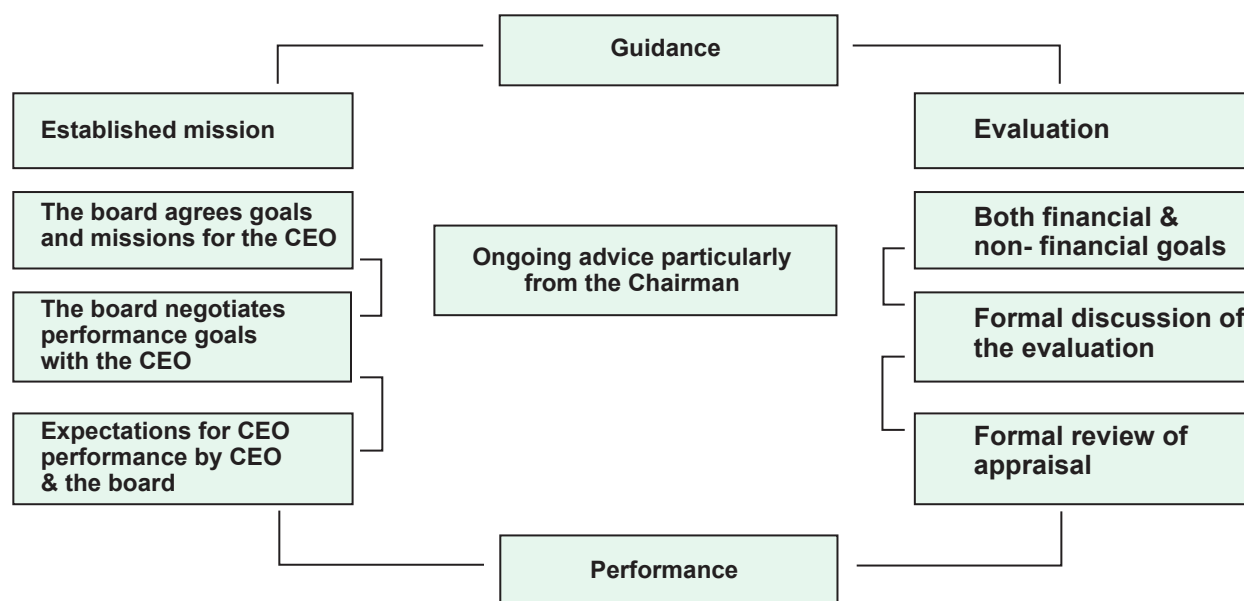
EVALUATION OF THE MANAGEMENT APPROACH

(GRI 103-3)

Mutual Trust Bank PLC (MTB) believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help it deliver value to all its stakeholders. Therefore, the Bank has strived to have good corporate governance practices along with knowledgeable and highly experienced board and employees.

Evaluation of the CEO by the Board

There is a five-year Strategic Priorities & Action Plan for the evaluation of the CEO/Management on an annual basis and it is revisited and revised from time to time, depending on the scope and opportunity of banking business, local and global economic condition, etc. The CEO's performance is evaluated on regular basis, taking into consideration the trends of financial indicators, bank's image/reputation, non-performing loans and advances, regulatory guidelines, etc.



The responsibility of the senior management team includes the monitoring of the adequacy and effectiveness of the internal control system based on the bank's established policy and procedures. The Senior Management Team (SMT) reviews on a yearly basis of the overall effectiveness of the control system of the organization and provides certification on yearly basis to the Board of Directors on the effectiveness of Internal Control policy, practice, and procedure. The management enriches audit teams with adequate skilled manpower and proper IT support as per requisition of the Audit Committee of the Board (ACB) for purposeful and effective audit. The management held liable for ensuring compliance off all laws and regulations that are circulated by various regulatory authorities, such as, Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, etc. During the audit period, if the present audit team finds any lapse or irregularity, that was not detected or identified by the previous auditors, then that would also be reported to the Audit Committee.

Establishment of High Level of Ethics and Compliance

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

Board Audit Committee

The board approves the objectives, strategies and overall business plans of the bank and the Audit Committee assists the board in fulfilling its oversight responsibilities. The committee reviews the financial reporting process, the system of internal control & management of financial risks, the audit process and the bank's process for monitoring compliance with laws & regulations and its own code of business conduct.

Organizational Structure

- Members of the Committee are nominated by the board from the directors.
- The Committee consists of 4 (four) members, with 2 (two) independent directors.
- The Committee consists of directors, who are not executive committee members.
- Company Secretary of the bank is the secretary of the Audit Committee.

Roles and Responsibilities



Financial Reporting



Internal Audit



External Audit



Internal Controls

Meetings

- The Committee met 4 times in 2022.
- Detailed memoranda are distributed to the members well in advance before each meeting.
- All decisions/observations of the Committee are noted in the minutes.

Board Risk Management Committee (BRMC)

The Bank realizes the significance of risk management covering both internal and external risk factors. Risk Management Committee of MTB is appointed by the Board of Directors with relevant and clearly defined roles, duties and responsibilities and performance of which is assessed to ensure conformity with the risk management plan in place.

To play an effective role in mitigating impending risks arising out of strategies and policies formulated by the Board and to carry out the responsibilities efficiently, the Board Risk Management Committee of MTB, being in charge, formulates risk management policy and procedures of the Bank as well as sets up the risk control and monitoring mechanisms with a view to continuously strengthening risk governance. After risk factors are identified and assessed for credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks, etc.; the Committee scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

Organizational Structure

- Members of the Committee are nominated by the board from themselves.
- The Committee consists of 5 (five) members.
- Company Secretary of the bank is the secretary of the Board Risk Management Committee.

Roles and Responsibilities of BRMC



Meetings

- The BRMC met 5 (five) times in 2022.
- To ensure active participation and contribution by the members, detailed memoranda are distributed to Committee members well in advance before each meeting.
- All decisions/observations of the Committee are noted in minutes.



THE MANAGEMENT APPROACH & ITS COMPONENTS

(GRI 103-2)

MTB SENIOR MANAGEMENT TEAM



Syed Mahbubur Rahman
Managing Director & CEO



Chowdhury Akhtar Asif
Additional Managing Director
& GCRO



Goutam Prosad Das
Deputy Managing Director
& Group Head of ICC



Md. Khalid Mahmood Khan
Deputy Managing Director, Corporate



Rais Uddin Ahmad
Deputy Managing Director



Md. Bakhteyer Hossain
Chief Operating Officer (COO)



Mohammad Nazmul Hossain
Group Chief Finance Officer (CFO)

Anti-Harassment Policy

The Bank has established Anti-Harassment Policy. The MTB Group has grown large and is now a family of three separate companies. As the MTB network and the number of MTBians grow, it is important, that we go about our everyday working lives in a safe, secure, responsible, dignified and happy manner. It is the desire of the Bank's Board and Management to make MTB a happy place to work in, where people feel a sense of belongingness and loyalty, and contribute to taking the Group towards MTB3V. It is the policy of MTB to prohibit racial, gender, sexual and other forms of unlawful harassment.

Ensuring Conflicts of Interest Are Avoided (GRI 102-25)

The annual report, including financial statements and the notice of the meeting, are sent to shareholders at least 14 days prior to the AGM. The primary means of communication between the bank and shareholders are the MTB annual report and the AGM. Required information is received by the shareholders prior to the AGM, which gives them an opportunity to exercise their prerogative to raise any business-related issues, either verbally or in written at the AGM. The Directors remain present at the AGM to answer any queries of the shareholders. Every stakeholder of MTB can check MTB website for MTB annual report and other relevant information.

ROLE OF THE HIGHEST GOVERNANCE BODY (GRI 102-26)

The highest governance body plays a key role in corporate governance. It is their responsibility to endorse the organization's strategy, develop directional policy, appoint, and supervise senior executives and to ensure accountability of the organization to its owners and regulatory authorities. The highest governance body approves the bank's budget and business plan and reviews those on quarterly basis to give directions as per changing economic, environmental and social environment. The highest governance body of the bank is MTB Board of Directors (mentioned as "Board" hereafter).

HIGHEST GOVERNANCE BODY'S ROLE IN REVIEWING RISK MANAGEMENT (GRI 102-30)

- The highest governance body of the bank is MTB Board of Directors.
- The Board itself does not interfere into the day-to-day business of the bank. However, it sets directions and oversee the overall activities of the bank. The Board approves the bank's budget and business plan and reviews those on quarterly basis.
- Further the Board reviews the policies and manuals of the various businesses and processes in order to establish effective risk management in credit and other key areas of operations.
- The Board also appoints and supervises senior executives and formulates ToR for different committees that work on behalf of the Board in mitigating the risk and maximizing the returns.
- The Board has constituted MTB Executive Committee (EC) to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions.
- MTB Board Audit Committee is constituted by the Board for reviewing financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.
- MTB Board Audit Committee also reviews process of Audit, effectiveness of Internal Control system & its Compliance thereof, recovery from non-performing assets.
- The Board has constituted MTB Board Risk Management Committee (MBRMC) that takes various steps to identify risks, which are related to the lending foreign exchange, internal control & compliance, money laundering and other trading and operating activities of the bank. The Committee evaluates risk on a comprehensive basis including, among others, balance sheet management, capital adequacy, credit and operational risk.

HIGHEST COMMITTEE OR POSITION APPROVING SUSTAINABILITY REPORT & MATERIAL ASPECTS (GRI 102-32)

The highest committee to approve is the Board. All the sustainability initiatives must be governed by BRMC. MTB Board of directors after the 185th meeting of the board, which was held on November 08, 2015, approved the resolution to publish MTB's Sustainable Finance Report annually. MTB updated "Environmental & Social Safeguard Policy 2020" in November 2020, the policy was approved in 257th meeting of MTB Board of Directors on January 26, 2021. In 2020, MTB reformed its Sustainable Finance Committee (SFC) which was approved in 252nd Board Meeting of MTB. MTB SFC is chaired by Mr. Chowdhury Akhtar Asif, AMD & GCRO of MTB.

PROCESS FOR COMMUNICATING CRITICAL CONCERNS TO THE HIGHEST GOVERNANCE BODY (GRI 102-33)

MTB has defined process of communication with the concerned authority. The process and reporting authority are specified in organogram. The primary process of communicating with the highest governance body is through the line manager of every department/division/branch. The line manager will transfer the critical concern of the organization according to the organogram. Besides, Customers can reach their concerning issues through email or feedback box located at the MTB premises. If any customer faces any problem, he/she can lodge a complaint by communicating through the following mail address: *Email Address: complaint@mutualtrustbank.com*

Apart from that, customers can contact at sustainability@mutualtrustbank.com for any sustainable banking issues. MTB has established Sustainable Finance Help Desk (SFD HELP DESK) in 75 MTB branches. Customers can easily contact designated officials from MTB SFD help desk in branches for sustainability related queries and issues.

Communication between the bank and general shareholders is arranged in every Annual General Meeting (AGM). Required information is received by the bank from the shareholders at the AGM, which gives them an opportunity to exercise their prerogative to raise any business-related issues, either in verbal or in written at the AGM. The directors remain present at the AGM to answer any queries of the shareholders. No Critical concerns communicated to the highest governance body in 2021.



COMPETENCES RELATING TO ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS (GRI 102-29)

BRMC is the supreme authority to oversee the sustainability initiatives including economic, environmental, and social impacts of the bank in MTB. In this respect, roles of Board Risk Management Committee (BRMC) of MTB in addition to but not excluding the role defined in the related BRPD circular) are stated below-

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management.
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures.
- Ensuring construction of adequate organizational structure for managing risks within the bank.
- Supervising the activities of Executive Risk Management Committee (ERMC).
- Ensuring compliance of BB instructions regarding implementation of core risk management
- Ensuring formulation and review of risk appetite, limits and recommending these to board of directors for their review and approval.
- Approving adequate record keeping & reporting system and ensuring its proper use.
- Holding at least 4 meetings in a year (preferably one meeting in very quarter) and more if deemed necessary.
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation.
- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis.
- Complying with instructions issued from time to time by the regulatory body.
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staffs involved in risk management.
- Ensuring sufficient & efficient staff resources for RMD.
- Establishing standards of ethics and integrity for staffs and enforcing these standards.

Environmental & Social Due Diligence (ESDD) Process

Again, in MTB, Environmental & Social Due Diligence (ESDD) is an integral part of every loan. If the rating acquired from ESDD is high, sanctioning of loans requires approval of board. In MTB, an integrated Environmental and Social Management (ESMS) compact tool is used to screen the environmental and social impacts of every loan. In establishing its governance body MTB conforms to appropriate guidelines of Bangladesh Bank (The Central Bank of the country), Bangladesh Securities and Exchange Commission, and The Companies Act, 1994. Members of the governance body are also known as Directors of the Board. All of the MTB directors are successful entrepreneurs and have their investments in diversified portfolios.

Therefore, it is assumed that they possess a high level of skills, experience, and knowledge to set directions and oversee the overall activities of the bank relating to economic, environmental and social impacts. MTB Board of Directors approves the bank's budget and business plan and reviews those on quarterly basis to give directions as per changing economic, environmental and social environments. The board reviews the policies and manuals of the various businesses and processes to establish effective risk management in credit and other key areas of operations. It is the responsibility of MTB Board of Directors to endorse the organization's strategy, develop directional policy, appoint and supervise senior executives and to ensure accountability of the organization to its owners and regulatory authorities.

STAKEHOLDER REPRESENTATION (GRI 102-21)

General shareholders participate in AGM (Annual General Meeting) every year and share their views on banking activities. They participate in different decision-making issues.

REMUNERATION (GRI 102-35, 102-36, 102-37)

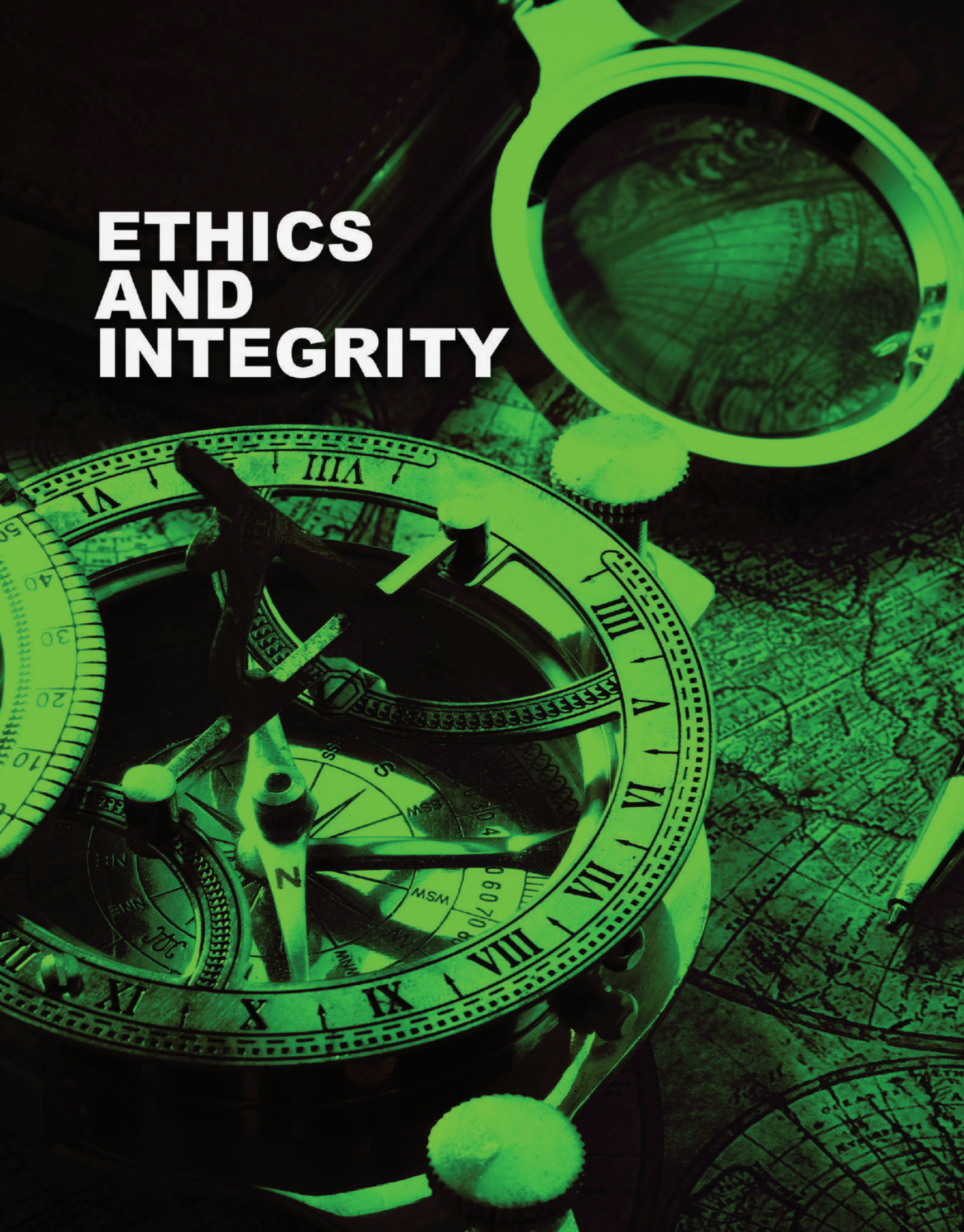
The directors do not receive any type of remuneration or incentives. The board members only receive fees as prescribed by Bangladesh Bank for attending each Board and Committee meeting. The remuneration package of the Managing Director is determined by the Board duly approved by Bangladesh Bank. Managing Director is entitled for incentive bonus as per central bank's guidelines.

Employee remuneration is overseen by MTB Group Human Resources Division (GHRD) in consultation with Deputy Managing Directors, Additional Managing Director and Managing Director & CEO. GHRD defines pay scale (remuneration packages) based on market information as well as adjustment of cost of living that is subsequently approved by the Board of Directors.

There is no variable remuneration at MTB. There exists an incentive Bonus to which all employees are entitled of subject to their annual performance as recommended by respective line managers, which is defined based on Board approved "Incentive Bonus Policy". Line managers send the recommendations for incentive bonus to Regional Heads and / or Divisional Heads and subsequently the recommendations are submitted to a "Bonus Committee". The Bonus Committee, after scrutiny and evaluation, sends its recommendations to the Managing Director and CEO who may review it and stamps the final approval.



ETHICS AND INTEGRITY



UPHOLDING OUR ETHICS

Our Mission

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

Our Vision

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

- One of the best performing banks in Bangladesh
- The bank of choice
- A truly world-class bank

MTB CORE VALUES (GRI 102-16)

Commitment:

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

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

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

Employees: We rely on the inherent merits of the employee and honor our relation as a part of this renowned financial institution. We work together to celebrate and reward unique backgrounds, viewpoints, skills and talents of everyone at the workplace, no matter what their job is.

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

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

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

MTB CODE OF CONDUCTS (GRI 102-17)

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

Code I: Our Vision

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

Code II: Uphold organizational mission

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

Code III: Adhere to the highest ethical standards

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

Code IV: Compliance with the laws & regulations

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

Code V: Relationship with & responsibilities to MTB

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

Code VI: Relationship with & responsibilities to customer

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

Code VII: Protecting business assets & information

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

Code VIII: Respecting others

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

Code IX: Misconduct

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

Code X: Insider trading

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

Code XI: Control

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

COMPLAINT MANAGEMENT IN MTB(GRI 418-1)

MTB has developed a lasting reputation through providing superior quality customer service with the help of an array of innovative digital solutions. It helped MTB to be regarded as one of the top-class banks in the country within a very short span of its inception. Our mission is to become a truly world class and customer oriented bank. We aim at providing the most courteous and efficient service in every facet of our business. Due to the increasing competition in the industry especially in post-COVID era, banks have no alternative but to look for innovative ways to attract and retain their customers. Product and process innovation and localization as per customers need, ease of transaction and use of technology are a few common areas where all the top-rated banks concentrate in order to offer unparalleled customer services.

Customers prefer to stay with a bank mostly because of the excellent service they receive. There are a few dimensions which need to be addressed in order to ensure superior service quality to achieve the ultimate goal of MTB 3V. To attain this goal, the bank has a dedicated department, MTB Service Quality Department (MSQD). MSQD relentlessly works to ensure the highest level of service excellence across the board and mitigate service gaps

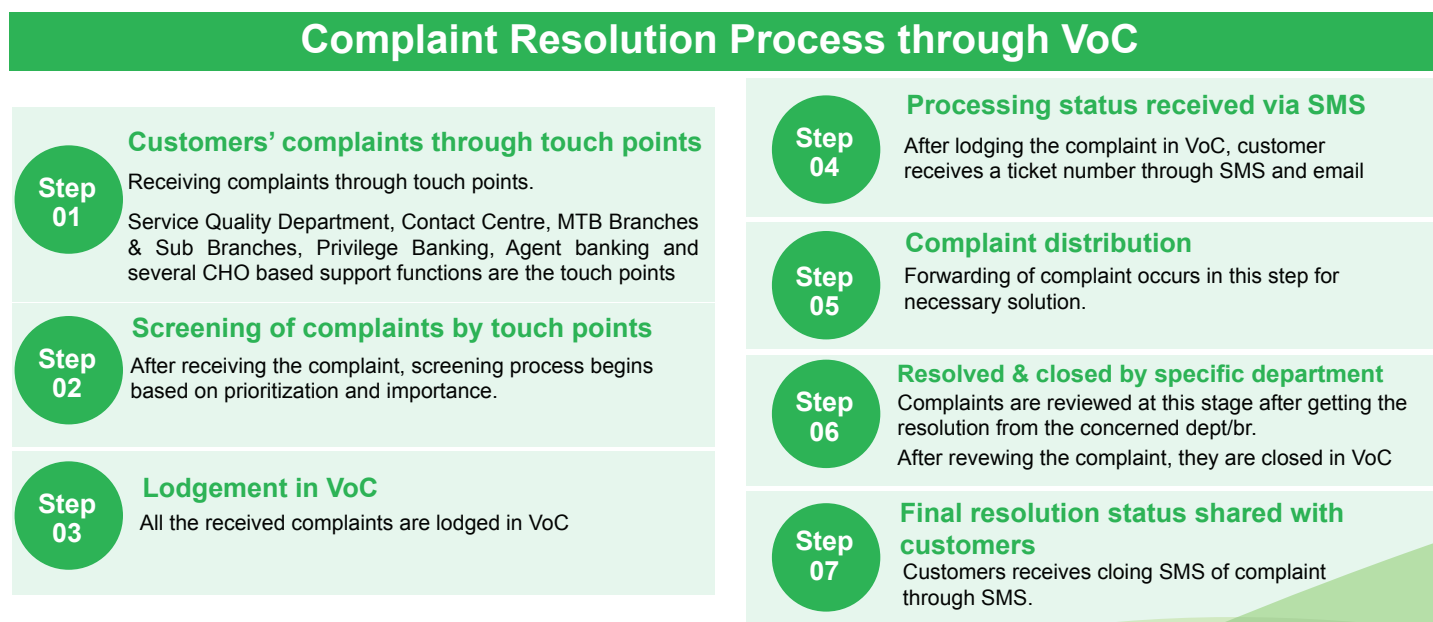
Complaint Management

Having a structured complaint management system is of paramount importance for addressing complaints with fair and expeditious resolution. MSQD has a separate wing to handle and manage all types of complaints, received through different physical channels. At MTB, Customers are welcomed to lodge their complaints or complements via any of the following channels:

Channels	Actions to be taken by customers
24x7 ContactCentre	Actions to be taken by customers
Complaint Box at Branch	Dial 16219 to reach MTB Contact Centre
Website	Lodge complaint through website: https://www.mutualtrustbank.com/about-us/customer-complaint-lodgement/
Email	Complaint@mutualtrustbank.com
Hotline	Reach us through hotline numbers:01708808420, 01708808421
Letter	Letters to Head office or branches

Complaint Resolution Process through VoC

Following is the flowchart for Complaint Resolution Process through VoC :



CUSTOMER AWARENESS PROGRAM (GRI-416)

Customer awareness is a huge priority for MTB. The bank has been taking regular awareness training program in different branches and locations regarding different threatening issues such as internet banking securities, identity theft, check book usage, credit and debit card usage, password protection, secured website and mobile app use etc. Our CSEs have conducted over 300 Uthan Boithak events throughout the country.

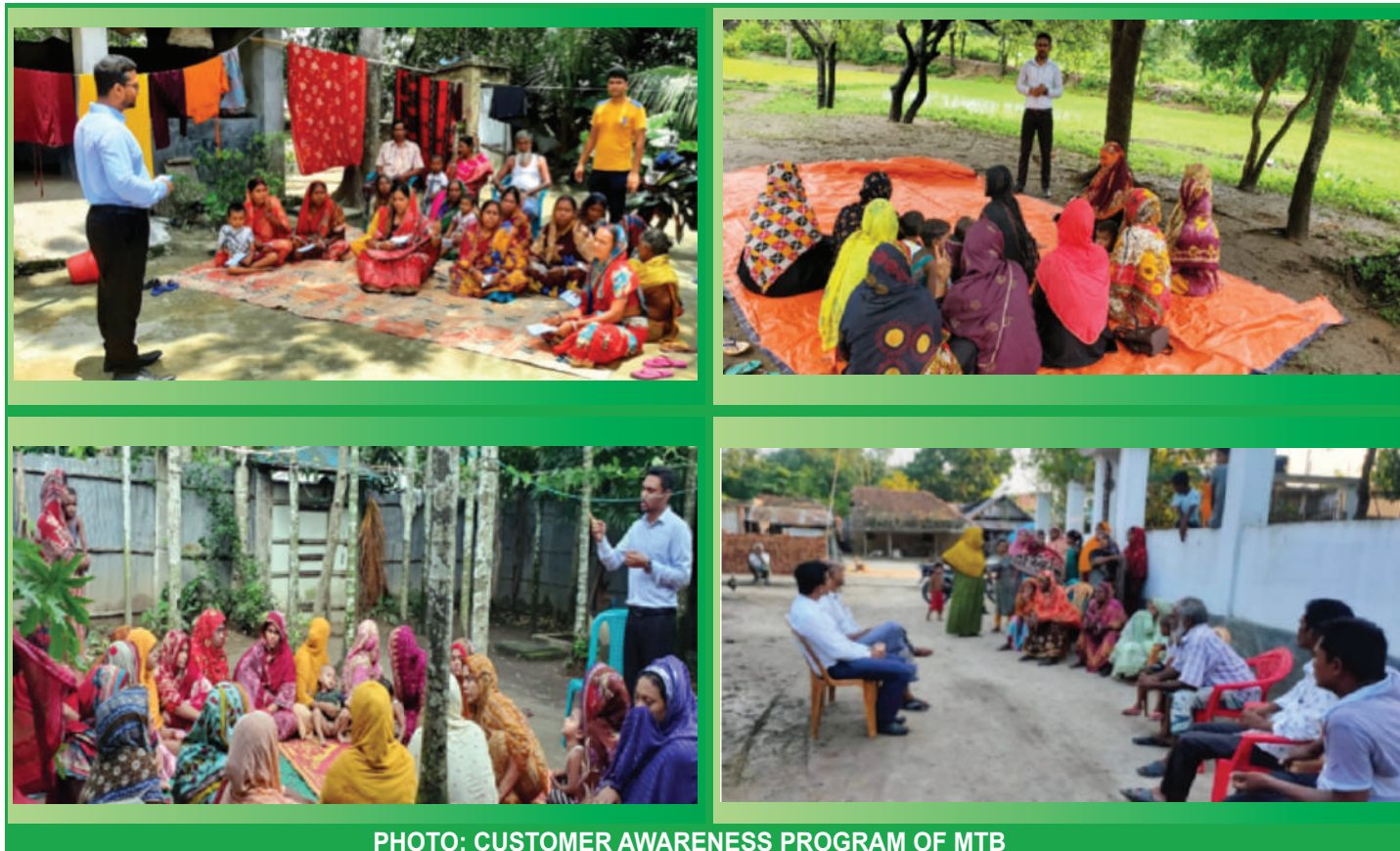


PHOTO: CUSTOMER AWARENESS PROGRAM OF MTB

In order to cater to the underserved individuals living in remote areas where traditional banking is not feasible, MTB plans to expand its agent banking network. This will enable the bank to provide its services to those with limited financial and formal literacy, at an affordable cost.

Customer Service Week 2022

In 2022, MTB SQD worked rigorously to minimize process gaps, ensure safe and highest level of customer service across the bank during the pandemic.

To provide customers with a delightful banking experience, MSQD has been organizing “Customer Service Week” since 2021. In 2022, three CSWs were held in Chattogram, Sylhet, and Cumilla regions and South-West Bengal & North Bengal Region in March, May, and August, respectively. Various activities were arranged to enhance service quality and establish synergy between frontlines and back offices. MSQD received overwhelming positive feedback from customers.

Recognition of Best Customer Service Providers

Special recognition ceremony held in March 2022 to reward the best branch customer service performers of 2021 based on MSQD survey reports. Several competitions were held during the Customer Service Weeks of 2022 to identify the “Service Heroes” who demonstrated exemplary dedication. An award ceremony for these heroes was organized in December 2022.

Voice of Customer (VoC)

Automated and transparent system that allows customers to be heard and responded to from all touchpoints of MTB. Provides a 360° view that helps MTB staff work efficiently and ensures that every customer's voice is heard, resulting in maximum satisfaction

Internal and External Mechanisms for Reporting Concerns on Whistle blowing Mechanisms or Hotlines

A customer can send complaint or feedback to any MTB branch. This feedback is generally processed by respective department/division. The unethical/unlawful matters of MTB employees are managed as per the MTB Code of Conduct. M.J. Abedin & Co., Shafiq Basak & Co. Chartered Accountants as External Auditor of the bank for the year 2021, and acts as the external whistle blower. Besides, MTB has a full-blown ICC Department (Internal Control and Compliance) which deals with control and compliance issues. ICC acts as the internal whistleblower of the bank. ICC has 05 units, namely, Audit and Inspection, Compliance, Monitoring, ISS Cell & System Audit Units, which are well-equipped with experienced bankers and system auditors.

MTB Customer Charter

MTB Customer Charter of is a general statement of commitments for providing world class banking services and necessary information to customers. The objective of the Customer Charter is to make the customers conscious about their general rights, obligations, grievance approach process and thereby help them make informed decisions. Customers' Rights:

1. Know the bank's rates of deposits and advances which are displayed on the notice board of the respective branches and also available on the bank's website www.mutualtrustbank.com
2. Know the latest schedule of charges, fees and commission which is displayed on the notice board of the respective branches and is available on the bank's website www.mutualtrustbank.com
3. Decide which value added services, such as, Internet banking, SMS banking, ATM services, etc. he/she would like to avail.
4. Know about the buying and selling rates of foreign currencies. 5. Information regarding financial statements, banking hours and holidays.

Customers' Obligations:

1. Customers shall follow the banking norms, practices, functional rules, etc.
2. Customers shall abide by the terms and conditions prescribed for each banking product and service.
3. Customers shall maintain disciplinary arrangement at the customer service points.
4. Customers shall convey their grievance to the bank in proper way or in prescribed form.
5. Customers shall convey the bank any changes in their address, contact numbers and in any other information including Transaction Profile (TP).
6. If the customers have any query, they should ask at prescribed desks, such as Customer Service Desk, Help Desk, Information Desk or Enquiry Desk.

For any queries on our products and services, please contact:

MTB Contact Centre



AT YOUR SERVICE, ALWAYS

just dial **16219** or **096040 16219**

from overseas **+880 966040 16219**

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES (GRI 205-2)

As part of the effort of combating corruption, promoting integrity and establishing good governance, the Government of Bangladesh has adopted National Integrity Strategy (NIS) of Bangladesh. A high-level National Integrity Advisory Council has been constituted for its implementation. Bangladesh Bank has been entrusted with the responsibility of implementing the National Integrity Strategy (NIS) in the country's financial sector. In line with the implementation of NIS, MTB has established MTB Integrity Strategy Implementation Unit. Additionally, the Committee is mandated with the task of identifying ways to protect the culture of loan defaults and promote consciousness with a view to reduce frauds, forgeries, irregularities and other sources of corruption across the 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.

Money Laundering & Terrorist Financing Risk Management Embedding Compliance in Practice: A Focus on AML/CFT

Overview

During this plenary year, Bangladesh has faced a range of challenges in both domestic and international arenas. The COVID-19 pandemic and geopolitical unrest in the West have brought about global economic turmoil, severely impacting financial systems across the world. It is crucial for authorities in the region and around the world to proactively detect and prevent money laundering to disrupt the flow of illegal funds and safeguard the integrity of the financial system. Bangladesh, like many other countries, has faced the second wave of COVID-19 this year, which has further increased non-face to face on-boarding, customer interaction, and digital transactions involving virtual currencies. Criminals have also come up with new and innovative techniques for money laundering and terrorist financing using these channels.



Since the start of the war between Russia and Ukraine, the global economy has entered into a new terrain of uncertainty, resulting in commodity price hikes, supply chain disruptions, higher than expected inflation in the economy, and a weakening of the local currency against major international currencies. In addition, the frequent sanctions imposed as a result of the war have had a significant negative impact on executing international trade. It is crucial to be aware of money-laundering activities as they can not only ruin economies but also lead to funding terrorism. As a regulator, Bangladesh Bank has taken various initiatives, including discouraging the import of luxury items, closely monitoring the foreign exchange (FX) market, and curbing Hundi activities.

As a reporting entity, Mutual Trust Bank PLC (MTB) has adopted the motto of embedding compliance in practice in 2022. Under the prudent guidance of BFIU, MTB has played a pivotal role in adopting and implementing anti-money laundering and combating terrorist financing acts and rules. Emphasizing the motto of 'Embedding Compliance in Practice', the MTB Board of Directors has set a stance of 'Zero Tolerance' for violation or deviation from the AML & CFT regulations and all regulatory guidance and

Major Activities in 2022

Under the guidance of the MTB Board and senior management, MTB has set its AML&CFT 2022 include:

Activity	Description
Central Compliance Committee (CCC) Meetings	The CCC, consisting of 19 members, has met 4 times to discuss AML&CFT measures and provide guidance to stakeholders.
AML&CFT Division Supervision	The MTB AML&CFT Division discharged its responsibilities under the direct supervision of CAMLCO and CCC.
MD & CEO's Statement of Commitment	The Managing Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance.
Review & Update of Policy Guidelines	"MTB Money Laundering and Terrorist Financing Risk Management Policy Guideline" and "MTB Guidelines for Prevention of Trade Based Money Laundering (TBML)" were updated and approved by the board of directors.
Appointment of Compliance Officers	Branch/divisional/departmental anti money laundering compliance officers (BAMLCO/ DAMLCO) were appointed in different branches and some of the divisions /departments that are exposed to money laundering and terrorist financing risks.
BAMLCO Conference	On May 28, 2022, MTB arranged BAMLCO Conference, which is a congregation of the Branch Anti Money Laundering Compliance Officers, heads of divisions/ departments/units and senior management to discuss the achievement in terms of AML&CFT compliance during the past year and strategies to overcome the challenges in future.
AML&CFT Awareness Program	MTB arranged a week-long AML&CFT awareness program from May 28 to June 2, 2022 in order to celebrate 20-year of AML&CFT Compliance.
Training Programs	MTB organized 22 conferences/workshops/training programs where a total of 2983 participants received training on 'Money Laundering and Terrorist Financing Risk Management' in 2022.
Training for Commerzbank AG Employees	MTB also organized AML&CFT training on local regulation and practice for the employees of Commerzbank AG, Representative Office, Dhaka, Bangladesh.
Re-Orientation Sessions	MTB conducted re-orientation sessions with branches/departments focusing on key AML&CFT compliance requirements, common challenges and mitigations.
Correspondent Relationship Reviews	Correspondent relationships were reviewed following the Risk Based Approach (RBA) for establishing new and reviewing existing correspondent banking relationship.
ML & TF Risk Assessment	Performed ML & TF risk assessment on the new digital initiatives of the bank along with regular products/services/processes.
Update of AOF & KYC Profile Form	The Account Opening Forms and KYC Profile Forms including the forms of Islamic Banking Division were reviewed and updated.
AML & CFT Assurance Review	AML&CFT Division continued risk based AML&CFT Assurance Review on Branches and Offices.
Quarterly Compliance	Introduced Quarterly Compliance on AML&CFT for a number of Head Office based division/department that are prone to money laundering and terrorist financing risks.
Sanction Screening	MTB continued sanction screening against extensive sanction lists, PEP list and adverse media through automated screening tools.
TBML Risk Assessment	MTB performed the enterprise level risk assessment of trade with the input from "Accuity TBML Compliance Solution" on screening, vessel tracking and dual use goods checking outcome.

Activity	Description
Price Verification of Goods	Apart from using an independent price verification tool of IHS Market, MTB developed its own database of trade transactions & search tool to satisfy itself that the prices declared by the client represent the fair market value of goods.
Trade Customer Review	Reviewed and updated Trade Customer Risk Profile and Trade Transaction Profile (TTP) as per regulatory directives and FATF public statement.
Update of CDD Project	In order to understand the underlying health of account documentations, assess the gaps and mitigate those, Customer Due Diligence (CDD) Project reviewed a good number of accounts throughout the year.
Adverse Media News Screening	AML&CFT Division reviewed the adverse media news, searched the alleged names in internal system and took necessary steps, as applicable.
E-learning	To evaluate the AML & CFT knowledge base of the employees, MTB continued e-evaluation in three phases under a program titled "Knowledge Assessment on Risk Management of AML&CFT (KARMA)". The assessment was conducted through in-house e-learning platform.
System Based KYC Profile	To facilitate KYC automation and periodic review, MTB implemented "System Based Know Your Customer (KYC) profile & review" in AML&CFT Compliance Solution.
Rule Based Transaction Monitoring	Implemented "Rule Based Transaction Monitoring & Case Management: General Banking" in AML&CFT Compliance Solution for multiple Branches and Agent Banking Department.
Segment Specific Transaction Monitoring	Performed extensive transaction monitoring with special focus on high value cash deposits in NRB account; unusual transaction/activity in the accounts of Distributor/Agent of MFS and Mobile Network Operators, merchants; transactions through cards, virtual currency; behavior of absconded borrowers etc.
Dedupe & Screening	Introduced quick customer and account creation with automatic duplication check and screening through solution.
Half Yearly Evaluation	The MD & CEO reviewed the half yearly evaluation reports submitted by CCC and gave recommendations on improvements.
Health Check by GICCD	Group Internal Control & Compliance Division (GICCD) performed comprehensive audit and independent testing procedure (ITP) on branches and divisions to examine the AML & CFT compliance status.

Plan for 2023

MTB's fight against money laundering and terrorist financing will continue in 2023 with the following measures:

- Ensuring the implementation of the MTB ML & TF Risk Management Policy Guideline approved by the Board of Directors and revising it as needed.
- Identifying, assessing, and treating ML & TF risks of customers, products, services, delivery channels, and jurisdictions and incorporating them into respective Product Program Guidelines/Memorandums.
- Providing training on ML & TF risk management, trade-based money laundering, account opening and operating procedures for relevant employees.
- Hosting a Branch Anti-Money Laundering Compliance Officers' Conference and an Annual Trade-Based Financial Compliance Conference.

- Ensuring compliance with Guidelines for Prevention of Trade-Based Money Laundering through the use of TBML Compliance Solution and AML&CFT Compliance Solution.
- Introducing standardized and simplified templates to improve AML&CFT compliance and customer experience.
- Deploying an AML&CFT compliance solution covering risk-based CDD, automated transaction monitoring automated and real- time sanction screening, case management, and automation of returns and reports to improve AML & CFT risk fundamentals.
- Conducting assurance reviews on branches and head office departments/divisions for risk-based control, as well as on emerging risk areas under the supervision of the Central Compliance Committee.
- Prioritizing the introduction of a customer- initiated information update platform and implementation of tracking software for the Customer Due Diligence project.
- Ensuring compliance of MTB Securities Ltd., MTB Capital Ltd., and MTB Off-shore Banking Unit with relevant regulations and statutory obligations, including the Money Laundering Prevention Act, 2012 (including amendment), Anti-Terrorism Act, 2009 (including amendments), BFIU guidelines, circulars, and instructions.

PRODUCT AND SERVICE INFORMATION AND LABELING (GRI 417-1)

- MTB provides loans to various sectors and in some sectors, i.e., agricultural sector, green loans, SME sectors, loans to women, MTB loans have zero or less ecological impacts but more societal benefits such as job creation, protection of environment, women empowerment etc.
- Apart from that all MTB product information and recent rates and updates are circulated vide electronic notice through intranet called MNet among the employees.
- Product information for customers is served both at branch premises and the website. Branch premises also display different brochures and leaflets on product information, contents, limitation etc.
- Customers can call MTB's 24/7 Contact Centre for personal query.
- Following information are displayed in prominent and visible places of the branch premises:
 - Interest rates on all deposit and loan products
 - Latest schedule of charges
 - Buying and selling rates of foreign currencies
 - Credit rating and financial information of the bank
 - Contact details of the bank's Central Customer Service and Complaints Management Cell
 - Banking hours and holiday notice

ECONOMY



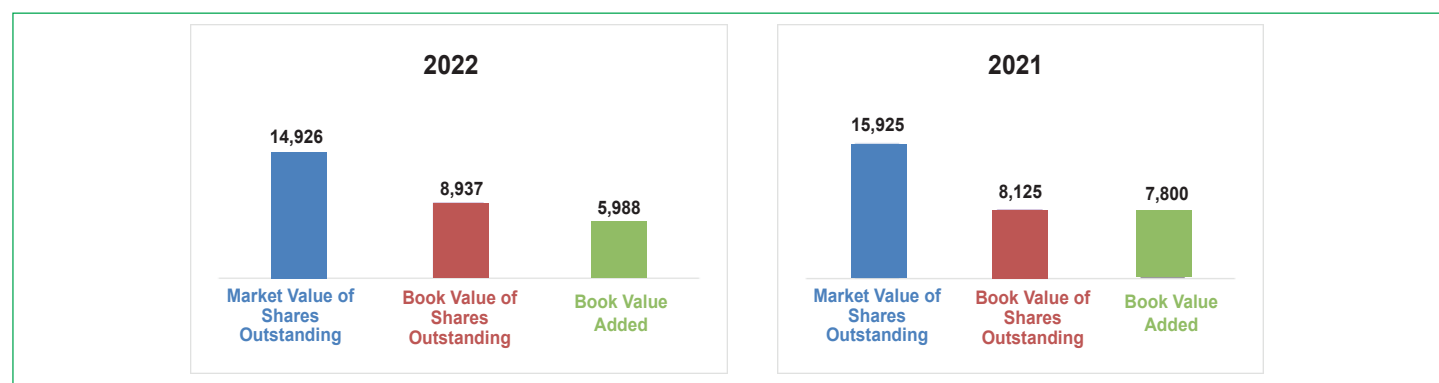
ECONOMIC PERFORMANCE OF MTB (GRI 201-1)

Economic Value Addition

Economic Value Added (EVA) is the financial performance measure that attempts to measure that true economic profit of an organization. It provides a measurement of the bank(s) economic success (or failure) over a period. Economic Value Addition (EVA) by the bank has been estimated at BDT 2,698.19 million for the reporting year of 2022.

Statement of Market Value Addition

Market Value Added (MVA) is a measure of external performance that indicates how the market has evaluated the company's performance in terms of market value of quoted shares compared to book value of this shares. Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by investors. If MVA is positive, the bank has added value. If it is negative, the bank has destroyed value. The amount of value added needs to be greater than the bank's investors could have achieved investing in the market portfolio, adjusted for the leverage of the bank relative to the market. A high MVA denotes that the bank has maximized the wealth for the shareholders. As of end of reporting year 2022, Market Value Addition is estimated BDT at 5,988 million. The calculation of market value added is tabled below:



INDIRECT ECONOMIC IMPACTS (GRI 203-2)

During the year 2022, through financing the existing and new clients MTB has created economic impacts in the following dimensions:

- Contribution to economic growth by providing loans to both industries, development sectors and individuals.
- More revenue to the national exchequer from growth of businesses of MTB and its clients
- Empowerment of women by providing MTB Gunoboti, MTB Bhaggoboti and MTB Ava loans to run their own businesses.
- Contribution to the financial inclusion with agent banking, school banking and 10-taka account services etc.

Financial Inclusion

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. Financial inclusion wants everybody in the society to be involved and participate in financial management judiciously.

There are many poor households in Bangladesh that do not have any access to financial services in the country. Even if they are aware of banks, many of the poor people do not have the access to get services from banks. They may not meet minimum eligibility criteria laid by banks and hence, they will not be able to secure a bank's services. These economically underprivileged people of the society may also not have proper documents to provide to the banks for verification of identity or income. Every bank has certain mandatory documents that need to be furnished during a loan application process or during a bank account creation process. Many of these people do not have knowledge about the importance of these documents. They also do not have access to apply for government-sanctioned documents.

Financial inclusion aims to eliminate these barriers and provide economically priced financial services to the less fortunate sections of the society so that they can be financially independent without depending on charity or other means of getting funds that are actually not sustainable. Financial inclusion also intends to spread awareness about financial services and financial management among people of the society. Moreover, it wants to develop formal and systematic credit avenues for the poor people.

ASIAMONEY AWARDS MTB AS THE “BEST BANK FOR DIVERSITY AND INCLUSION IN BANGLADESH 2022”



Source: www.mutualtrustbank.com/news/asiamoney-awards-mtb-as-the-best-bank-for-diversity-and-inclusion-in-bangladesh-2022/

Financial Inclusion Initiatives in 2022

MTB took a number of initiatives in 2022 to ensure that the individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings and credit – delivered in a responsible and sustainable way.

A. MEdasy: MEdasy, launched in 2020, was already a hit among customers and bankers for its capacity of being able to onboard customers for both eKYC and regular current accounts and savings accounts. In 2022, the capabilities were taken further with the introduction of end to end digital application and processing of all retail loan products, credit card, FDR and DPS products. MEdasy is now a complete suite of digital banking with almost all retail banking products. Soon, SME products and other banking services will be introduced under MEdasy umbrella. Already 2200+ Current and Savings Accounts have been opened.

B. DPS opening through multiple channels: Providing the facility of opening small ticket DPS to customers as part of ensuring better financial management has always been a goal of MTB. Proper financial inclusion begins with proper financial management, and the key to that is making sure customers can have many channels to open DPS accounts for various purposes.

- DPS through bKash:** bKash DPS enables all bKash customers to open DPS accounts directly from bKash app. It is a very convenient feature for the millions of bKash customers. The DPS account follows conventional banking modality.
- DPS through TAP:** MTB launched Islamic DPS with TAP, a Mobile Financial Service (MFS). With this launched, now customers registered with TAP can open Islamic DPS with MTB. The best part of the product is customers of TAP will not have to visit any MTB branch to open or deposit any installment. Customers also will not have to visit MTB branch during encashment of the DPS. It is worthwhile to mention that MTB is only second in industry to offer Islamic DPS through a MFS.

Channel	Total DPS Opened	Total Amount
bKash	5,429	38,28,000
TAP	38	35,500

	2022 (Amount of transaction)	2022 (Count of transaction)
DPS Opened	3.368 million	1771

Financial Inclusion Initiatives of MTB

- MTB Student Banking
- MTB 10 Taka Account
- MTB Agent Banking
- MTB SME Financing for Women Entrepreneurs

MTB Student Banking

MTB Student Banking is dedicated to providing tailored financial solutions to meet the unique needs of students. With a focus on promoting financial literacy and encouraging savings habits from a young age, MTB collaborates with Bangladesh Bank to promote financial inclusion through various campaigns, resulting in a significant increase in student accounts.

MTB offers exclusive savings schemes, such as the Children Education Deposit Scheme and Education Plan, to help parents save for their child's future education or special needs. The MTB Student Banking service was launched in 2018 with a vision to be one of the leading student service providers in the country.

MTB Student Centers, located in five key branches, facilitate the opening of student files, remittance for tuition, opening of CASA accounts, and provide comprehensive one-stop service to students. MTB Student File also makes it easy for students studying abroad to transfer funds while maintaining individual student records until the completion of their course. Performance highlights in 2022 are below :

Metric	Position
Number of student files opened in 2022	~ 2,200
Total remittance for tuition fees handled in 2022	Tk. 267 Cr.

MTB STUDENT BANKING
SECURE YOUR CHILD'S FUTURE

- **MTB Junior**
 - Life Insurance Coverage including COVID 19
 - Free Debit Card for the Junior
 - Attractive Interest Rate
 - No account maintenance fee
- **MTB Graduate**
 - Life Insurance Coverage including COVID 19
 - Attractive rate
 - Debit card & Cheque book Facility
 - No account maintenance fee
- **MTB Student File Services**
 - Life Insurance Coverage including COVID 19
 - Dedicated Student Centers to ensure one stop services
 - Easy & Quick Fund Transfer
 - Complementary access to MTB AIR Lounge in Hazrat Shahjalal Int. Airport

To enhance the student experience, MTB also launched a unique proposition by providing complimentary access to the MTB Air Lounge located at Hazrat Shahjalal International Airport in Dhaka.

MTB 10 Taka Account

In September of 2010, Bangladesh Bank instructed public banks to help the ultra-poor open the Tk-10 accounts so that they can get the benefits of the safety net programs. Private commercial banks later followed suit of their state-owned peers. The use of the account has helped underprivileged people engage in various economic activities and change their lives. The marginal and landless farmers, small shop owners, hawkers and people affected by river erosion now take loans under a Taka 200-crore refinance scheme of the central bank by using the accounts for an interest rate of 9.5 percent. MTB also has initiated MTB 10 Taka account for providing financial assistance to the underprivileged groups of Bangladesh.

Total Deposit amount in 10 Taka Account as on December 2021 is given below:

No. of 10 Taka Account Opened	2021	2020	2019
10 Taka Deposit Account number	7,978	6,456	5,987
Deposit amount in 10 Taka Accounts (BDT)	137,262,438.70	17,504,448.60	11,787,817.57

MTB AGENT BANKING

Bringing Financial Inclusion to Underserved Communities

Since its launch on June 6, 2016, the Agent Banking Department of Mutual Trust Bank LPLC (MTB) has been providing quality services to its customers. The department has been successful in delivering modern banking services to the previously unbanked rural communities, thereby contributing to financial inclusion and economic development. Moreover, the thriving business segment has also created employment opportunities.

Our Offerings

Product	Service	Security Features
<ul style="list-style-type: none"> Savings accounts Current accounts DPS accounts Term Deposit accounts 	<ul style="list-style-type: none"> Cash deposit and withdrawal Fund transfer to any MTB account Electronic fund transfers through BEFTN & RTGS Inward foreign remittance disbursement Balance inquiry Account statement collection Insurance premium collection Utility bill collection School fee collection Payroll management Debit card issuance Internet banking Issuance of cheque book 	<ul style="list-style-type: none"> Real-time online transactions through Agent Banking Software (ABS) Two-factor authentication (2FA) using biometric thumbprints of customer and agent System-generated printed receipts and SMS alerts for executed transactions

Key Business Metrics:

Metrics	Achievements
No. of MTB Agent Banking (MAB) Centre	198
District covered	45
Rural MAB Centre	144
Urban MAB Centre	54
Number of new Agent Banking Centres launched	12
No. of Accounts	103,465
Total Deposit Amount (Million Tk.)	4,121
No. of Remittance disbursed	110,219
Total Cash Remittance disbursed amount (Million Tk.)	5,027
No. of Debit Card issued	13,824
No. of Cheque Book issued	31,731
No. of REB Bill Collection	2,429,488
Amount of REB Bill Collection (Million Tk.)	1,714

Capacity Development Programme

We've held two Zoom Meetings to train all CSEs, Agents, and Agent Users, as well as an in-person training session for certain Agents, Agent Users, and CSEs, on the topics of new services, compliance, and business campaigns.



Customer Awareness Programme

Our CSEs have conducted over 300 Uthan Boithak events throughout the country. In order to cater to the underserved individuals living in remote areas where traditional banking is not feasible, MTB plans to expand its agent banking network. This will enable the bank to provide its services to those with limited financial and formal literacy, at an affordable **cost**.

Women Banking

MTB takes pride in the advancements we have made towards promoting women's financial empowerment through our dedicated Women Banking segment named "MTB Angona". Despite the obstacles posed by the COVID-19 pandemic, MTB continued to uphold its commitment to providing women customers with essential services, resources, and assistance in realizing their financial objectives. In the below sections we will outline the noteworthy achievements of MTB Angona and their future strategies.

Activities under MTB Angona

Increased Access to Financial Services:

- Expanded MTB Angona business to reach more women across the country.
- Established strategic partnerships with women-led organizations.
- Increased access to financial services, including Deposit Accounts, Debit & Credit Cards, and Digital Service Enrollments.
- Observed significant growth in the number of women accessing financial services compared to the previous year.

PARAMETER	2021	2022	YOY GROWTH
ANGONA CUSTOMER	5,226	15,503	196.65%
TOTAL NO. OF ACCOUNTS	10,182	26,847	163.67%
DEPOSIT PORTFOLIO	Tk. 256 Cr.	Tk. 590 Cr.	130.48%

Webinars & Physical Sessions:

- Arranged numerous webinar programs and physical sessions to educate women customers
- Covered various social challenges such as healthcare, mental wellbeing, cyber security, and entrepreneurship
- Participants reported increased confidence in managing their lifestyles

Digital Innovation:

- Leveraged digital banking services to provide more digital financial services to women customers
- Provided access to SMS, E-Statement, and Smart Banking application

Support for Women:

- Developed financial products and services specifically for women-owned businesses
- Launched Micro DPS facility via MFS services and provided business document support

Advocacy and Partnerships:

- Worked with partners and stakeholders to advocate for women's financial empowerment
- Participated in events such as conferences and panel discussions to raise awareness about the importance of women's financial inclusion.

FUTURE PLAN

In the future, we will continue our efforts to promote women's financial empowerment through our Women Banking program. We have various initiatives planned, which are discussed below.

Scaling Up:

- Expand network of partners
- Reach out to more women in remote and rural areas
- Work with SME Foundation and MTB SME department to bring existing and new women entrepreneurs to MTB Angona
- Plan campaign/business exercise for female customers who receive family remittances
- Include existing remittance customers in banking relationships via MTB Angona

Digital Innovation:

- Leverage technology to provide more digital financial services
- Offer Digital Device Financing
- Provide financing to women customers through online platform

Product Innovation:

- Continue to innovate and develop new financial products and services
- Design products that meet the specific needs of women, including women-owned businesses

Woman Empowering Project:



- Launch the project to empower women from low-income and underprivileged communities who aspire to achieve financial independence. Conduct training and workshops for women from low-income communities and underprivileged women segments
- Partner with different institutions to assist with the training and workshops
- Help women achieve financial independence
- Take initiatives for SME female entrepreneurs as a part of the project in upcoming years.

To conclude, we are immensely proud of the progress we have achieved in advancing women's financial empowerment through our Women Banking program. We are fully dedicated to this cause and will continue our efforts towards creating a more inclusive and just financial system. We extend our gratitude to our partners and stakeholders for their unwavering support and anticipate a promising future for women's financial empowerment.

Championing Women Entrepreneur Financing

MTB SME have special focus on Women entrepreneurs since the inception of the division. Moreover, MTB as a Bank takes a holistic approach for improving overall Banking experience for Women through dedicated Women Banking service, which will be strengthened by CMSME one stop loan solution for Women in 2022. MTB finances women entrepreneurs at lower rate under refinance scheme of BB Women Fund. MTB has partnership with SME Foundation for convenient Pre-Finance Scheme for Women Entrepreneurs and there is dedicated loan product MTB Gunabati for facilitating the women entrepreneur under this Programme.

MTB Bhagyobati and MTB Gunabati, the two innovative financial products for women entrepreneurs, have strong presence in the country's credit market for their unique features and easy access to financing.

MTB is actively involved in empowering women entrepreneurs and providing them with opportunities to grow and innovate. The current outstanding loan position in this segment is Tk. 2.98 billion.

MTB as a Gender-Responsive Bank

MTB aspires to be the most trusted financial institution in Bangladesh; recognized as a dynamic, innovative and client focused organization that works with the vision of achieving service excellence in banking industry while creating a remarkable economic growth in country's economy. MTB believes that such growth along with proper empowerment of women will help society elevate to a newer height. To cater the special needs of women and address their individual strengths, MTB launched 'MTB Angona' with an exclusive array of products, services, and unique value propositions. MTB Angona is working with the vision of becoming the most admired financial partner for catering women segment. We work for ensuring financial inclusion of every woman from our society while helping them to

- Improve their decision-making capabilities,
- Achieve robust leadership quality and
- Empower them to dream bigger each day than yesterday.



Our main target is to not only ensure the availability of all necessary financial updates and information within their fingertips but also uplift their confidence to evaporate the inertia to speak up when & where it is needed. MTB is supporting women

entrepreneurs by providing loan at preferential rate under Pre-Finance Scheme and Re-Finance Scheme. Women entrepreneurs can avail any facility as per their requirement through two of our innovative financial products for women entrepreneurs: MTB Bhagyobati and MTB Gunabati. MTB has partnership with SME Foundation for convenient Pre-Finance Scheme for Women Entrepreneurs and there is dedicated loan product 'MTB Gunabati' for facilitating the women entrepreneur under this Programme. MTB finances women entrepreneurs at lower rate under refinance scheme of BB Women Fund. 'MTB AVA' Loan is a bundle products solution to facilitate women entrepreneurs for their business needs. Any Bangladeshi Women entrepreneurs involved in different business activities in the country in trade, manufacturing and service sector of

Resilient Women Entrepreneur

Resilience is one of the core strength of women entrepreneurs in Bangladesh. Women in our country, in many cases, start their own ventures out of dire need. Those ventures become successful and grow because of their entrepreneurial leadership and indomitable spirit.

Mst. Rubana Ferdous, proprietor of Marex Colour Pencil of Ishwardi Pabna, is a great example of such resilient force.



Her husband initially had the idea to produce Marker Pencils which are used in garments industry and initiated the production at factory level in Dhaka. But he died in dengue fever, leaving Ms. Rubana in a helpless condition with two children.

After a long struggle, she restarted the operation of the factory in Dhaka which was later handed over to her brother-in-law. Later she shifted to Ishwardi, took teaching as profession. But after a year, in 2006 she restarted the business of colour pencil production.

Now more than 50 workers both full time and part time work in the factory. Some of her former employees also set their own factory after acquiring skills by working in her factory. In her journey, she took loan in several phases from MTB Ishwardi SME/Agri Branch. She is enjoying current financial facility in single digit interest rate under the MTB Bhaggobati loan product heme

Cottage, Micro, Small and Medium Enterprise can avail the loan. MTB also introduced MTB Bunan (Interest Bearing Current Deposit A/C for Women Entrepreneur) and MTB Vitti (FDR with higher interest rate for Women Entrepreneur recently. MTB has established Women Entrepreneur Desk and SME Help Desk in all MTB branches to help women in business and bring them under credit access. MTB SME Banking Division and Women Banking Department have special focus on catering Women entrepreneurs and are involved in creating gender-responsive marketplace

MTB's Result and Sustainability as a Gender-Responsive Bank

Having a dedicated segmental banking approach to Women is vital for any bank. MTB Angona is such a segmental approach that has integrated all the Retail, SME and Cards offer to Women under one umbrella, which has eventually helped MTB to find newer business opportunity while attracting women banking customer as a one stop destination for all offerings.

- MTB has been awarded the prestigious Asian Banking & Finance Awards 'Banking for Women Initiative of the Year – Bangladesh' categories under Retail Banking Awards by Charlton Media Group. The award was presented via digital

presentations due to the ongoing pandemic. Over 140 banks from 31 different countries were recognized for continuously striving to grow and provide services to customers in the 2021 Wholesale Banking and Retail Banking Awards platform. MTB underscores the significant contribution of women in the country's GDP growth and, therefore, believes in a dedicated segmental banking approach for women. MTB's banking for women initiative – MTB Angona helped create greater economic stability for women, their families, and the community as a whole. Over time, MTB Angona has successfully been able to ensure simplified banking services for women with a view to making them financially independent.

- Currently, 70 Women are using 'Bhagyobati', 19 Women are using 'MTB AVA' products and 24 Women are using 'Gunabati' products.
- Approx. 246 Women Entrepreneurs obtained support from SME Help Desk.
- MTB SME Banking Division launched different products for Women entrepreneur in 2021 such as 'Ava', 'Bunan' and 'Vitti'.
- MTB also disbursed government initiated COVID Stimulus loan to 27 existing and new Women Entrepreneurs to mitigate the loss due to pandemic.
- In 2021-2022 FY MTB Disbursed Wholesale credit to 15 MFI (Microfinance Institute) for onward disbursement the loan to marginal, women entrepreneur, individual women engaged in agriculture and income generating activity for poverty reduction. The loan from MTB was disbursed among 49,685 end beneficiary women.
- MTB is actively involved in empowering women entrepreneurs and providing them with opportunities to grow and innovate. The current outstanding loan position in this segment is Tk. 2.98 billion.
- In 2014, Mutual Trust Bank also won Women Entrepreneur Friendly Bank of the Year-2014 award from Bangladesh Bank and SME Foundation.
- MTB aims to continue its journey of inclusive financing by providing low-cost financing to women, marginal farmers, and new entrepreneurs, contributing to the promising CMSME sector of Bangladesh.
- As the Lead Bank in Jashore under Bangladesh Bank's supervision, MTB organized a workshop on 'CMSME & Women Entrepreneur Financing.' The event was attended by 50 women entrepreneurs and 50 bank officials, including branch managers.

MTB's target is to become a 'Bank of Choice' for women by offering today's independent women hassle-free banking services. MTB will continue to explore the potentiality of the women entrepreneurs who can grow and ensure access to credit for them



**MTB WINS THE
RETAIL BANK OF
THE YEAR 2022
AWARDS BY
WORLD BUSINESS
OUTLOOK
MAGAZINE**

Source: <https://www.mutualtrustbank.com/wp-content/uploads/2023/05/Retail-Bank-Of-The-Year-Bangladesh-2022.jpg>

GREEN FINANCING THROUGH MTB GREEN ENERGY

MTB has its own developed green finance product named MTB Green Energy loan. It promotes investment in renewable energy sectors with the aim of reducing carbon footprint in the country. Other than that, MTB also follows Bangladesh Bank (BB) guideline of 68 green products for providing green loans to its customers. Some of them are solar irrigation, brick field, vermicomposting, green industry, ETP, energy efficient machinery etc.

ELIGIBLE SECTORS OF GREEN FINANCE

Renewable Energy

Alternative Energy

Liquid Waste Management

Solid Waste Management

Green Agriculture

Green CMSME

Energy & resource Efficiency

Recycling & Manufacturing
of Recyclable Goods

Environment Friendly Brick
Production

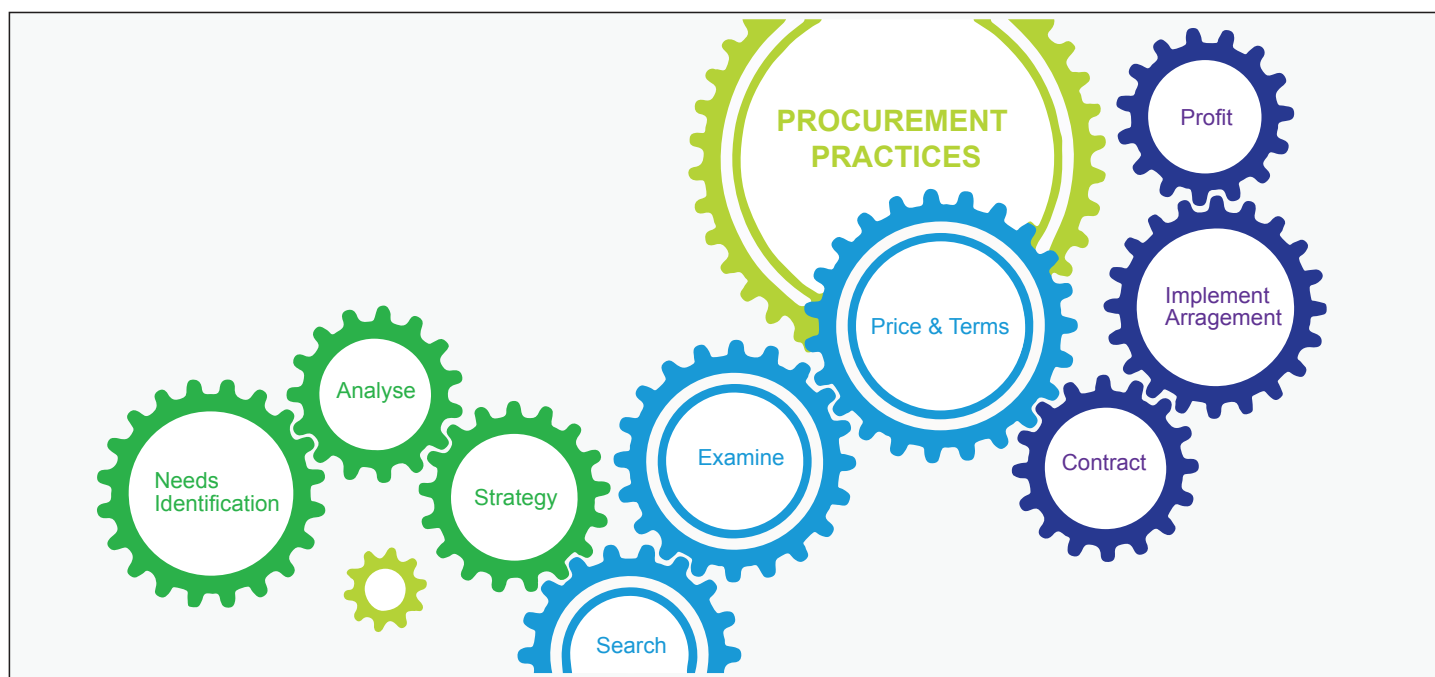
Green/Environment Friendly
Establishment

Green SRF

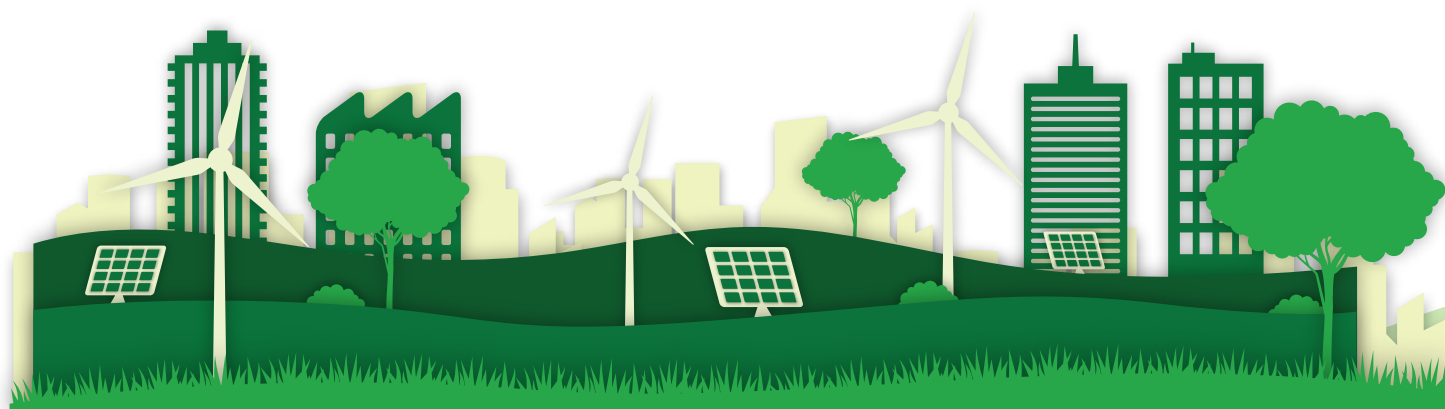


Procurement Practices of MTB

MTB has its own procurement manual which was created by MTB Infrastructure division. This manual aims to set out the parameters for contributing towards sustainable development of the Bank through the application of a sustainable procurement policy and explains the key issues and principles associated with this object. The general objectives of this manual are:



- To ensure standardize procurement procedures
- To ensure proper purchase documentation
- To enable efficient, judicious and timely purchase
- To streamline, consolidate and where possible improve on procurement practice
- To ensure that the Bank's Procurement Manual is known and observed by all employee's involved in the procurement process
- To comply with the Laws & Regulations applicable for the Bank in this regard.



ENVIRONMENT

Environmental Performance

Environmental Performance means considerations including the use of renewable resources, improved energy and water efficiency, the reduction of air contaminants and greenhouse gas emissions, increased reuse and recycling, and the reduction of hazardous waste and toxic pollutants.



ENERGY

ENERGY CONSUMPTION WITHIN MTB IN 2022 (GRI 302-1)

The bank consumed 48.47 million mega joules of energy in 2022 by using electricity and diesel and octane as fuels. In banking business, there is no scope as of date to calculate consumption of energy outside organization's premises.

Energy Consumption of MTB

Fuel/Source Type	Total Unit		Mega Joules	
	2022	2021	2022	2021
Electricity (KWH)	11343988.38	19740890.5	40838358.17	71067205.8
Diesel (LTR)	153336.3486	116248.5692	5337228.672	4046302.166
Octane (LTR)	65789.05385	72212.39326	2289941.366	2513520.957
Total	11563113.78	19929351.47	48465528.21	77627028.92

Conversion Standards:

<https://convertlive.com/u/convert/kilowatt-hours/to/megajoules>

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<https://www.convertunits.com/from/gallon/to/megajoule>

Per Employee Energy Consumption in Mega Joules

Fuel/Source Type	*Per Employee Energy Consumption in Mega Joules	
	2022	2021
Electricity (KWH)	16027.6131	29390.90397
Diesel (LTR)	2094.673733	1673.408671
Octane (LTR)	898.7211014	1039.504118
Total	19021.00793	32103.81676

* Total Employees as on December 31, 2022 =2548

Per day Energy Consumption in Mega Joules

Fuel/Source Type	*Per Employee Energy Consumption in Mega Joules	
	2022	2021
Electricity (KWH)	111885.9128	194704.6734
Diesel (LTR)	14622.54431	11085.75936
Octane (LTR)	6273.811963	6886.358786
Total	132782.2691	212676.7916

MTB's Solar Power Capacity

MTB has installed solar power panels at its Corporate Head Office, branches and ATM booths. By 2022, total capacity installed is 41.72 KW of solar panels that reduce total power consumption by the bank.

Solar Power Capacity of Branches in 2022

Branch	Solar Power Capacity
MTB Centre	5000 W
MTB Tower	36000 W
MTB Syedpur SME/Agri Branch	720 W
Total	41720 W

*365 in a day

REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND (GRI 302-4) SERVICES



Banking through SMS

SMS banking service provides instant notification about clients' transactions as and when those take place. It helps them to keep a watch on their accounts with a round-the-clock service. Every debit or credit in their accounts is disclosed by SMS. MTB SMS banking offers basic banking services to customers for a very little use of energy. This enabled MTB to send and its customers to get their account information by using little energy compared to the traditional way of getting account information by visiting branches.

Internet Banking Facilities

MTB Internet Banking enables its customers to avail various services such as fund transfer to MTB as well as other banks, credit card bill payment, utility bill payment, account statement checking etc. through the bank's website. Our internet banking platform is secured by state-of-the-art two factor authentication (2FA) system. MTB has its own app for internet banking through smart phones that run on both android and apple operating systems. The app is freely available for download at Google Play Store and iTunes. Apart from fund transfer, the app enables the customers to pay bills and recharge mobile balance, which reduces energy consumption remarkably compared to traditional methods.



Table: Internet Banking

Topic	2022	2021
Internet Banking Users	210,223	147,333
MTB Smart Phone App-based Banking Users on Mobile & Tab	115,174	109,227

Table: E-Statement

Topic	2022	2021
Number of E-statements Delivered to Customers through Email instead of Using of Papers Traditionally	69,3200	3,97,680

Automation towards Green Banking

Total Number of Accounts		Total	Number of Online Branches		Total
Rural	Urban	1143059	Rural	Urban	119
247781	895278		36	83	

Environmental Conservation in Business Centres

Number of Agent Outlets		Number of Solar Powered Agent Outlets	
Rural	Urban	Rural	Urban
144	54	2	0

Enhancement of the Corporate Intranet

The bank has an exclusive and very effective intranet system, M-Net, for internal communication, information sharing, employee education and electronic recording process. It has features like e-notice board, online leave management facility, e-dispatch, and e-attendance for the employees. Circulars of Bangladesh Bank (BB) and MTB are instantly circulated through M-Net. Most of the communications within the bank have become absolutely online. Electronic communication substantially reduces paper consumption, thereby reduces deforestation.

To further reduce paper consumption, various information is posted on the intranet with the aim to increase employee awareness on the subjects. All MTB outlets across the country send e-cards during festivals, e-statement, electronic format of vouchers and other necessary documents through e-mails. MTB encourages its clients to communicate and to send documents through e-mails with a view to avoiding papers. MTB Corporate Intranet was officially launched on August 21, 2007 and holds various applications.

Table: Various Green Facilities Provided By M-Net

Name of the Facilities	Name of the Facilities
Retail Business Dashboard	AML and CFT Screening
Bangladesh Bank Circular	Online Requisition
Training Calendar	Event Photo Album
E-Nomination	Branch Homepage
Dictionary	MTB Trivia (Quiz)
Training Attendance	Utilities
Training Invitation	MTB News
Training MIS	E-Attendance
Auxiliary Staff Bill Management	MTB E-Learning
MTB Notice Board	Forex Rate
Department Homepage	My Deposit Contribution
My Profile	Suggested Quote
The Holy Quran	iMail with Message Readability Tracking
Lien Marketing	Interest Rate Change
Daily Forex rate	UN Sanction Screening
Fresh Deposit Tracker	Dashboards of Staff Anniversary, Staff on
News Headlines	Leave, BACH-EFT Dashboard, EFT Pending etc
Recent Transfers & Releases	Info & Archives
Retail Business Dashboard	CBS
MAB Business Dashboard	SME Business Dashboard
Internet Banking	Ask & Learn.
Remittance	Finance Glossary
SMS Banking	Bill Collection
Out of Office (OD/OT Marking)	MTBian's News
Ongoing Campaign	Doctor's Requisition
Ready Reference	Subsidiaries
Downloads	M-tracker
	MTB Policies & Guidelines

Table: In-house Green Banking Practices

In-house Green Banking Practices (in million Taka)	2022	
Electricity Consumption per employee	0.040603	0.04213
Water Consumption per employee	0.002163	0.00188
Paper Usage per employee	0.00898	0.00620
Transport expenses for official purpose per employee	0.003357	0.00266

EMISSIONS

DIRECT GREENHOUSE GAS (GHG) EMISSIONS (GRI 305-1)

Table: Metric Tons of CO₂ or CO₂e (Carbon dioxide Equivalent) Emitted

Fuel/Source Type	2022	2021
Electricity (KWH)	4,907	13,990
Diesel (LTR)	360	273
Octane (LTR)	154	170
Total	5421	14,433

Conversion Standards:

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>
<http://www.convertworld.com/en/>

REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS (GRI 305-5)

Table: Per Employee GHG Emissions (in Metric Tons of CO₂)

Fuel/Source Type	2022	2021
Electricity (KWH)	1.925824176	5.785773
Diesel (LTR)	0.141287284	0.112903
Octane (LTR)	0.06043956	0.070306
Total	2.12755102	5.968983

Table: Greenhouse gas (GHG) Emission Intensity (GRI 305-4)

Category	2022	2021
M Tons of CO ₂ Emissions/Employee	2.12755102	5.96898263
M Tons of CO ₂ Emissions/Day	14.85205479	39.54246575

WATER CONSUMPTION IN MTB (GRI 303-5)

Water consumption is the portion of water use that is not returned to the original water source after being withdrawn. Understanding both water use, and consumption is critical to evaluating water stress. Measures of water usage indicate the level of competition and dependency on water resources.

Additionally, water is rarely returned to a watershed in perfect condition after being used by industry, agriculture, and other users, and change in quality contributes to water stress levels. Water consumption estimates help gauge the impact of water use on downstream water availability and are essential to evaluating water shortages and scarcity at the watershed level, including impacts to aquatic ecosystems. MTB has been fully aware of water conservation and thus limits use of water strictly for drinking and sanitary purpose.

Table: Water Consumption in MTB

Category	2022	2021	2020
Water (LTR)	1,94,77,000*	313,562.1	19,571.23

*MTB Centre & MTB Tower

WASTE MANAGEMENT (GRI 306-2)

The process involves dealing with the daily waste generated from banking activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers. Being a financial institution, MTB does not deal with any hazardous waste but puts substantial effort in reducing unnecessary waste. Both sides of papers are used and wasted papers are collected using bins after shredding. Besides, toner, cartridges and newspapers disposed of through community cleaners.

Sustainability Reporting 2021

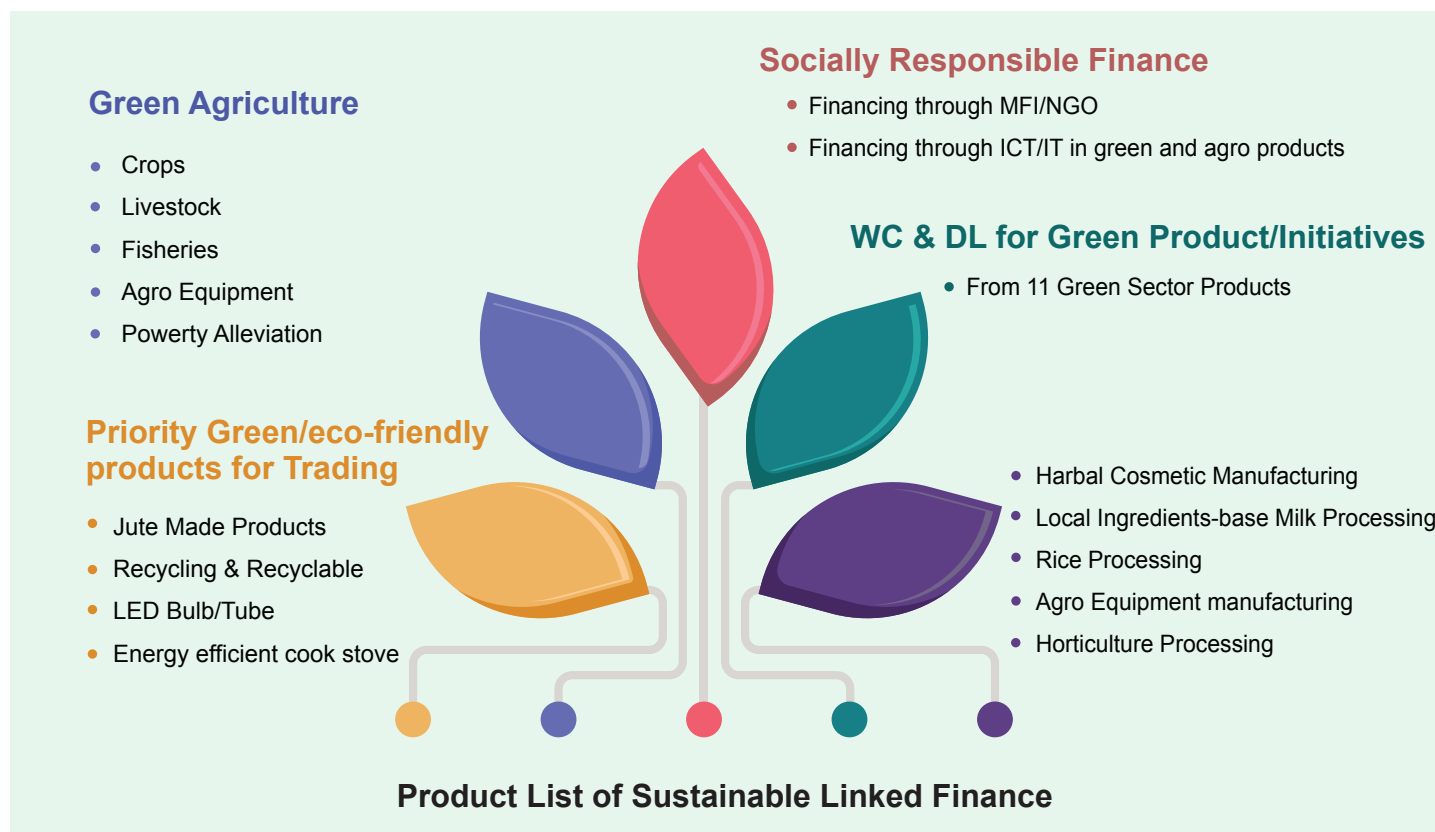
MTB prepared 8th MTB Sustainability Report for the year 2021 and the report was published in 2022. In 2019 MTB completed the Global Reporting Initiative (GRI) verification process and successfully achieved the right to use GRI Organizational Mark for the first time ever. GRI Organizational Mark is the formal recognition that the report of a particular organization has undergone an assessment process and successfully adopted GRI standards while reporting its operational impacts on social, economic and environmental peripheries. MTB Sustainable Finance Department prepared and oversaw the publication of MTB Sustainability Report.

It is a milestone achieved in MTB's journey towards sustainability. Such feather in our cap, makes our sustainability disclosure more accurate, appropriate and credible to the valued stakeholders and the community. The report serves as a primary mode of communication on MTB's philosophy, governance, management, policies and CSR initiatives leading to the sustainability of its business, the environment and the community. MTB Sustainability Report will serve to attain augmented transparency, credibility of sustainable performances and enable external stakeholders to understand the organization's true values, tangible and intangible assets.



SUSTAINABLE BANKING:

Today's banks are more than mere financial intermediaries; they are custodians of the larger interests of society. It is also acknowledged that sustainable banking is the way to go. Being the engine of growth, banks need to spruce up their sustainability goals. Every bank needs to wake up to the reality and firm up their roadmap for sustainable banking. They could choose to align with voluntary bodies on sustainable banking, namely, the UNEP FI, Equator Principles, and GRI etc. or develop a sustainable banking policy guideline by themselves. Technology plays a crucial role in taking banks towards their sustainability goals. Armed with the flexibility and analytical capability of their technology landscape, banks can add muscle to their sustainable banking practice in the course of time.



As the engine driving money supply and the economic fate of nations, financial institutions have a big obligation to ensure that their actions are not against the greater good. Hence, they must weigh not only the financial implications of every decision, but also its impact on sustainability issues, such as biodiversity, climate change, human rights etc. In fact, this is also a matter of self-interest, because while social and environmental risks may not be added to financial risk in the short term, there is a high likelihood that they will be added over a longer period of time, to compromise the well-being of individual financial institution and the financial system as a whole. Clearly, sustainable banking is emerging as the ideal path for tomorrow's banking enterprise.

While continuing responsible business practices, MTB, being a corporate citizen, cannot ignore corporate philanthropy which includes monetary donations and aid to nonprofit organizations and communities. Donations are made currently and in areas such as the arts, education, housing, health care, social welfare, disaster management and the environment, among others, but excluding political contributions and commercial event sponsorship.

MTB, being a commercial bank, does not operate factories or power plants which release pollutants to the environment - air, water, soil, natural vegetation, biodiversity etc. - nor does its supply chains require huge amounts of raw materials with large environmental footprints. In fact the perceived sum of the bank's impact might be simply the resources used in its administrative offices, branches, banking booths, ATM booths, Kiosk centers, sales offices, agent banking centers, etc.

and IT facilities. However, its financed projects/ facilities, activities, businesses might have large environmental footprints and social impacts. Due to the emerging need of sustainability all around the globe, many countries officially adopted a historic new agenda, entitled “**Transforming Our World: The 2030 Agenda for Sustainable Development,**” which was agreed upon by the 193 Member States of the United Nations, and includes 17 Sustainable Development Goals (SDGs). Its implementation will help achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. The SDGs will serve as guidelines for businesses to assess and manage social, economic and environmental risk, while contributing to bettering their reputation, image and their strategic position in the world's markets. The UN SDGs will help us create a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The SDG Goal are:



Therefore, MTB always believes that we will explicitly promote MTB's sustainability performance and its products and services that reflect MTB's sustainability values. Such as-

- MTB will defend human rights.
- MTB will support community fair trade.
- MTB will protect planet.
- MTB will raise funds to promote global awareness of issues.
- MTB will never demean any gender/race.
- MTB will reduce the consumption of paper to save green trees.

Policy Formulation and Governance

As per instruction of Bangladesh Bank and as approved by the MTB Board of Directors at its meeting held on December 28, 2016, dedicated team for Sustainable Finance has been formed in MTB.

From the beginning of its journey, MTB Sustainable Finance Department (MTB SFD) is working hard to ensure due diligence in environmental and social issues in every investment of MTB.

The Executive Committee of the Board of Directors, at its 98th meeting, held on December 04, 2017, approved "Environmental and Social Risk Management (ERSM) Policy and Procedure of MTB 2017". This policy and procedure is a modification/amendment of our existing "Environmental Risk Management (ERM) Guidelines". Unlike the ERM guidelines issued in 2011, ESRM policy is more dynamic and comprehensive in nature and accommodates social risks management issues in addition to covering latest improvements in environmental risk management.

This paper is based on the "Guidelines on Environmental and Social Risk Management (ESRM) for banks and financial institutions in Bangladesh" issued by Bangladesh Bank (BB) vide their SFD Circular No. 02 dated February 08, 2017. MTB updated "Environmental & Social Safeguard Policy 2020" in November 2020, the policy was approved in 257th meeting of MTB Board of Directors on January 26, 2021.



Sustainable Finance Committee

In 2020, MTB reformed its Sustainable Finance Committee (SFC) which was approved in 252nd Board Meeting of MTB. Our SFC is chaired by Chowdhury Akhtar Asif, AMD & GCRO, wherein the member secretary is Tahmina Zaman Khan, Head of Sustainability



Name of the Sustainable Finance Committee Members

1	Mr. Chowdhury Akhtar - Asif Additional Managing Director & GCRO	Chairman
2	Mr. Khalid Mahmood Khan - Additional Managing Director & CBO	Member
3	Mr. Goutam Prosad Das - Deputy Managing Director & GHOICC	Member
4	Mr. Rais Uddin Ahmad - Deputy Managing Director & CAMLCO	Member
5	Mr. Usman Rashed Muyeen - Deputy Managing Director & Head of CRM	Member
6	Mr. Shafquat Hossain - Deputy Managing Director & Head of Retail Banking	Member
7	Mr. Mir Iqbal Hossain - Head of Special Asset Management	Member
8	Mr. Amitav Kaiser - Head of MTB Infrastructure Division	Member
9	Mr. Md. Habibur Rahman - Head of WBD 2	Member
10	Mr. Masud Mushfiq Zaman - Group Head of Human Resources	Member
11	Mr. Sanjib Kumar Dey - Head of SME Banking	Member
12	Mr. Azam Khan - Head of Communication	Member
13	Mr. Khalid Hossin - Head of Digital Banking	Member
14	Mr. Md. Abu Bokar Siddik - Head of Card Division	Member
15	Mr. Shirajul Islam - Head of Credit Administration Department	Member
16	Ms. Samia Chowdhury - CEO, MTB Foundation	Member
17	Ms. Tahmina Zaman Khan - Head of Sustainability	Member Secretary



ENVIRONMENT

Environmental and Social (E&S) Risk Management

E&S risks are the potential negative consequences to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers, local residents).

The impact of climate change is inexplicable in Bangladesh. As a compliant bank, therefore, we not only ensure a proper mitigation strategy while extending credit facilities, but also make sure that our dedicated relationship team is closely monitoring and counseling customers to assist them to efficiently handle adverse E&S situations. Simultaneously, to safeguard our environment from further deterioration, we place strong emphasis on sustainable banking practice. In 2022, MTB took multiple measures to demonstrate our commitment towards sustainability. We have instilled a culture to promote sustainable actions through our banking operations. Our relationship team, credit officials and Sustainable Finance Department (SFD) worked persistently throughout the year to guarantee the maximum E&S due diligence in finance. Furthermore, we have amplified our SFD capability, while our employees have participated in trainings on sustainable banking and arranged training programs for branch and CHO employees to enhance their capabilities on ESRM and Sustainable Finance. It has expanded our capacity regarding E&S Risk Management as a bank.

Incorporation E&S Risk Management in CRM

MTB has adapted Guidelines on Environmental & Social Risk Management (ESRM) to understand and manage risks arising from environmental & social concerns as per directives of Bangladesh Bank. Subsequently, this guideline has been made integral part of CRM policy.

Environmental & Social Risk Rating & Due Diligence

MTB strictly followed the Environmental & Social Risk Management Policy & Procedure published by Bangladesh Bank. As per that, MTB conducted Environmental & Social Risk Rating and Environmental and Social Due Diligence for all applicable projects.



Green Banking

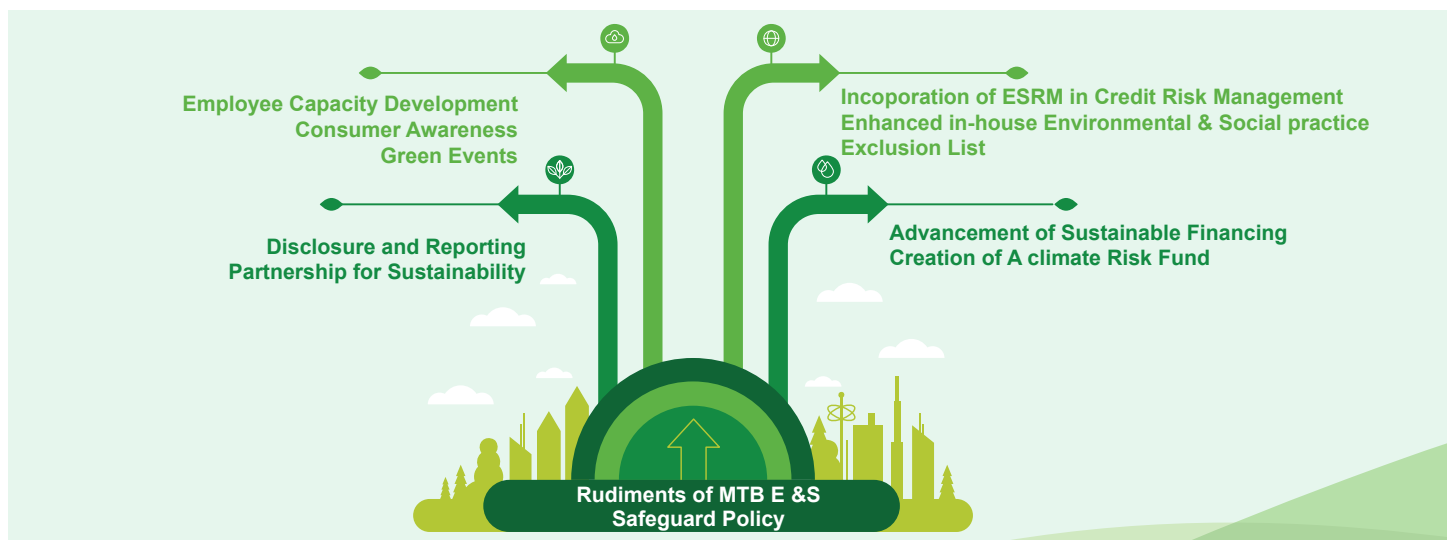
Green banking is a pro-active way of energy conservation and environment protection. Green banking means promoting environment friendly practices, reducing the carbon footprints and related socially adverse actions generated from banking activities. It aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. Green banking considers all the social and environmental factors to keep the environment green and to minimize greenhouse effects through rationalizing strategies, policy, decisions, and activities pertaining to banking service, business and in-house operational activities. Green banking promotes environmentally friendly practices and thus help reduce carbon footprint from banking activities. Being a responsible corporate citizen and in line with the instructions of Bangladesh Bank, MTB has designed its business operations with an aim to inculcate practices that make every effort for environmentally friendly activities. MTB promotes green banking to reach the long-term strategic objective to be a green, triple bottom line bank where every decision will be taken considering people, planet, and profit in mind.



MTB's Action Plan for Green Banking

The core business model of MTB clearly expresses its sustainability towards environment and unveils its eco-friendly motives. The bank's green banking initiatives include online and paperless banking, reduction of greenhouse gas emissions, mapping bank's carbon footprint, efficient energy use, environment friendly projects, plant nursery, horticulture projects etc. The prime benefit of the green banking approach by MTB is the protection of the natural resources and the environment. Green banking activities encourage MTBians to avoid paperwork to the optimum level and focus on electronic transactions like use of ATM, mobile banking, online banking etc. for various banking transactions by the customers. Electronic transaction not only paves the way towards sustainability but also provides convenience to the customers as well as to MTB. Less paperwork denotes less cutting of trees. For implementing eco-friendly business, MTB has adopted environmental standards of lending as it improves the asset quality of the bank.

The green activity of the MTB has a very significant influence on the environmental performance of MTB clients. This encourages the clients to perform in an environment friendly way. Apart from this, green banking activities of MTB enhances the reputation of the bank itself and helps MTB face the environmental regulations in successful way and eventually leads to better legal risk management by MTB. MTB, as a matter of fact grants green loan to the clients at a low rate of interest which promotes more and more entrepreneurs to start with environment friendly projects and thus it leads to more and more awareness on the environment protection activities in the economy as a whole. It is therefore a win-win approach by MTB as it not only benefits the environment but also the MTB & its customers.



MTB Green Office Guide

MTB's "**Green Office Guide**" deals with all the in-house environmental issues, responsible usage of energy (electricity) and water, consumption of paper and maintenance of a hygienic in-house office environment. The guide aims to provide its stakeholders with clear, concise information about environmental issues and a list of steps needed to follow to create a greener office environment and cut cost at the same time. "MTB Green Office Guide" comes with pictorial demonstration for better understanding of the readers. In order to promote green office practices all MTB employees follows basic 3R rule –

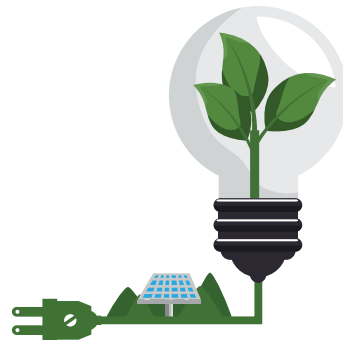
- Reduce
- Reuse
- Recycle

MTB's Green Marketing System

Green marketing is the marketing of products that are presumed to be environmentally safe. MTB will emphasize more on selling products and/or services based on environmental benefits. Several such products and services like Debit card, Credit Card, Internet banking, Internet recharge for mobile, SWIFT, Call center, Online banking, SMS banking etc. will be promoted through vigorous advertisements in both the electronic media. The virtual world of communication will be used as the means of promoting the bank's environment friendly products and services. Use of digital brochure, leaflet, banner, flag, festoon, dangler, Billboard and alike means of advertising will be used to popularize the green products of the Bank. MTB will use the occasion of opening ATM Booths and branches to popularize the MTB's environment friendly products and services. Clients will be encouraged to modify their product lines, set up modern machinery from the environmental viewpoint by MTB.

MTB's Green Marketing Communication Tools

- Marketing through electronic media
- Marketing through Word-of-Mouth
- Marketing through SMS Banking
- Internet Banking & Mobile Banking Facilities
- Green Advertising
- MTB Green Events



MTB organizes green events like observing World Earth Day, World Environment Day in befitting manner for creating awareness regarding green banking for its internal and external stakeholders.

MTB Green PIN Service

MTB Green PIN is a Contact Centre IVR based instant and secure PIN generation service for all MTB Cards. Moreover, this is a paperless "Go Green & Save the Planet," initiative to live better. Anytime & anywhere, a Cardholder can generate PIN for his/her new card, change the old PIN as well as reset the old PIN in case he/she has forgotten. Cardholders no longer need to visit any MTB premises to place requests for PIN, nor do they have to wait for PIN after placing the request; they will get their desired PIN instantly. Fraud risk for Green PIN is minimal as customer's identity is verified and entire conversation is recorded in the system. PIN generation is just a call away! Call MTB 24/7 Contact Centre @ 16219 to set your PIN.

Rainwater Harvesting at Branch:

MTB has got one branch with rainwater harvesting which is-MTB Tower Branch.

Solar Powered Agent Outlets:

As part of MTB's commitment to use renewable energy resources, MTB has got 19 (2) solar powered agent banking outlets among a total of 198 agent outlets.

Solar Powered Automated Teller Machine (ATM):

In 2022, total number of MTB ATM reached 310. Among which 7 ATMs are solar powered.

Real Time Gross Settlement (RTGS):

MTB has successfully implemented and optimized Real Time Gross Settlement (RTGS) solution in branches. As a result, customers are enjoying real time fund settlement facility. MTB also joined National Payment Switch Bangladesh (NPSB) network which enabled the cardholders of the Bank to enjoy cash withdrawal facility from other ATMs under NPSB Network.

National Payment Switch Bangladesh (NPSB)

MTB also joined National Payment Switch Bangladesh (NPSB) network which enabled the cardholders of the Bank to enjoy cash withdrawal facility from other ATMs under NPSB Network.

MTB Cash Deposit Machine Number

In 2022, total number of MTB Cash Recycler ATM reached 11 and the total number of MTB Cash Deposit Machine reached 14.

National Identity Card (NID) Verification System:

National Identity Card (NID) verification service has enabled the option to verify the NID card of customers through online. As prior to opening of any account NID verification is mandatory thus by using this service our Bank has reduced the possibility of fraud forgery and improved the banking service.

Video Conferencing:

Video conferencing has been introduced among Head Office and other branch premises of the Bank in order to save business travel time and fuel by holding virtual meeting. MTB enhanced its use of video conferencing in 2020 in time of COVID-19 pandemic. From 2020, MTB has been conducting trainings, team meetings as well as Board meetings on virtual platform-such as on Microsoft Teams and Zoom platform.

MBOT: Mutual Trust Bank's Virtual Assistant:

Keeping the customers' newfound desire to contact their banks instantly across all platforms and devices and bank's determination to ensure an excellent customer experience Mutual Trust Bank PLC has launched its very own AI powered virtual assistant "MBOT" on 21st July 2020. MBOT is currently available in social media platform "Face book" with bank's plan to expand to other customer friendly platforms.

Mutual Trust Bank has only begun to scratch the surface with regard to the potential of AI, machine learning & virtual assistant through MBOT. At the foundation of all of these benefits of MBOT lies MTB's ability to collect insights and apply advanced analytics to benefit the consumer.



MTB Green Banking Initiatives

Automated Banking	2022	2021
Number of ATM	312	310
Number of MTB's POS Machines on Market	2,854	3,050
Number of branches with online banking	119	119
Number of SMS Banking Accounts	744,026	505,641
Number of Internet Banking users	210,223	64,143
Number of MTB Mobile App Users	115,174	47,843
Number of branches powered by solar energy	9	9
Number of ATM Booths powered by solar energy	7	7

MTB'S GREEN INITIATIVES IN 2022

MTB has arranged various training program on Environmental and Social issues to train up its employees to support the ESRM guideline and Sustainable Policy of Bangladesh Bank, also to align with DFI's requirement. The trainings were held physically, online and hybrid mode by internal E&S expert and DFIs. Training were conducted for 335 participants. In the Foundation Training for In-service Officers there was one session on Sustainable Banking, Environment and Social Risk Management.

Training by GCPF

Global Climate Partnership Fund (GCPF) a DFI partner of MTB arranged two days training on "Environmental & Social Risk Management" and the training was conducted by two expert of Environmental Resources Management (ERM) Germany expert on behalf of MTB. The training was organized December 17, 2022 to December 18, 2022 at the Board Room (9th Floor), MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000.

A team of 24 employee including Relationship Managers, Credit Risk Managers, Operation Managers, Sustainable Finance Department employees, Structure Finance Department employees were present in the training. The two days training was blended with classroom activity and site visit activity.



Training on Sustainable Banking, Environmental & Social Risk Management

MTB Training Institute (MTB TI) through the assistance of Sustainable Finance Department (SFD) Team arranged one day's in-house training on Sustainable Banking, Environmental & Social Risk Management to its employees. The training was held on 12th October 2022 on hybrid platform. The target audience of the training was from Junior Officer to Vice President from different Branches and CHO. Through the training, participants get the knowledge about the concepts of Sustainable Banking, required actions to combat environmental pollution/vulnerabilities/work-place hazards while financing a new project or providing working capital to the existing enterprises.



MTB has also participated in several workshops/seminars conducted by UNGC. Also, MTB has collaborated with DFI (Development finance institution) on several issues such, participation in Green Loan Quick Assessment with DEG, due diligence completion for responsAbility Investments AG. In order to discuss and make decision about Environmental and Social Issues, Sustainable Finance Committee (SFC) meeting was conducted during 2022. MTB also prepared its "Sustainability Report 2021" in line with GRI standard. MTB follows Bangladesh Bank's Exclusion list strictly; it also aligns with DFIs exclusion list. In 2022 MTB has updated the consolidated exclusion list.



Plastic Free Campus

Environment and Social Development Organization (ESDO) has kicked off the Inception Workshop titled “Initiating Plastic Free Campus” on 22nd January, 2023. MTB has sponsored the program as a part of Corporate social responsibility (CSR).



This program will help schools to fight single-use plastic pollution in Bangladesh and will make a difference for the environment, social justice and our own health. GreenTech Foundation Bangladesh organized a unique green and sustainable startup business idea-based competition called “Green Inclusive Business Champions” for the second time in Bangladesh 2022 on 30th January 2023 at BSSF - Bangladesh Shooting Sport Federation. MTB has sponsored the event as this is a pioneering initiative and innovative platform for promoting green innovation and entrepreneurship in Bangladesh that also contributes in economic inclusion. Such ventures are clearly associated with 17 SDG goals and impact investments.

NeoSTAR Innovation organized the Krishi Utshab 2022 at Bangabandhu Academy for Poverty Alleviation and Rural Development (BAPARD) in Kotalipara upazila of Gopalganj district from November 26-28. Krishi Utshab 2022 is a farmer-focused event that bridges the gap between farmers and different stakeholders of the agriculture sector, also acts as a potential platform for farmers to acquire practical knowledge on climate change, appropriate technologies, best quality inputs, easy financing, market linkage, nutrition security, eco-friendly practices, entrepreneurship development etc. MTB was one of the event sponsor.



MTB Green Events

MTB organizes green events like observing World Earth Day, World Environment Day in befitting manner for creating awareness regarding green banking for its internal and external stakeholders.

MTB observed World Environment Day 2022 on June 05, 2022. Furthermore, on Environment Day 2022, Mutual

Trust Bank and the Non-Profit Lal Sabuj Society celebrated “MTB LSS Environment Day Debate Championship 2022” by arranging two weeks’ interschool debate championship on Environmental pollution and Climate Change. The debate program kicked off in 18th May of 2022, where more than 50 schools participated in the program.



Environment and Social Development Organization – ESDO arranged a two-day long country’s first ever National Single-use Plastic Free fair on National level on 4th and 5th June 2022 at WVA Auditorium, Dhanmondi – 27, Dhaka where entrepreneurs displayed alternatives to single-use plastic products. MTB participated in the program.



SNIPPET OF MTB’S ENVIRONMENTAL AWARENESS



MTB Green Building

MTB has designed its two corporate office buildings - “MTB Centre” and “MTB Tower” - as fully green buildings with motion sensor lighting system. Lights are automatically turned off if there is no human movement in the room. Solar power system has also been installed on the rooftop of the buildings. Both buildings are designed to reduce energy consumption significantly and make MTB a green and environment friendly bank in the true sense. MTB Tower has rain-water harvesting facility and eco-friendly carpet made of wool, a natural fiber processed without using any chemical treatment. The state-of-the-art rain water harvesting plant has a capacity of 10,000 liters.



MTB Smart Banking App



To serve its customers better, MTB is continuously working to offer new and improved services. As part of this endeavor, MTB has introduced MTB Smart Banking App for Smartphone devices, which allows constant access to bank accounts. MTB Smart Banking App is a type of green service provided by MTB for the customers and other relevant stakeholders. This value-added service enables a customer to make selected financial transactions through mobile phone, from anywhere in the world. During 2020, MTB updated its smart banking app for both android and iOS users.

MTB customers can now get 24/7 access to MTB account information and services from their phones. MTB Smart Banking is a free service offered to all the MTB customers.

INVESTING IN OUR EMPLOYEES

MTB GROUP HUMAN RESOURCES (GRI 102-8)

Human resources play a pivotal role in the overall development and growth of the organization. MTB believes that the effective and efficient application and practice of human resource management will ensure a dynamic, competent, and talented people that can achieve an organization's ultimate goal.

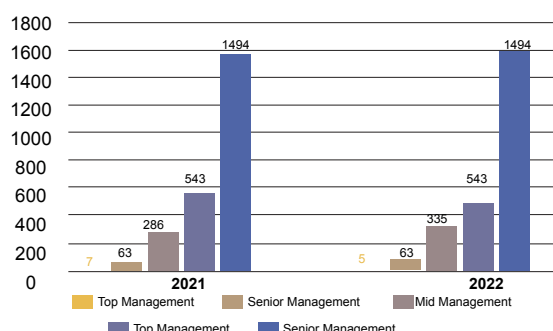
MTB trust that, delivering our best to MTB's customers takes men and women who give us their best very day. MTB's Human Resource philosophies and policies are an integral part of MTB's overall business strategies. Here, we pay special attention to managing people as our most important resources and important stakeholders. MTB Human Resources are the critical channel for conveying its brand to its customers and prospects and different stakeholders.

MTB Group Human Resources (GHR) oversees all activities that impact hiring talent, entry, mid and late career training and professional development in the search of excellence. It emphasizes performance evaluation, establishes benchmarks for competitive compensation, allocation of right human resources, career development and identifying, nurturing, training and developing new leaders for future requirements or replacement of the existing leaders to continue the trend of dependable leadership in the organization.

Trends of MTB Workforce (GRI 401-1)

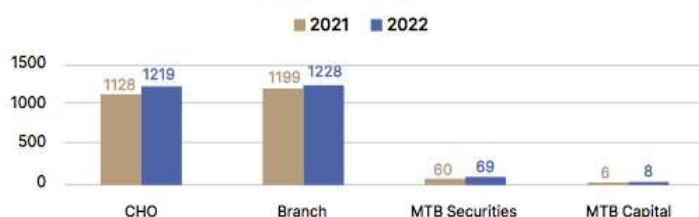
	2021	2022	Growth
Total Manpower	2418	2548	130
Male	1954	2048	94
Female	464	500	36
Total Executive	356	417	61
Male	318	356	38
Female	38	61	23

Gradewise Employee Distribution



Following the previous years, the number of employees has not increased much significantly. However, a pyramid structure shows in terms of Employee grade-wise distribution. Moreover, a positive trend has been shown in terms of promoting female employees to leadership roles (an increase of 60% from the previous year). This shows the Management's willingness to promote female employees to various leadership roles.

Employee Distribution in CHO, Branch & Other Subsidiaries



Moreover, considering the current business scenario, Branch Business & CHO Business divisions have been strengthened through client focus, motivated, and efficient employees to ensure prompt yet compliant customer service in our business networks i.e. 115 Branches, 38 Sub

Branches, and 17 MTB Securities Branches.

Workforce Trend



Additionally, to the regular workforce, seasonal workforces are used for special projects. Currently, GHR manages approximately 587 such workforces on a contract basis.

Integrated Initiatives to Identify, Select and Onboard Human Capital

MTB realizes that if right quality of people are taken onboard and are nourished over time, they will grow the capability to take the organization to the pinnacle of success. Entry level positions are filled with fresh graduated people, selected from an integrated recruitment processes consisting of written tests and interviews. In such case their skills and integrity are judged with importance. Later the fresh intakes are shaped and developed with proper training on banking regulations, code of conduct, etc. GHR also emphasizes lateral recruitments, headhunting the best resources of the industry for senior positions.

HR Operations towards Stakeholders

HR Operations maintains a comprehensive employee database, HRIS to ensure timely and accurate processing of records. It helps the senior management by providing all employee information, necessary financials, work history, and detailed employee profile to execute real-time decisions as needed by the management and regulators. GHR is also responsible for onboarding employees, disbursing benefits, maintaining employee discipline and other administrative functions.



Inclusion, Diversity & Community Engagement

MTB respects all employees as unique individuals irrespective of their ethnicity, race, religion, gender or any other background with fundamental human rights and supports the cultural diversity of its employees.

Gender balance is a challenging task for any organization functioning in Bangladesh's socio-economic system wherein MTB is improving its overall gender balance every year. Female employees are spread across all geographies and levels of hierarchy. Female leadership is visible in key management roles which indicates the positive changes that took place. MTB ensures a safe workspace for women. A key example is our strong anti-harassment policy that works for the safety and security of all female employees.

'Aporajita' - MTB Women Forum focuses on enabling all the female MTBians to challenge all limitations and stereotypes and it aims to network within and outside the organization for knowledge sharing and capacity building for its female employees. MTB offers internship opportunities to numerous graduate students each year. Its strong network of 119 branches helps to accommodate interns to preferred locations throughout the country to gain hands on experience in banking and finance.

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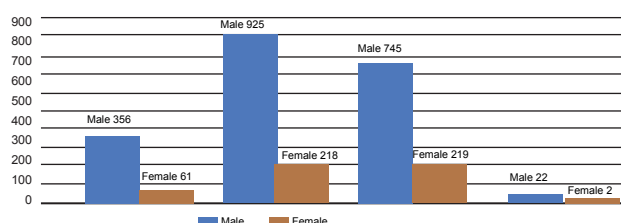


GENDER-WISE POSITION OF MTBIANS (GRI 405-1)

Succession Planning towards Future Leaders

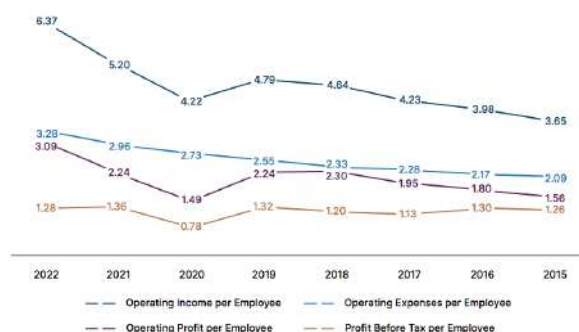
MTB believes that a highly skilled, diverse and transformed workforce, representative of society, is key to remaining competitive. As one of the pioneers of fast-track career paths in local banks, MTB always focuses on nurturing the next business leaders via its MMT (MTB Management Trainee) program. Rigorous recruitment results in finding the best talents, followed by a year-long comprehensive on-the-job training that shapes up future business leaders.

Gender-wise workforce



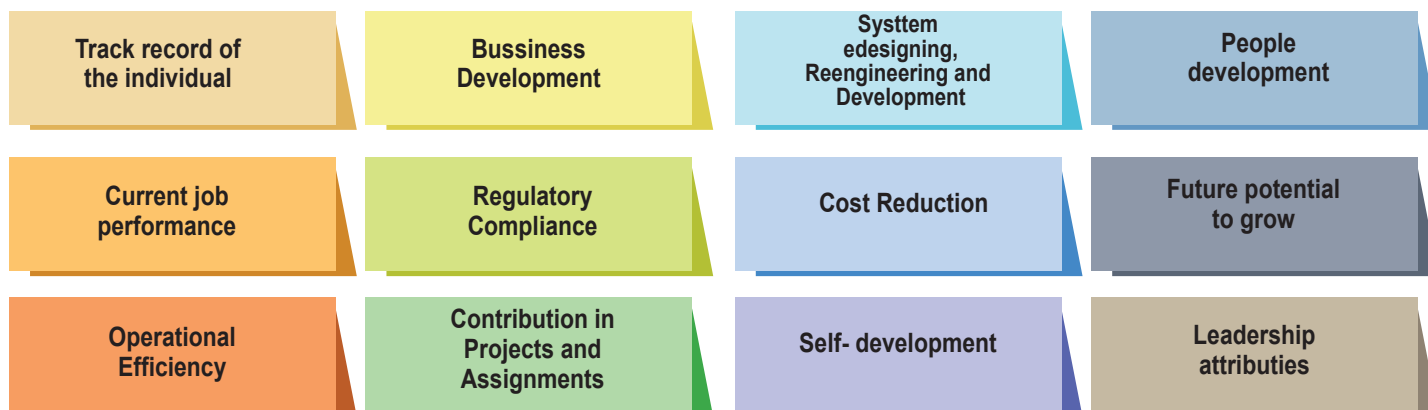
Human Resource Accounting to Steer Development

Human Resource Accounting (HRA) is the process of assigning, budgeting, and reporting the cost invested in employees towards their recruitment, training, payment of salaries, and other benefits and, in return, evaluating their contributions to organizational growth, efficiency and profitability. HRA is the process of identifying and measuring data regarding human resources and communicating the leadership for ensuring informed decision-making.



PERFORMANCE & CAREER DEVELOPMENT REVIEWS, BY GENDER & BY EMPLOYEE CATEGORY (GRI 404-3)

MTB essentially promotes a “Performance Driven Culture” where employees’ performance are measured against the set Key Performance Indicators (KPIs) which eventually affect the yearly monetary and non-monetary benefits. GHR initiated a systemic approach in terms of implementing performance management. An extensive in-house automated system has been developed through which employees have the access to see their Targets vs. Achievements. Considering the facts and figures, a detailed one-to-one performance discussion is conducted between appraiser and appraisee where all the performance appraisal knowhow is addressed so that employees remain active and motivated. To promote this culture, an extensive training and development program is designed, developed, and conducted focusing on employee productivity that directly hits the profitability of the bank.



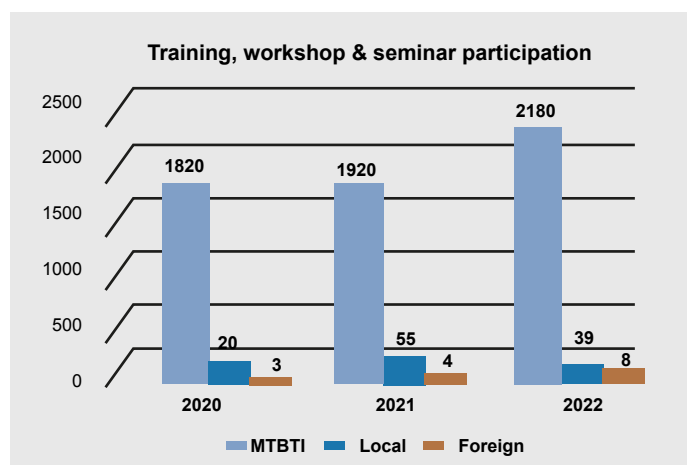
While conducting the performance review discussion, employees are encouraged to participate in minimum 40 hours training and development program in a year to fill up the performance gaps. The Bank's PMS philosophies are structured to support the achievement of the Bank's Strategic Objectives such as Compliance, managing Cost, customer service, Strengthening Systems, and Human Capital Development.



TRAINING AND DEVELOPMENT PROGRAMS FOR ENHANCING CAPACITY OF HUMAN RESOURCES (GRI 404-2)

At MTB, In-house learning and development is a key approach to capability development and nurturing talents. With continued emphasis on fostering a culture of constant learning and development, year-round training, workshop and conference were organized under various categories, including specialized learning interventions, need-based solutions, compliance training programs and orientation and induction programs for new recruits, to meet the learning needs and requirements of different departments/ divisions.

As part of the learning and organizational development, MTB Training Institute (MTBTI)-state-of-the-art training Centre hosted 142 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 those were participated by 2180 participants.



Some noteworthy training, workshop, and conference are represented as follows:

MTB officials attended 130 external training programs organized by Bangladesh Bank Training Institute, Bangladesh Institute of Banks Management, Bangladesh Association of Banks, ICC Bangladesh and others those were participated by 239 participants.

As an initiative to continued learning and development, MTB reimburses for achieving certificates in different specialized areas like Financial Risk Manager (FRM), Certified Expert in Risk Management (CERM), Certified Documentary Credit Specialists (CDCS), Certified HR Professional, Information Technology Security, CAMS, etc.



Envision the Future towards Reinvent to Grow:

MTB is stretching on reinventing the HR function involves playing more strategic role and entrusting it with the purpose of building and maintaining an innovative culture that encourages employees to share creative ideas and solutions.

During the last few years, GHR is identifying and implementing a behavioral competency framework in MTB and implemented CBI (Competency-Based Interview) the latest interview method to select the right people for MTB. GHR has identified core and non-core competencies for all level including functional.

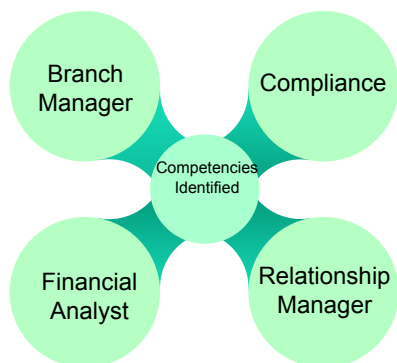


Fig: Competencies Selected for All Levels



Fig: Competencies Selected for Manager's role

Going forward, GHR is emphasizing more on employee engagement, building leadership development through mentorship program, team building, offering state-of the-art insurance benefit to ensure employee attraction, retention, improved job satisfaction, resulting in higher productivity and efficiency towards growth.

EMPLOYEE HEALTH & SAFETY (GRI 403-1)

Health and safety of MTBians are given prime importance at MTB. MTB has many schemes to ensure health status of employees, engage them into lifestyles to enhance mental and physical well beings.

MTB provides doctor appointment facilities to all of its employees. Apart from that, first aid box and emergency kits are available in every MTB floor for the safeguard of MTBians. Other than government holidays, MTB employees are entitled to thirty days earned leaves annually, including fifteen days of mandatory leave. Other than that, employees can avail ten days of casual leave throughout a year. Female employees have the opportunity to get six months of maternity leave to enjoy their motherhood at ease.



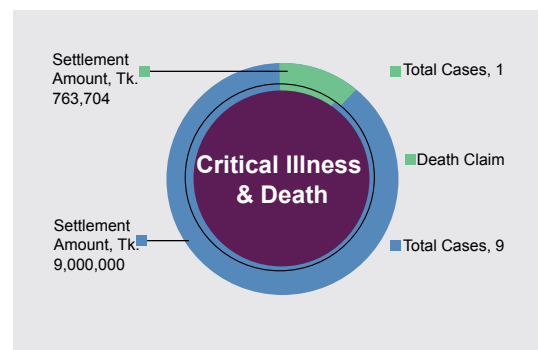
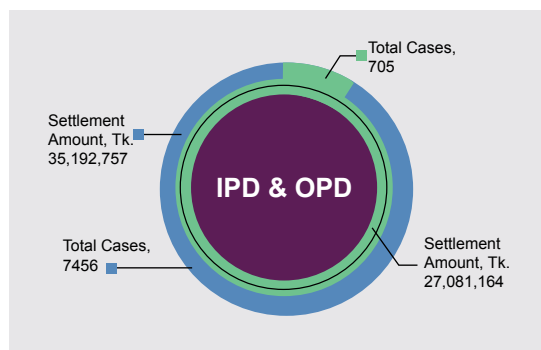
To enhance employee engagement and for mental refreshment, MTB arranges programs like cricket carnival, football fiesta, indoor games, celebration of Pahela Boishakh and Women's Day, etc.

Also, employees can share their personal news on MTB intranet (MNet), for increased connections with fellow colleagues.

Neatness and cleanliness are encouraged and practiced throughout the bank branches and offices for health and hygiene issues. MTB also has a business continuance plan and data center backups. Offices are well designed for tackling hazardous situations such as fire and an earthquake. Regular fire drills are conducted at the head offices to train the employees and test the effectiveness of fire safety measures.

Insurance to keep employees Happy, Healthy and Productive

MTB believes that preventative actions and offering medical coverage in time of need can make a positive contribution to the health of our employees. It is committed to fostering a sustainable work environment that focuses on financial, social, mental and physical wellbeing. With benefits like preventative health measures, health insurance, sick pay and opportunities to stay physically fit, we believe that we can make a positive contribution towards our overall employee and their family's wellbeing. All of our employees are eligible with specific allowance that are granted for their optical, dental, other outpatient facilities and also as well as for Hospitalization service. Last year employees were benefitted through this policy in an enormous way. The overall statistics of Total Number of Claims and the Total Amount of claims are furnished below:



As we can see from the first diagram, the total IPD settlement amount was BDT 27,081,164 for the cases of 705 and OPD amount was BDT 35,192,757 for 7456 cases. Referred to the 2nd diagram we received BDT 9,000,000 for 9 cases on Critical Illness sector. And for one Death Claim we received BDT 7,63,704 as a settlement amount.

BENEFITS PROVIDED TO FULL-TIME MTB EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES (GRI 401-2)



The role of GHR in devising compensation strategies, and compensation structures, as well as negotiating pay and benefit packages with potential employees is pivotal. MTB sponsors a number of employee benefits and contribution plans on behalf of its employees. The plans consist of good compensation packages, fringe benefits, and perquisites. Employees can also avail highly lucrative car and housing loans that ensure crucial financial leverage for all spheres of life. Furthermore, they can enjoy Employee Provident Fund, MTB Gratuity Scheme, Reward for Good Deeds in terms of Integrity.

As part of taking care of its family- the employees, MTB ensures highly competitive salaries and benefits to motivate its people.

PARENTAL LEAVE AT MTB (GRI 401-3)

A rested mind and body boosts productivity and creativity. To increase this productivity employees are entitled to thirty days of Earned Leave including 15 days of Mandatory Leave. In addition, employees can avail 10 days of Casual Leave which only considered for working days. Passage for Travel (vacation bonus) is paid as a part of the salary to the employee for his travel on his planned leaves with/without his family. For spending fatherhood and motherhood at ease 5 working days of Paternity Leave and 6 months of Maternity leave are also available for employees. Other than that, Medical Leave of 30 Days, Study Leave of 2 years for higher education are also available for the employees.

COMPENSATION AND BENEFITS (GRI 201-3)

MTB HR Benefits

MTB believes that quality services will be provided by the employees only when they receive the best packages compared to industry peers. To uphold its truly world class status, MTB GHR designed one of the competitive compensation packages for the employees along with fringe benefits and perquisites. There are structured compensation packages and benefits, which are implemented through policies and approved by board, they are developed with an aim to keep the employees motivated and engaged, thus they include recognition and rewards for holding professional degrees, such as incentives are provided for passing IBB Diplomas. Acknowledgment of achievements by any MTBian or children of MTBians are rewarded for good deeds. There are also other ways of engaging employees to the core of the organization. Established benefits for employees are:

The bank also initiated health insurance coverage (Pragati Life Insurance) for the employees and their families to protect them from any unwanted health related liabilities while they are in service and even after that.

Employee Benefit Scheme

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

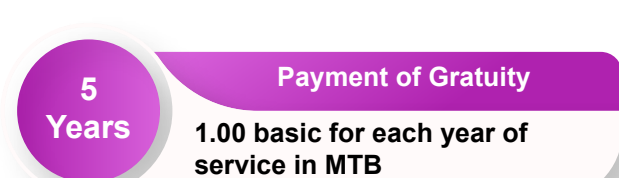
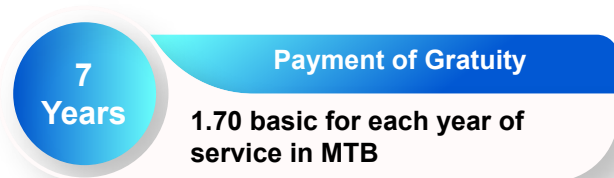
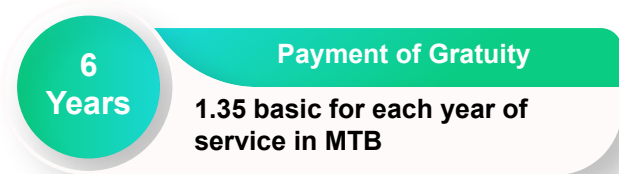
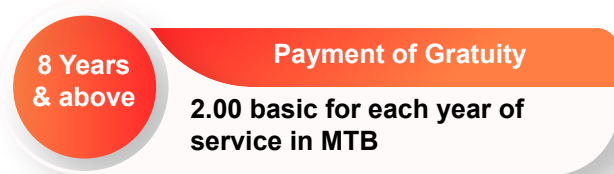
a) Provident Fund

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

b) Gratuity

The Bank operates a funded gratuity scheme approved by the National Board of Revenue. The Gratuity Fund is managed separately by "MTBL Employees Gratuity Fund" and any investment decision out of this fund is also made by this trust. As per gratuity scheme every permanent employee will get gratuity benefit as per following policy that rendering their service without break:

COMPLETED YEARS OF SERVICE



c) MTB Employees' Welfare Fund

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

d) MTB Employees' Medical Assistance Fund

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

e) MTB Employees' Hospitalization and Group Life Policy

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

f) MTB Employees' Death Benefit Plan

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

g) Incentive Bonus

Mutual Trust Bank PLC 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.

MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGE IN MTB (GRI 402-1)

Minimum number of days' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them is 30 days.

HEALTH AND SAFETY ISSUES (GRI 403-1)

Occupational Health and Safety Program

Bank employees are not usually exposed to work-related injury and occupational hazards because of its operating nature. Nevertheless, MTB also remains cautious so that hazardous work conditions can be avoided by standard procedures and its policies.

Table: Health and Safety Policy

Name of Policy	Approved on/ Signed on
MTB Security Policy	March 25, 2013
MTB Fire Safety and Firefighting Policy	February 12, 2013
Earthquake Emergency Procedure	April 24, 2013

SAFETY AND SECURITY INITIATIVE /MEASURES TAKEN BY MTB GS&FSD IN 2022 (GRI 403-3)



S/N	SAFETY MEASURES	DETAILS
1	Formulation of MTB COVID-19 Risk Management Guideline to address the global pandemic.	Circulated through Email to all MTBian's.
2	Work Place Safety a. Ensured social distancing. b. Ensured screening by digital thermometer at all MTB premises c. Ensured use of hand sanitizer to all MTB Premise. d. Use of compulsory safety equipment of all MTBian's	Ensured by monitoring and distance training. Assist to procure and distributed to all MTB premises. Assist to procure and distributed to all MTB premises. Monitored and ensured to use Mask
3	Establishment of Safety Protocols a. Carried out disinfection exercise at MTB premises when and where required. b. Maintained vaccine report of MTB employees.	Assist, monitored and ensured. Total 85% MTBians have taken vaccine whereas 41% completed their second dose and 35% booster dose.
4	Establishment of Security Protocols. a. Installed archway door at few MTB premises to enhance security system.	Assist, monitored and ensured.
5	Office/ Environmental Safety	Carried out disinfection exercise at MTB CHO premises and MTB Branches when and where required.
6	Security personnel Training a. Basic Security, Fire safety and firefighting Training. (Picture Attached).	Physically conducted by field security inspectors, CMR agents and service providers.
7	MTB Employee Training a. Firefighting and Evacuation Drill at MTB Centre and MTB Tower. b. Security and Fire Safety Training.	Conducted the drill by Fire Service & Civil Defense authority. Conducted training with the presence of Branch Security & Fire Safety Officer, BSFSO from various Branches.



**SUPPORTING
COMMUNITY**

SUPPORTING OUR COMMUNITY (GRI 413-1)

Everyone has a role in helping address community's greatest needs. At Mutual Trust Bank PLC (MTB), we do this through our work with clients and communities to further economic and social progress all around Bangladesh. We do this by focusing on environmental sustainability, driving economic and social progress, and enabling financial health. It is prevalent that the best investment a bank can make is in its community. In our bank, all MTBians have their finger on the pulse of our region — we feel our community's pains, we know the opportunities, and we're invested in the future. When our communities succeed, we all succeed. MTB aspires after achieving sustainability through its business activities. Therefore, MTB's model for sustainability is based on the 3P approach: People, Planet and Profit.

Corporate Social Responsibility (CSR)

MTB prioritizes responsible and sustainable business, considering the interests of stakeholders and the environment. Through active Corporate Social Responsibility (CSR) involvement since inception, MTB creates long-term value for stakeholders, the environment, and the community. Education, healthcare, environment, and disaster management are the key CSR sectors. MTB's strategies emphasize sustainable business principles, good governance, and community empowerment.



The Sustainable Development Goals (SDGs)

Bangladesh has achieved significant progress in meeting the Millennium Development Goals (MDGs). Poverty rates dropped from 56.7% in 1991-92 to 24.8% in 2015, while strides were made in primary education, child mortality reduction, gender equality, and women's empowerment. Now, the Sustainable Development Goals (SDGs) have replaced the MDGs, serving as a universal call to end poverty, protect the planet, and ensure peace and prosperity. Bangladesh remains committed to the SDGs, building on past successes for a brighter future. The 17 Sustainable Development Goals (SDGs) are as follows:



The SDGs are a comprehensive global agenda that expands on the achievements of the MDGs. They address pressing issues like climate change, economic inequality, innovation, sustainable consumption, and peace and justice. These interconnected goals require collaboration between governments, the private sector, civil society, and citizens to ensure a sustainable future for generations to come. By working together, we can create a fair, prosperous, and sustainable world for all.

MTB'S CSR ACTIVITIES TO SUPPORT SDG GOALS

MTB CSR DESK

MTB with its vision to build a more habitable and prosperous society, has always been on point regarding the establishment of a properly planned CSR program. This notion has led to comply with the Bangladesh Bank's circular to establish a separate CSR desk with a dedicated officer continuously working for those causes.

DOS Circular Letter No. 16; Date: 20 December, 2010 "Establishing separate 'CSR desk' in banks" was circulated with the purpose of furnishing up-to-date information to Bangladesh Bank on CSR initiatives/activities as well as maintaining proper communication and liaison with all concerned, banks are required to have a separate focal/ contact point. Maintaining this requirement, MTB also established a CSR desk at its corporate head office. Anybody can send a CSR proposal to Mutual Trust Bank CSR Desk.

"Swapno Sarathi" (The Dream Chariot)

In 2015, MTB launched "Swapno Sarathi," an outreach program dedicated to enhancing education access for disadvantaged students in remote areas. By providing bicycles, the campaign has distributed around 1,600 units, enabling students to overcome geographical barriers and fostering education. The initiative exemplifies MTB's commitment to Corporate Social Responsibility, sustainability, and aligns with the SDGs of agenda 2030, specifically SDG3, SDG4, SDG5, and SDG13. MTB's "Swapno Sarathi" campaign aims to inspire students with the motto "School-e jete durotto jeno badha na hoy" and create a brighter future for generations to come.



HIGHLIGHTING CSR ACTIVITIES OF MTB IN 2022

MTB's Empathy for Acid Survivors Foundation (ASF)

MTB demonstrates its commitment to CSR by aligning initiatives with the SDGs. Recently, MTB supported the Acid Survivors Foundation (ASF) to strengthen survivor forums. This empowers them to advocate for justice, protect women's and girls' rights, and prevent violence. This reflects MTB's dedication to sustainable business and community empowerment for a better future.



MTB's Contribution to Upgrading Dhaka University's Remote Sensing Lab:

MTB, a socially responsible entity, supports the Geography and Environment Department at the University of Dhaka to upgrade its Remote Sensing Laboratory. This initiative fosters knowledge generation, research advancements, and skilled professional development in geo-informatics. By empowering students with modern tools, MTB contributes to the progress of higher education in Bangladesh and the nation as a whole. Syed Mahbubur Rahman, MD & CEO of MTB, attended the Upgradation Ceremony as Chief Guest, alongside Syed Rafiqul Haq, Alumni of Geography and Environment Department, DU & Financial Advisor of Energypac Group, who was present as a Special Guest. Professor Dr. Naznin Afrose Huq, Chairman of the Department, hosted the event.



MTB supports Bangladesh Thalassaemia Samity Hospital

MTB aligns CSR with UN SDGs, recently supporting Bangladesh Thalassaemia Samity Hospital to aid patients with lifelong Thalassaemia treatment. Demonstrating commitment to SDG 3, “Good Health and Well-being,” MTB’s donation promotes accessible healthcare. The cheque was presented by Chowdhury Akhtar Asif, Additional MD & GCRO, in a modest ceremony. This milestone underscores MTB’s sustainable business and corporate citizenship, positively contributing to Bangladesh’s development.



MTB Donates 75,000 Blankets to The Prime Minister’s Relief Fund

MTB exemplifies its commitment to people and society through recent CSR initiatives. In a gesture of compassion, MTB donated 75,000 blankets to the Prime Minister’s Relief Fund, providing warmth to those affected by the harsh cold weather across the country. The Chairman of MTB, Md. Wakiluddin, and MTB Vice Chairman, Md. Abdul Malek, presented a token sample of these blankets to the Honourable Prime Minister of Bangladesh, Sheikh Hasina, during a ceremony held in Dhaka.

This act underscores MTB’s dedication to supporting the well-being of the community and actively participating in social causes. By aligning with the Sustainable Development Goals (SDGs), a global framework for a sustainable and inclusive future, MTB contributes to goals such as good health and well-being, as well as partnerships for collective progress. This demonstrates MTB’s commitment to making a positive impact on society and acknowledging the significance of collaborative efforts in addressing social challenges. MTB’s donation of blankets to the Prime Minister’s Relief Fund not only showcases their commitment to people and society but also highlights their proactive approach to CSR initiatives in line with the SDGs. Through such endeavors, MTB strives to create a better and more equitable future for all, cementing its position as a responsible corporate entity.



MTB and Lal Sabuj Society arranged Debate Competition on World Environment Day

MTB and Lal Sabuj Society (LSS) organized an inter-school debate on 'Environmental Pollution and Climate Change' on World Environment Day 2022. Aligned with SDG 13, the event aimed to raise awareness among youth and promote sustainable living. Over 50 schools participated, fostering inclusivity and supporting SDG 4. Notable government and environment sector guests highlighted the importance of collaboration for SDG targets. This initiative reflects MTB and LSS's commitment to environmental and social sustainability.



Empowering Dreams: MTB Paves the Path to Education for Underprivileged Children through Supporting the PM's Education Assistance Trust

MTB's unwavering commitment to promoting education for underprivileged children across the country is exemplified through its funding support to the PM's Education Assistance Trust. Aligned with Sustainable Development Goal 4 (Quality Education), this trust, established by PM Sheikh Hasina, provides scholarships and stipends to deserving students in need. MTB takes great pride in being honored to support the trust's efforts, fostering education and empowering underprivileged students in our nation. Recognizing the pivotal role of education in building a smarter Bangladesh, MTB actively contributes to the country's overall development. The bank firmly believes that investing in the education sector is indispensable for sustainable growth. This donation represents MTB's enduring dedication to social responsibility and community development. Moreover, MTB actively engages in various other community initiatives, including education, healthcare, environmental sustainability, and women empowerment. By prioritizing education and championing the cause of underprivileged children, MTB demonstrates its commitment to creating a brighter future for our nation's youth.

ESDO (Environment and Social Development Organization) in association with Mutual Trust Bank PLC (MTB) to establish "Plastic-Free Campus" in association

Environment and Social Development Organization-ESDO in association with Mutual Trust Bank PLC (MTB) will work on plastic-free campuses. As a part of Corporate Social Responsibility (CSR), MTB engaged with ESDO to work on this project.

Through this project, ESDO & MTBL are planning to include ten schools in five divisions in Bangladesh; namely Dhaka, Rajshahi, Khulna, Sylhet, and Rangpur. This project's goals are to develop a second generation of environmental leaders, inform the younger generation about plastic pollution, and train them to reject single-use plastics. Additionally, start living a waste-free lifestyle from home to school and create a plastic-free campus.

MTB's BDT 100 Million Contribution to Prime Minister's Welfare Fund

The flash floods in 2022 left a devastating impact on the people of different regions of the country, affecting their daily lives and livelihoods. In this critical time, MTB's donation of BDT 100 million to the Prime Minister's Relief and Welfare Fund was a significant step towards providing much-needed aid to the flood-affected people. This contribution would not only address the immediate needs of the affected communities but also helped them in the long run to recover and rebuild their lives.

Honorable Prime Minister of the People's Republic of Bangladesh, Sheikh Hasina joined the event through video conference from Gana Bhaban. Dr. Ahmad Kaikaus, Principal Secretary of the Prime Minister, on behalf of Prime Minister, Sheikh Hasina, received the cheque from Md. Wakiluddin, Chairman of Mutual Trust Bank PLC (MTB) through a simple ceremony held recently at the office of Pme Minister.

MTB's humanitarian support reflects its commitment to social responsibility and its dedication to the betterment of society. This action is not only aligned with SDGs like SDG 1 (No Poverty) and SDG 2 (Zero Hunger) but also highlights MTB's values and mission to serve the people and society.

MTB Chairman, Md. Wakiluddin's empathetic comment, "Being a responsible corporate entity, we feel the call of the time to support the affected people of the country during these difficult circumstances," emphasized the bank's commitment to the people and society.



MTB's Noble Endeavor: Fostering the Welfare of Autistic Children through Support for SWAC

MTB, in line with its commitment to the SDGs, has extended financial support to the Society for the Welfare of Autistic Children (SWAC) for the education and training of individuals with autism. The bank's CSR initiative aims to empower these children to reach their full potential and enhance the quality of their lives. By providing this support, MTB is contributing to the SDG of promoting inclusive and equitable education for all. Furthermore, this initiative will have a positive impact on society by enabling individuals with autism to lead productive lives, thereby contributing to the development of the country as a whole.

Caring Gesture: MTB's Aid for Sylhet's Flood Victims

Mutual Trust Bank PLC (MTB) is dedicated to social responsibility, as demonstrated through its recent relief efforts and support for the Sustainable Development Goals (SDGs). Being a responsible corporate entity, MTB presents itself as a socially responsible bank that prioritizes the welfare of its community and contributes to a better world.

In a recent initiative, MTB showcased its commitment to Corporate Social Responsibility (CSR) by dispatching relief convoys to assist the flood-affected people in the Sylhet region. Goutam Prosad Das, Deputy Managing Director & Head of Group Internal Control & Compliance, and Md. Khalid Mahmood Khan, Deputy Managing Director and CBO, inaugurated the convoy from MTB's Corporate Head Office in Gulshan 1, Dhaka 1212. The presence of high-level officials highlights MTB's hands-on approach and determination to make a positive impact.



During the relief effort, MTB provided emergency relief items to approximately 1,000 families in need. Each family received a sack containing vital supplies such as rice, pulses, potatoes, oil, salt, muri (puffed rice), lighters, spices, onions, milk for children, and sanitary napkins. By addressing immediate nutritional needs and hygiene requirements, MTB demonstrated its dedication to providing comprehensive support to those affected by the floods.

MTB's commitment to social responsibility goes beyond immediate relief efforts. The bank aligns its activities with the SDGs, a global framework aimed at achieving a more sustainable and equitable future. By integrating the SDGs into its operations, MTB actively contributes to areas such as poverty alleviation, quality education, gender equality, and clean water and sanitation.

Nurturing Dreams, Building Futures: MTB's Enduring Partnership with SOS Children's Villages Bangladesh



MTB demonstrates its social responsibility through CSR initiatives by supporting SOS Children's Villages Bangladesh. The bank provides education and food support for orphaned and abandoned children, aligning with Sustainable Development Goals (SDGs) such as quality education (SDG 4) and no poverty (SDG 1). MTB's efforts contribute to a better future for these children, emphasizing the bank's commitment to social well-being.

MTB's Tribute to the Architect of Bangladesh: Tree Plantation on National Mourning Day 2022

In a heartfelt tribute to Bangabandhu Sheikh Mujibur Rahman, the Greatest Bengali of a Thousand Years and Architect of Bangladesh, MTB collaborated with Gulshan Society to organize a special Tree Plantation Program. This significant event, held on August 15, 2022, commemorated the 47th Martyrdom Anniversary of the visionary leader.

The presence of MTB's Managing Director and CEO, Syed Mahbubur Rahman, added grace to the gathering as he inaugurated the program. Accompanied by the esteemed Senior Management of the bank and members of Gulshan Society, the atmosphere was filled with deep respect and profound remembrance.

Through the thoughtful arrangement of this tree plantation initiative at Gulshan Lake Park, MTB showcased its unwavering commitment to environmental sustainability while paying homage to the enduring contributions of Bangabandhu Sheikh Mujibur Rahman. This gesture serves as a testament to the remarkable legacy of a true visionary who shaped the destiny of Bangladesh. By undertaking such compassionate endeavors, MTB upholds the memory of Bangabandhu and diligently pursues his vision of a prosperous and harmonious nation.



জাতীয় শোক দিবসে
মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড-এর বৃক্ষরোপন কর্মসূচি

MTB stands by the flood-affected people in Sunamganj

MTB recently exemplified its commitment to CSR by distributing emergency relief items to the flood-affected people in Sunamganj. The distribution was carried out by Pir Fazlur Rahman (Misbah), MP, Sunamganj-4, who personally delivered the relief items to distressed families across the district. The presence of Mohammad Kamran Ahmed, Head of Sylhet Region & Branch Manager, Sylhet Branch, Badrul Haque, Branch Manager, Laldighirpar Branch, and Md. Ruman Parvez, Branch Manager, Shahparan Gate Branch from MTB further emphasized the bank's dedication to this case.

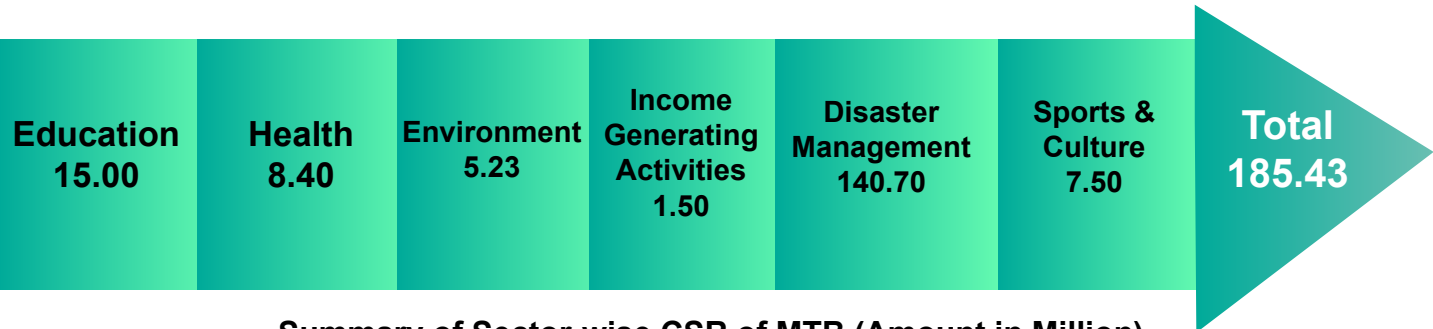
This initiative underscores MTB's strong focus on addressing the immediate needs of individuals affected by natural disasters. By providing essential relief items, MTB aims to alleviate the hardships faced by flood-affected families in Sunamganj. Through such impactful actions, MTB not only showcases its responsible corporate citizenship but also contributes to the Sustainable Development Goals (SDGs), making a meaningful difference in the lives of those facing adverse circumstances.



MTB-Lal Sabuj Partnership: Protecting the Environment Together

MTB and Lal Sabuj Society have formed a powerful alliance, showcasing their shared commitment to environmental sustainability and youth engagement. Lal Sabuj Society, a youth-based voluntary organization in Bangladesh, actively works towards positive social change through the involvement of young individuals. In a remarkable collaboration, MTB and Lal Sabuj Society organized the event 'Teach the Teachers' to empower educators with knowledge on climate change, climate actions, and climate resilience. The aim is to enhance climate awareness among students by equipping teachers with essential information and resources.

Together, MTB and Lal Sabuj Society exemplify their dedication to fostering environmentally conscious individuals and promoting a sense of responsibility towards the planet. This partnership underscores their strong belief in the transformative power of youth engagement and education in addressing climate challenges and building a sustainable future.



Summary of Sector-wise CSR of MTB (Amount in Million)

HIGHLIGHTING CSR ACTIVITIES OF MTB FOUNDATION IN 2022

ABOUT MTB FOUNDATION:

MTB Foundation envisions to play an active role in building a country which provides easy access to the basic needs for the underprivileged people by achieving the Sustainable Development Goals (SDGs). The Foundation believes in building stronger communities throughout the country by empowering people to overcome hardship, become self-dependent, enhance their lifestyle and survive with dignity.

MTB Foundation (MTBF) aims to be actively involved in the implementation of projects designed to reach out to the underserved and marginalized sections of the society and address the national development agenda. While providing support to the disadvantaged people of the country is a core focus, the larger goal of MTB Foundation is to push forward a broader process of change in order to ensure meaningful and lasting progress.

MISSION OF MTB FOUNDATION: To work with communities to make a difference in people's lives through education, health support and awareness.

VISION OF MTB FOUNDATION: To improve the socio-economic condition of the society.

EDUCATION

Memorial Scholarship Programs

Education has always been a priority sector for MTB Foundation. The Foundation believes, education empowers people and transforms lives, and in turn, builds a strong foundation for the future generation by ensuring a sustainable future. MTB Foundation Memorial Scholarship Programs intend to help achieve SDG 4 (Quality Education).

Niloufer Manzur Memorial Scholarship Program

The Niloufer Manzur Memorial Scholarship Program has been renewed on July 2022. Under this program, thirty-four (34) deserving students (16 female and 18 male) of the Faculty of Business Studies, University of Dhaka are being financially supported on a monthly basis starting from July 2021.

Samson H. Chowdhury Memorial Scholarship Program

The Scholarship Distribution Ceremony of Samson H. Chowdhury Memorial Scholarship was held at the Jahangirnagar University premises on December 4, 2022 in the presence of the Chief Guest, Ms. Anika Chowdhury, Director, Mutual Trust Bank and Chairman of Samson H. Chowdhury Memorial Scholarship Fund Sub-Committee and Special Guest, Prof. Dr. Farid Ahmed, Dean, Faculty of Mathematical and Physical Sciences, Jahangirnagar University in a befitting manner. The program was also attended by Dr. Mohammad Didare Alam Muhsin, Chairman, Department of Pharmacy and Dr. Mahbub Kabir, Chairman, Department of Chemistry from Jahangirnagar University and Syed Mahbubur Rahman, Managing Director & CEO, Goutam Prosad Das, Deputy Managing Director & GHOICC, Rais Uddin Ahmad, Deputy Managing Director & CAMLCO of Mutual Trust Bank, Samia Chowdhury, Chief Executive Officer of MTB Foundation. Under this scholarship program, thirty-three (33) deserving students of Departments of Pharmacy, Chemistry and Biochemistry & Molecular Biology of Jahangirnagar University are being financially supported from November 2021 on a monthly basis.

Saifuddin Ahmed Chowdhury Memorial Scholarship Program

The Scholarship Distribution Ceremony of Saifuddin Ahmed Chowdhury Memorial Scholarship was held at the Bangladesh University of Engineering and Technology (BUET) premises on November 22, 2022 in the presence of the Chief Guest, Prof. Dr. Satya Prasad Majumder, Vice-Chancellor, BUET, Special Guest, Rashed Ahmed Chowdhury, Director & Chairman, MTB Board Risk Management Committee (BRMC) and Guest of Honour, Md. Abdul Malek, Vice Chairman of Mutual Trust Bank PLC. The program was also attended by Professor Dr. Md. Mizanur Rahman, Director, Directorate of Student's Welfare (DSW) from BUET and Goutam Prosad Das, Deputy Managing Director & GHOICC, Rais Uddin Ahmad, Deputy Managing Director & CAMLCO of Mutual Trust Bank PLC, Samia Chowdhury, Chief Executive Officer of MTB Foundation. Under this scholarship program, thirty-three deserving (33) students of twelve (12) different departments BUET are being financially supported from November 2021 on a monthly basis.

Collaborations with UCEP Bangladesh to Support the 'Expanded Education Opportunity for Underprivileged Children in Bangladesh (EDUCIB)' Model

MTB Foundation signed an agreement with UCEP Bangladesh to support the implementation of 'Expanded Education Opportunity for Underprivileged Children in Bangladesh (EDUCIB)' model in one of UCEP's Technical Schools, UCEP-MTB Foundation Johara Samad Technical School located in Khulna. Md. Abdul Karim, Executive Director, UCEP Bangladesh and Samia Chowdhury, Chief Executive Officer, MTB Foundation signed the agreement on behalf of their respective organizations in the presence of Syed Mahbubur Rahman, Managing Director and CEO, Chowdhury Akhtar Asif, Additional Managing Director & GCRO and Rais Uddin Ahmad, Deputy Managing Director & CAMLCO, Mutual Trust Bank PLC (MTB).

Creates Access to Education and Employment for Visually Impaired Girls in Affiliation with Centre for Services and Information on Disability (CSID)

MTB Foundation signed an agreement with Centre for Services and Information on Disability (CSID) for the project titled, 'Barrier-Free Education and Employment for Students with Visual Impairment'. Under the agreement, MTB Foundation will facilitate inclusion of the visually impaired girls and women in the education and employment sectors with a view to making them self-sufficient and independent. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 1 (No Poverty), SDG 2 (Zero Hunger), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work & Economic Growth) and SDG 10 (Reduced Inequalities).

Provides Technical and Vocational Education and Training (TVET) to Youth in Affiliation with DISA Institute of Science and Technology (DIST)

MTB Foundation signed an agreement with DISA Institute of Science and Technology (DIST) for the project titled, 'Sponsoring Technical Skills Training to Support Youth Employment'. Under the agreement, MTB Foundation and DISA Institute of Science and Technology (DIST) has teamed up to produce skilled manpower by providing Technical and Vocational Education and Training (TVET) according to the demand of the labor market and subsequently ensuring their job placement. MTB Foundation will initially focus on technical skills training in Plumbing and Pipe Fitting, Mechanical Fitting, Motor Cycle Servicing, Computer Operation and Consumer Electronics. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 1 (No Poverty), SDG 2 (Zero Hunger), SDG 4 (Quality Education), SDG 5 (Gender Equality) and SDG 8 (Decent Work & Economic Growth).

Provides Scholarship to Nursing Students of Centre for the Rehabilitation of the Paralysed (CRP)

MTB Foundation believes in championing and supporting the healthcare workforce, especially the nurses whose significant role was demonstrated during the pandemic. In alignment with its vision to contribute to the healthcare sector of the country in the long run, MTB Foundation signed an agreement with Centre for the Rehabilitation of the Paralysed (CRP) to provide scholarship to the financially challenged nursing students. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 3 (Good Health and Well-Being) and SDG 4 (Quality Education).

Signing Agreement with PFDA – Vocational Training Center Trust (PFDA-VTC)

MTB Foundation, in its effort to align its CSR initiatives with the Sustainable Development Goals (SDGs), particularly SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), signed an agreement with PFDA – Vocational Training Center Trust (PFDA-VTC). Under this agreement, MTB Foundation is committed to provide vocational training and learning opportunities to young adults and adult persons with autism and neurological disabilities through PFDA – VTC so that these differently-abled persons can utilize their potentials and take part in the job market.

ENVIRONMENT

Signing Agreement with Association of Voluntary Actions for Society (AVAS) to commemorate the World Environment Day 2022

MTB Foundation, with a view to commemorating the World Environment Day 2022 and its theme – ‘Only One Earth’, signed an agreement with Association of Voluntary Actions for Society (AVAS) for a project titled “Alternative Livelihood through Environment- friendly Initiative for Coastal Women Group” based in Ayla Patakata Union of Barguna District. Under this project, MTB Foundation pledges to play an active role in reducing the effects of climate change and, in the process, empower women by creating Income Generating Activities (IGAs) for coastal women group by providing them with hybrid ‘Dwarf’ Coconut Trees.

Distribution of Dwarf Coconut Trees among Marginalized Women at Ayla Patakata, Barguna

MTB Foundation in partnership with Association of Voluntary Actions for Society (AVAS) distributed 1,200 dwarf coconut trees to marginalized women of the Ayla Patakata Union of Barguna District. MTB Foundation, through this project, intends to attain the SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), SDG 14 (Life Below Water) and SDG 15 (Life On Land).

Support Shushilan to Create Alternative Livelihood for Vulnerable Fishing Communities

MTB Foundation signed an agreement with Shushilan for the project titled ‘Recover Livelihood Status of Vulnerable Fishing Communities through Income Generating Activities (IGAs) Support’. Under the agreement, MTB Foundation and Shushilan will jointly create access to skill development opportunities through different types of Income Generation Activities (IGAs) like livestock rearing, small business, homestead gardening, etc. for 200 Households (HHs) of the vulnerable fishing community in Kuakata Union, Kolapara Upazila, Patuakhali District, Barishal Division. The objective of the partnership is to support the Government’s initiative to increase fish production through uninterrupted breeding by separate fishing bans twice a year in the interest of the national economy. At the same time, ensure that the fishing community has an alternative source of income which will be driven by the women of the households; thus, contributing to women empowerment. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action) and SDG 14 (Life Below Water).

Provide Livelihood Assets Grant to ensure Alternative Livelihood for Vulnerable Fishing Communities

MTB Foundation, as a part of its project titled, ‘Recover Livelihood Status of Vulnerable Fishing Communities through Income Generating Activities (IGAs) Support’ organized a program to distribute livelihood assets grant amongst 200 Households (HH) of the vulnerable fishing community at Panjupara and Poschim Khajura of Kuakata. Under this program MTB Foundation distributed livestock amongst 160 HHs, sewing machines amongst 32 HHs and provided support to 8 HHs for establishing fish, dry fish, small and agri businesses. These IGAs will be driven by the fishermen during the fishing ban period along with their female family members who will take the activities forward with a view to creating an income source throughout the year. Samia Chowdhury, Chief Executive Officer, MTB Foundation was present at the event.

Assistance for BizCare to support ‘The Mangrove Children’ Project

MTB Foundation signed an agreement with BizCare to support “The Mangrove Children” project. The agreement was signed by Mohiuddin Babar, Chief Executive, BizCare and Samia Chowdhury, Chief Executive Officer, MTB Foundation, in the presence of Syed Mahbubur Rahman, Managing Director and CEO, Rais Uddin Ahmad, Deputy Managing Director & CAMLCO and Malik Muntasir Reza, Group Company secretary of Mutual Trust Bank PLC (MTB) at a ceremony held at the bank’s corporate head office in Gulshan, Dhaka. “The Mangrove Children” project aims to raise awareness about the importance of protecting the Sundarbans through environmental care, forest conservation, adaptation to climate change and waste management amongst the students of Kolbari Nekjania Secondary School in Munshiganj under Shyamnagar in Satkhira.

HEALTHCARE

Signing Agreement with Manabik Shahajya Sangstha (MSS) to provide Eye Care Services to the Underserved People

MTB Foundation signed an agreement with the Eye Care Program of Manabik Shahajya Sangstha (ECP-MSS) to provide eye care facilities to the underprivileged segment of the country. Under the agreement, MTB Foundation and Manabik Shahajya Sangstha jointly conducted eye camps in different areas of the country where a large number of identified cataract patients were treated at ECP-MSS partner hospitals in addition to providing comprehensive eye screening services and also distributed eyeglasses to correct refractive error. Constructive sessions of awareness building regarding primary eye care were also held, informative flyers were distributed and posters were displayed throughout these eye camps

Creates Access to Quality Healthcare Service for the Underprivileged in Affiliation with JEXCA Free Friday Healthcare Khulna

MTB Foundation signed an agreement with Jhenidah Ex-Cadets Association (JEXCA) Free Friday Healthcare Khulna as part of its commitment towards the healthcare sector of the country. Under the agreement, MTB Foundation and JEXCA will jointly organize Free Healthcare Service for the destitute segment of the society every month on Fridays in Khulna.

Signing Agreement with Centre for Disability in Development (CDD)

MTB Foundation, with a view to upholding the dignity of physically challenged people of the society signed an agreement with Centre for Disability in Development (CDD) for their project titled ‘Promoting Quality of Life of People with Disabilities Living in Rural Areas in Bangladesh’. Under this project, MTB Foundation is committed to provide Below Knee Prosthesis for amputee persons, Tricycle for persons with physical disabilities and Special Chair for children with disabilities.

Celebrates ‘International Day of Persons with Disabilities (IDPD) 2022’

With a view to commemorating the ‘International Day of Persons with Disabilities (IDPD) 2022’, MTB Foundation in partnership with Centre for Disability in Development (CDD) celebrated this year’s theme - ‘Transformative solutions for inclusive development: the role of innovation in fueling an accessible and equitable world’. The event was organized at the CDD premises at Savar in the presence of Syed Mahbubur Rahman, Managing Director & CEO and Rais Uddin Ahmad, Deputy Managing Director & CAMLCO from Mutual Trust Bank PLC, Samia Chowdhury, Chief Executive Officer and Neherin Maqsood, Associate Manager from MTB Foundation.

Creates Access to Quality Eye Health Service for the Female Garment Workers in Collaboration with Ispahani Islamia Eye Institute & Hospital (IIEI&H)

Foundation signed an agreement with Ispahani Islamia Eye Institute and Hospital (IIEI&H) for the project titled, ‘Eye Health Service for the Garment Workers, predominantly Female’. Under the agreement, MTB Foundation and Ispahani Islamia Eye Institute and Hospital (IIEI&H) will jointly organize eye camps for the garment workers of different Ready-made Garments (RMG) factories of the country with a focus on the female segment.

The country's Ready-made Garments (RMG) sector employs a significant number of workers out of which a majority is comprised of women. These women are mostly engaged in sewing and cutting for prolonged hours. As a result, the women garment workers are impacted by high rates of near vision impairment, which remains unaddressed and results in lower productivity and lower monthly salaries. The objective of the partnership between MTB Foundation and IIEI&H is to create access to quality eye care for these female garment workers so that they can carry out their jobs seamlessly, which in turn, will enable them to increase their earnings and overcome poverty. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being), SDG 5 (Gender Equality) and SDG 8 (Decent Work & Economic Growth).

Completion of Fourteen (14) Eye Camps at RMG Factories

As a part of its project titled 'Eye Health Service for the Garment Workers, predominantly Female', MTB Foundation completed eye camps at the following RMG factories: 1/ Colors and Stitches 2/ New Fashion Asia 3/ Ananta Garments Limited 4/ Paradise Washing Plant 5/ Ananta Sportswear Ltd. 6/ ABM Fashions Ltd. 7/ Ananta Jeanswear Ltd. 8/ Hollywood Garments (Pvt.) Ltd. 9/ Garments Export Village Ltd. 10/ Bravo Apparel Manufacture Ltd. 11/ Dreamwears Ltd. 12/ Indesore Sweater Ltd. 13/ Amtranet Ltd. and 14/ A Z Apparels & Chancellor Garments Ltd.

OTHERS

MTB Foundation 'BRAVERY AND COURAGE' AWARD

MTB "Bravery and Courage" award was introduced in 2012 with a view to recognizing acts of bravery and rewarding selfless individuals and their families. The award recognizes acts of bravery of the common people of the country and aims to encourage selfless individuals who put others' lives ahead of their own in the society we live. The first award was presented in 2012 to Late Hazrat Ali, and subsequently to Late Liacot Ali Liton, Traffic Constable Md. Monir Hossain, Akter Mia & Late Sharowar Howlader, Late Badal Mia, Late Nabi Hossain and Hossein Alamgir, late Sohel Rana, Late Syed Shah Alam, Late Delwar Hossain, Executive Engineer for their respective acts of bravery.

11th MTB Foundation Bravery & Courage Award

MTB Foundation presented its 11th Bravery & Courage Award to the families of the thirteen (13) Late Firefighters who lost their lives in the Sitakunda fire incident which is considered to have one of the highest fatalities in a single fire incident. MTB Foundation acknowledged the gallant sacrifice of the firefighters and presented the award to the families of the thirteen (13) Late Firefighters who lost their lives in the Sitakunda fire incident. The awardees are Mithu Dewan, Nipon Chakma, Md. Imran Hossain Mazumdar, Md. Rana Mia, Alauddin, Shakil Tarafdar, Ramzanul Islam, Salauddin Quader Chowdhury, Gausul Azam, Robiul Islam, Faridurzman, Shafiul Islam and Moniruzzaman.

The award ceremony was held at the Bank's Corporate Head Office, Gulshan 1, Dhaka 1212. Special commemorative crests and individual cheques were handed over to the family members of the Late Firefighters in presence of Syed Manzur Elahi, Founding Chairman & Director, Md. Wakiluddin, Chairman, Rashed Ahmed Chowdhury, Director, Nasreen Sattar, & Faruq Ahmad Siddiqi, Independent Directors, Syed Mahbubur Rahman, Managing Director & CEO, Chowdhury Akhtar Asif, Additional Managing Director & GCRO, Goutam Prosad Das, Md. Khalid Mahmood Khan & Rais Uddin Ahmad, Deputy Managing Directors from the Bank, Samia Chowdhury, Chief Executive Officer from MTB Foundation and Lt Col Zillur Rahman, PSC, Director (Operation and Maintenance) & Mamun Mahmud, Deputy Director (Administration and Finance) from Bangladesh Fire Service & Civil Defence.



12th MTB Foundation Bravery & Courage Award

MTB Foundation presented its 12th Bravery & Courage Award to the family of Late Salman Farzi Shameem who lost his life trying to save three (3) minor siblings from a Khulna-Chilahati bound Rupsha Express train at Bou Bazar Village of Kundapukur Union of Nilphamari Sadar Upazila.

A special crest and a cheque were handed over to the family members of Late Salman Farzi Shameem through a simple ceremony at the Bank's Corporate Head Office, MTB Centre, Gulshan 1, Dhaka 1212 in the presence of Syed Manzur Elahi, Founding Chairman & Director, Md. Wakiluddin, Chairman, Md. Abdul Malek, Vice Chairman, Rashed Ahmed Chowdhury, Director & Chairman, MTB Board Risk Management Committee, Md. Hedayetullah, Director & Chairman, MTB Board Executive Committee, Nasreen Sattar, Independent Director, Syed Mahbubur Rahman, Managing Director & CEO, Chowdhury Akhtar Asif, Additional Managing Director & GCRO, Goutam Prosad Das, Deputy Managing Director & GHOICC, Rais Uddin Ahmad, Deputy Managing Director & CAMLCO, Malik Muntasir Reza, Group Company Secretary and Mohammad Nazmul Hossain, Group Chief Financial Officer (GCFO), Mutual Trust Bank PLC and Samia Chowdhury, Chief Executive Officer, MTB Foundation.

MTB Foundation executes 'Shetu Bondhon Gori Network' (Network of Acid Survivors) by ActionAid Bangladesh

MTB Foundation, in partnership with ActionAid Bangladesh, implemented the project titled 'Shetu Bondhon Gori' Network (Network of Acid Survivors) with a vision to address the psychological and socio-economic issues faced by acid survivors in our country and eventually providing them financial and social empowerment. Through this project MTB Foundation, successfully made sustainable changes in the lives of eighty (80) acid survivors by enhancing their capacity through skills development training and life skill education by providing proper educational support to build their career and assisting them in building entrepreneurship capacities and market linka

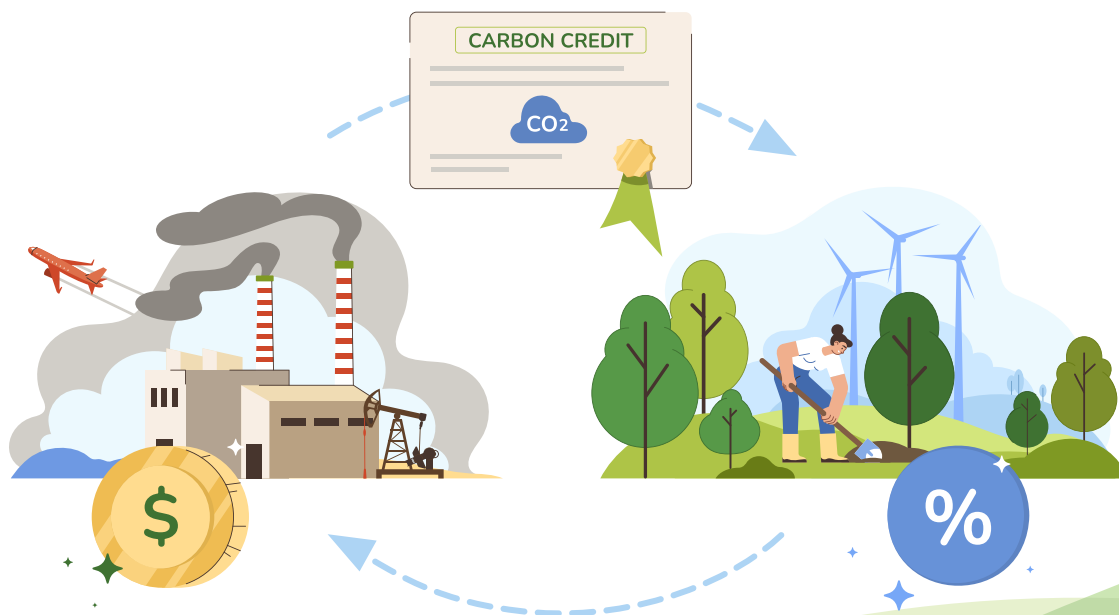


TCFD RECOMMENDATIONS AND SUPPORTING RECOMMENDED DISCLOSURES

Core Elements of Recommended Climate-Related Financial Disclosures-

TCFD: An Introduction: Climate change presents both risks and opportunities for businesses and individuals. The rise in natural disasters due to climate change is disrupting ecosystems and human health, causing unanticipated business losses. With increased awareness of climate change, we at MTB are striving to integrate the global best practices into our business operation.

The Financial Stability Board (FSB)'s Task Force on Climate-related Financial Disclosures (TCFD) recommendations set an important framework for understanding and analyzing climate-related risks. The Task Force developed four widely adoptable recommendations on climate-related financial disclosures, published in June 2017, applicable to organizations across sectors and jurisdictions. The recommendations are structured around four thematic areas that represent core elements of how organizations operate – Governance, Strategy, Risk Management, and Metrics and Target.



Recommendations and Supporting Recommended Disclosures-

Governance	Strategy	Risk Management	Metrics and Targets
Disclosing MTB's governance around climate related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on MTB's businesses, strategy, and financial planning where such information is material.	Disclose how MTB identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	Recommended Disclosures	Recommended Disclosures	Recommended Disclosures
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe MTB's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by MTB to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on MTB's businesses, strategy, and financial planning.	b) Describe MTB's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. (yet to be accomplished)
	c) Describe the resilience of MTB's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into MTB's overall risk management.	c) Describe the targets used by MTB to manage climate-related risks and opportunities and performance against targets. (yet to be accomplished)

GOVERNANCE:

Disclose the organization's governance around climate-related risks and opportunities-

Governance is a key component of an organization's management of its climate risk and opportunities. It defines, in the form of a board-approved charter and governing policies, the roles, responsibilities and decision-making mechanisms by which the organization defines and delivers on its climate-related and sustainability related commitments to key stakeholders such as customers, investors and the communities in which the organization operates.

MTB is committed to a sustainable business practice – a banking business practice that is socially responsible, environmentally friendly and economically viable. It implies that MTB will not undertake any activity that will have environmental footprint, social injustice and economic loss for its stakeholders. As a financial organization MTB is exposed to various climate-related business risks and opportunities. MTB's prudent senior management team and respected Board Members are well conversant with such risks and opportunities. Therefore, MTB always takes into consideration the potential negative or positive impacts it might have as a result of the financial decisions made by MTB management while screening and sanctioning loans to MTB customers.

- The highest governance body of the bank is MTB Board of Directors (mentioned as “Board” hereafter).
- The Board itself does not interfere into the day- to-day business of the bank. However, it sets directions and oversee the overall activities of the bank. The Board approves the bank’s budget and business plan and reviews those on quarterly basis.
- Further the Board reviews the policies and manuals of the various businesses and processes in order to establish effective risk management in credit and other key areas of operations.
- The Board also appoints and supervises senior executives and formulates ToR for different committees that work on behalf of the Board in mitigating the risk and maximizing the returns.
- The Board has constituted MTB Executive Committee (EC) to ensure efficient, competent, compliant and secured structure for approval of credit proposals and business decisions.
- MTB Board Audit Committee is constituted by the Board for reviewing financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank’s process for monitoring compliance with laws and regulations and its own code of business conduct.
- MTB Board Audit Committee also reviews process of Audit, effectiveness of Internal Control system & its Compliance thereof, recovery from non- performing assets.
- The Board has constituted MTB Board Risk Management Committee (MBRMC) that takes various steps to identify risks, which are related to the lending foreign exchange, internal control & compliance, money laundering and other trading and operating activities of the bank. The Committee evaluates risk on a comprehensive basis including, among others, balance sheet management, capital adequacy, credit and operational risk.
- It is the responsibility of the board to endorse MTB’s strategy, develop directional policy, appoint, and supervise senior executives and to ensure accountability of MTB to its owners and regulatory authorities. The highest governance body approves the bank’s budget and business plan and reviews those on quarterly basis to give directions as per changing economic, environmental and social environment.

Highest Committee or Position Approving Sustainability Report & Material Aspects

The highest committee to approve it is Board. All the sustainability initiatives must be governed by BRMC. MTB Board of directors after the 185th meeting of the board, which was held on November 08, 2015, approved the resolution to publish MTB’s Sustainable Finance Report annually. MTB updated “Environmental & Social Safeguard Policy 2020” in November 2020, the policy was approved in 257th meeting of MTB Board of Directors on January 26, 2021.

Governing Structure of MTB’s Environmental & Social Risk Management System

In line with the regulatory reform, MTB formed the Sustainable Finance Department (SFD) to revitalize and accelerate its sustainable endeavors in a concerted way, stressing the SDG linked contributions. The SFD of the Bank is responsible for implementing and coordinating the broader sustainable business strategies into the operational spectrums and cascading down applicable regulatory, national, and global Environmental & Social (E&S) standards among the stakeholders concerned. The Sustainable Finance Committee (SFC) of MTB, chaired by the AMD & GCRO and comprises officials from senior management of the Bank, supervises the Sustainable Finance department (SFD). While the SFC is accountable for supervising the SFD of the Bank to drive its sustainability matters, the solemn authority lies with the Bank’s Board Risk Management Committee (BRMC) to oversee the sustainability matters from the broader perspective. The BRMC is the apex body to provide guidance and approvals for setting up policies, strategies related to sustainable Banking, and monitoring and evaluating activities of SFC and SFD.

Sustainable Finance Committee

In 2020, MTB reformed its Sustainable Finance Committee (SFC) which was approved in 252nd Board Meeting of MTB. Our SFC is chaired by Chowdhury Akhtar Asif, AMD & GCRO, wherein the member secretary is Tahmina Zaman Khan, Head of Sustainability.

Process for Communicating Critical Concerns to the Highest Governance Body

MTB has defined process of communication with the concerned authority. The process and reporting authority are specified in organogram. The primary process of communicating with the highest governance body is through the line manager of every department/ division/branch. The line manager will transfer the critical concern of MTB according to the organogram. Besides, Customers can reach their concerning issues through email or feedback box located at the MTB premises. If any customer faces any problem, he/she can lodge a complaint by communicating through the following mail address- Email Address: complaint@mutualtrustbank.com

Apart from that, customers can contact at sustainability@mutualtrustbank.com for any sustainable banking issues. MTB has established Sustainable Finance Help Desk (SFD HELP DESK) in 75 MTB branches. Customers can easily contact designated officials from MTB SFD help desk in branches for sustainability related queries and issues.

Communication between the bank and general shareholders is arranged in every Annual General Meeting (AGM). Required information is received by the bank from the shareholders at the AGM, which gives them an opportunity to exercise their prerogative to raise any business-related issues, either in verbal or in written at the AGM. The directors remain present at the AGM to answer any queries of the shareholders. No Critical concerns communicated to the highest governance body in 2021.

Competences Relating to Economic, Environmental and Social Impacts

BRMC is the supreme authority to oversee the sustainability initiatives including economic, environmental, and social impacts of the bank in MTB. In this respect, roles of Board Risk Management Committee (BRMC) of MTB in addition to but not excluding the role defined in the related BRPD circular) are stated below-

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management.
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures.
- Ensuring construction of adequate organizational structure for managing risks within the bank.
- Supervising the activities of Executive Risk Management Committee (ERMC).
- Ensuring compliance of BB instructions regarding implementation of core risk management
- Ensuring formulation and review of risk appetite, limits and recommending these to board of directors for their review and approval.
- Approving adequate record keeping & reporting system and ensuring its proper use.
- Holding at least 4 meetings in a year (preferably one meeting in very quarter) and more if deemed necessary.
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation.

- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis.
- Complying with instructions issued from time to time by the regulatory body.
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staffs involved in risk management.
- Ensuring sufficient & efficient staff resources for RMD.
- Establishing standards of ethics and integrity for staffs and enforcing these standards.

Environmental & Social Due Diligence (ESDD) Process

Again, in MTB, Environmental & Social Due Diligence (ESDD) is an integral part of every loan. If the rating acquired from ESDD is high, sanctioning of loans requires approval of board. In MTB, an integrated Environmental and Social Management (ESMS) compact tool is used to screen the environmental and social impacts of every loan.

In establishing its governance body, MTB conforms to appropriate guidelines of Bangladesh Bank (The Central Bank of the country), Bangladesh Securities and Exchange Commission, and The Companies Act, 1994. Members of the governance body are also known as Directors of the Board. All of the MTB directors are successful entrepreneurs and have their investments in diversified portfolios. Therefore, it is assumed that they possess a high level of skills, experience, and knowledge to set directions and oversee the overall activities of the bank relating to economic, environmental and social impacts.



Strategic Layer- Board Risk Management Committee (BRMC)

Management Layer- Sustainable Finance Committee (SFC)

MTB Board of Directors approves the bank's budget and business plan and reviews those on quarterly basis to give directions as per changing economic, environmental and social environments. The board reviews the policies and manuals of the various businesses and processes to establish effective risk management in credit and other key areas of operations. It is the responsibility of MTB Board of Directors to endorse MTB's strategy, develop directional policy, appoint and supervise senior executives and to ensure accountability of MTB to its owners and regulatory authorities.

STRATEGY:

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material-

Type	Climate-Related Risks	Potential Financial Impacts
Transition Risks	Policy and Legal <ul style="list-style-type: none"> Increased pricing of GHG emissions Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services Exposure to litigation 	<ul style="list-style-type: none"> Increased operating costs (e.g., higher compliance costs, increased insurance premiums) Write-offs, asset impairment, and early retirement of existing assets due to policy changes Increased costs and/or reduced demand for products and services resulting from fines and judgments
	Technology <ul style="list-style-type: none"> Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs to transition to lower emissions technology 	<ul style="list-style-type: none"> Write-offs and early retirement of existing assets Reduced demand for products and services Research and development (R&D) expenditures in new and alternative technologies Capital investments in technology development Costs to adopt/deploy new practices and processes
	Market <ul style="list-style-type: none"> Changing customer behavior Uncertainty in market signals Increased cost of raw materials 	<ul style="list-style-type: none"> Reduced demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) Abrupt and unexpected shifts in energy costs Change in revenue mix and sources, resulting in decreased revenues Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)
	Reputation <ul style="list-style-type: none"> Shifts in consumer preferences Stigmatization of sector Increased stakeholder concern or negative stakeholder feedback 	<ul style="list-style-type: none"> Reduced revenue from decreased demand for goods/services Reduced revenue from decreased production capacity(e.g., delayed planning approvals, supply chain interruptions) Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) Reduction in capital availability
Physical Risks	Acute <ul style="list-style-type: none"> Increased severity of extreme weather events such as cyclones and floods Chronic changes in precipitation patterns and extreme variability in weather patterns Rising mean temperatures Rising sea levels 	<ul style="list-style-type: none"> Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism) Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants) Increased capital costs (e.g., damage to facilities) Reduced revenues from lower sales/output Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations

The Strategy pillar is intended to provide important insights into climate-related exposures faced by the business. It also addresses how responses to climate risks and opportunities are integrated within the strategy of the organization, as well as how they are incorporated as part of financial planning and analysis. One of the most valuable ways we can help our customers navigate the transition challenges and to become more resilient to the physical impacts of climate change is through financing and investment. We are supporting our customers in their transition through our sustainable finance and investment ambition. Hence, promoting green and sustainable finance with easy access to finance, is in our key mandate.

Examples of Climate-Related Opportunities and Potential Financial Impacts

Type	Climate-Related Risks	Potential Financial Impacts
Resource Efficiency	<ul style="list-style-type: none"> • Use of more efficient modes of transport • Use of more efficient production and distribution processes • Use of recycling • Move to more efficient buildings • Reduced water usage and consumption 	<ul style="list-style-type: none"> • Reduced operating costs (e.g., through efficiency gains and cost reductions) • Increased production capacity, resulting in increased revenues • Increased value of fixed assets (e.g., highly rated energy efficient buildings) • Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
Energy Source	<ul style="list-style-type: none"> • Use of lower-emission sources of energy • Use of supportive policy incentives • Use of new technologies • Participation in carbon market • Shift toward decentralized energy generation 	<ul style="list-style-type: none"> • Reduced operational costs (e.g., through use of lowest cost abatement) • Reduced exposure to future fossil fuel price increases • Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon • Returns on investment in low-emission technology • Increased capital availability (e.g., as more investors favor lower-emissions producers) • Reputational benefits resulting in increased demand for goods/services
Products and Services	<ul style="list-style-type: none"> • Development and/or expansion of low emission goods and services • Development of climate adaptation and insurance risk solutions • Development of new products or services through R&D and innovation • Ability to diversify business activities • Shift in consumer preferences 	<ul style="list-style-type: none"> • Increased revenue through demand for lower emissions products and services • Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services) • Better competitive position to reflect shifting consumer preferences, resulting in increased revenues
Market	<ul style="list-style-type: none"> • Access to new markets • Use of public-sector incentives • Access to new assets and locations needing insurance coverage 	<ul style="list-style-type: none"> • Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks) • Increased diversification of financial assets (e.g., green bonds and infrastructure)
Resilience	<ul style="list-style-type: none"> • Participation in renewable energy programs and adoption of energy efficiency measures • Resource substitutes/ diversification 	<ul style="list-style-type: none"> • Increased market valuation through resilience planning (e.g., infrastructure, land, buildings) • Increased reliability of supply chain and ability to operate under various conditions • Increased revenue through new products and services related to ensuring resiliency

Examples of Potential Climate-Related Impacts by Financial Category

Category and Definition	Climate-Related Implications	Examples of Potential Impacts Rationale	Rationale and Illustrative Metrics
Revenue: Income from normal business activities, usually from the sale of goods and services	Changing market demand for product and services due to climate-related risks/ opportunities, such as a shift in customer preferences. Sensitivity of existing revenue streams, products, and services to constraints on, or perceptions of, carbon intensity, emissions, water intensity, land use. Development of new revenue streams, products, and services in response to climate-related opportunities.	<ul style="list-style-type: none"> Revenue from operational disruption +/- Revenue from changing sales of products/services 	Drivers of climate change, such as water usage, emissions, and land use, are expected to be the focus of regulations (e.g., standards, emission limits, and carbon prices), technology development, and market changes. These policy, market, and technology changes may result in a significant shift in an organization's future earning capacity depending on the emissions, energy, and water intensity of its products and services relative to constraints and demands. Example Metrics: Percentage of revenue by product or service line; Energy, emissions, water intensity of each product or service line.
Expenditures: Operating Expenditure Ongoing cost of running a company	Required or discretionary increases in operating expenditures to address climate-related risk mitigation, adaptation, regulatory requirements, or cost of supply/ materials. Decreases in expenses as a result of increased energy or water efficiency in response to climate-related risks.	<ul style="list-style-type: none"> + R&D in new technology, products, services +/- Purchased energy and water and other costs of supply/materials + Increased production costs due to changing output requirements (e.g., waste treatment, emissions controls) + Costs to improve energy or water conservation and efficiency capabilities + Expenses to address physical risks (e.g., insurance premiums, recovery expenses) 	Drivers of climate change, such as water usage, emissions, and land use, are expected to be the focus of regulations (e.g., standards, emission limits, and carbon prices), technology development, and market changes. These policy, market, and technology changes may result in a significant shift in an organization's cost of supply and operating expenses depending on the emissions, energy, and water intensity and land use of an organization in its business activities. Example Metric: Percentage of R&D expenditures for low-carbon alternatives and energy/water efficiencies.
Assets: Capital Expenditures an expense where the benefit continues over a long period; nonrecurring nature; results in acquisition of permanent assets	Required or discretionary increases in capital expenditures to address climate related risk mitigation, adaptation, or regulatory requirements	<ul style="list-style-type: none"> + CapEx in equipment or new technologies to manage transition risk, adaptation, and conservation/ efficiency efforts + CapEx for physical risk mitigation (e.g., facilities location/ hardening, resiliency capabilities) +/- Investment hurdles affected by internal and external carbon prices 	Drivers of climate change, such as water usage, emissions, and land use, are expected to be the focus of regulations (e.g., standards, emission limits, and carbon prices), technology development, and market changes. These policy, market, and technology changes may result in a significant shift in an organization's planned capital expenditures, including acquisition or disposal of assets, investments in land and facilities, acquisition of new technology, and other shifts, depending on how MTB responds to identified climate-related issues. Example Metrics: Percentage of CapEx allocated to low-carbon/renewable assets, deployment of low-carbon technology, efficiency of facilities; Internal/external carbon price and discount rate used to establish investment hurdle rates
Assets: Tangible Land, equipment, facilities, reserves, cash, etc.	Changes in the value of an organization's assets, or the acquisition or sale of assets, as a result of climate-related risks and opportunities.	<ul style="list-style-type: none"> +/- Value of assets based on emissions, energy or water intensity; carbon price; demand -Write-offs/early retirement of Existing assets due to high emissions, energy, or water intensity -Physical damage or impairment of assets due to weather events and other acute or chronic physical climate effects 	Climate change, especially the transition to a low-carbon economy, may affect the value of an organization's assets (either positively or negatively) depending on how MTB is positioned regarding emissions, energy, water, and land use. Example Metrics: Value, and percent by value, of assets located in coastal or flood zones; Breakdown of assets by associated current or potential future emissions (MT CO2e), water intensity, or energy intensity.

Assets: Intangible Brand, copyrights, good will	Changes in an organization's reputation as a result of perceptions about its management of climate-related risks and opportunities.	+/- Brand value +/- Value of copyrights • Reduction or disruption in production capacity (e.g., shutdowns, delayed planning approvals, interruptions to supply chain) • Impacts on workforce management (e.g., employee attraction and retention)	How an organization plans and invests in a transition to a low-carbon economy may positively or negatively affect perceptions about MTB and its reputation, which in turn may affect its future earning capacity, market valuation, employee relationships, and relationships with regulators and customers. Climate-related risks and opportunities also may positively or negatively affect the value of technology patents or copyrights.
Liabilities Contingent liabilities	The potential for liability or civil/criminal penalties for MTB's climate related activities.	+ Legal liability for climate-related risks + Compliance penalties	As laws, regulations, and case law related to an organization's preparedness for climate change evolves, the incident or probability of contingent liabilities arising for an organization may increase. Example Metric: Amount reserved for pending legal actions
Liabilities Current liabilities (<= 1 year)	Changes in cost and level of current liabilities as a result of climate-related risks and opportunities.	+/- Amount of debt +/- Amount of equity capital +/- Credit rating +/- Stock price +/- Debt interest rates	Drivers of climate changes, such as water usage, emissions, and land use, are expected to be the focus of regulations (e.g., standards, emission limits, carbon prices), technology development, and market changes. These policy, market and technology changes may result in a significant shift in an organization's revenues, cost of supply/materials/production, and capital expenses. An organization's demonstrated ability to manage these changes (positively or poorly) may affect: <ul style="list-style-type: none"> • Access to capital and debt markets • Equity price and risk premium on debt • Creditworthiness • Exposure to divestment risk • Ability/flexibility in responding to climate-related risks and opportunities by being able to competitively tap financing markets
Financing Long-term debt liabilities (> 1 year)	Changes in cost and level of long-term debt as a result of climate-related risks and opportunities		
Financing Equity capital	Changes in the cost and level of equity capital as a result of climate-related risks and opportunities.		

Risk Management:

Disclose how the organization identifies, assesses and manages climate-related risks. The risk management disclosures address how the organization identifies, measures, monitors, manages and reports climate-related risks. They provide important insights into how climate-related risks are integrated within the bank wide risk management framework. We at MTB have a very robust structure in place.

Risk Management:	
<p>Recommended Disclosure</p> <p>a) Describe MTB's processes for identifying and assessing climate related risks.</p>	<p>MTB is required to describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how MTB determine the relative significance of climate-related risks in relation to other risks.</p> <p>MTB should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered.</p> <p>MTB should also consider disclosing the following: processes for assessing the potential size and scope of identified climate-related risks and definitions of risk terminology used or references to existing risk classification frameworks used</p>
<p>Recommended Disclosure</p> <p>b) Describe the MTB's processes for managing climate related risks</p>	<p>MTB should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, MTB should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within the organization. In describing their processes for managing climate-related risks, MTB should address the risks, as appropriate.</p>
<p>Recommended Disclosure</p> <p>c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the MTB's overall risk management.</p>	<p>MTB should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.</p>

Risk Management

MTB has a risk management framework that spans all of the bank's functions, and includes climate risks. This framework sets out how risks (including those related to climate change) are identified, assessed, managed, monitored and reported.

MTB's Risk Management and Mitigation Process:

- **Establishing Context:** This involves embodying a holistic risk culture across the Bank. In this step, the bank ensures that its employees comprehend the key concepts of risk strategies and culture. For this we organize various awareness programs at service outlets, hold annual risk conference, and communicate with enterprise risk associate forum members (ERAF) and all related risk stakeholders for proper dissemination.
- **Risk Identification:** This is the beginning of the major process towards the risk management and mitigation of MTB. It requires identification of possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis.
- **Risk Analysis:** In this step, impact assessment for the identified risk is done. The bank attempts to assess the significant and likelihood of the occurrence of an event.
- **Risk Evaluation:** This step is about determining whether risks are acceptable or need specific treatment. It involves comparing the level of risk found during the analysis process with previously established risk criteria. Risk Treatment: It entails setting up options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome.
- **Monitoring and Review of Risks:** Risk rarely remains static. Hence, risk management strategies need to be reviewed and implementation of the decision making has to be monitored consistently.

Climate-Related Risk:

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

We use the risk framework to monitor exposure to climate change and how it could impact the resilience of our financial and physical operations. To help us analyse climate risk in both these areas, we focus on two transition channels:

- Transition risks arise from the adjustment towards a net-zero economy, which will require significant structural changes to the economy. Changes in policy, technology and shifting consumer preferences and interpretations of the law could prompt a reassessment of the value of a large range of assets. In turn, this will give rise to credit risk for lenders and market risk for insurers and investors. The resultant risks would be more pronounced in the case of a sudden adjustment and could, dependent on scale, be a source of financial instability.
- Physical risks arise from changes in the long-term climate and the increasing severity and frequency of weather events. Physical risks can damage property and other infrastructure, disrupt business supply chains, impact human working conditions and health and, more broadly, can lead to internal displacement and conflict. This reduces asset values, results in lower profitability for companies, damages public finances, and increases the cost of settling underwriting losses for insurers. Indirect effects on the macroeconomic environment, such as lower output and productivity, exacerbate these direct impacts.

Our approach to risk management is influenced by three distinct characteristics, which we see in both transition and physical climate risk, and which mean that addressing climate risks presents unique challenges:

- The impact is far-reaching in breadth and magnitude: climate change risks will affect all parts of the economy, across all sectors and geographies. The risks will be correlated and their impact nonlinear and irreversible.
- The risks are foreseeable: while the exact outcome is uncertain, some combination of transition and physical risks will crystallize.
- The magnitude of the future impact is dependent on actions today: this includes actions by governments, central banks and regulators, businesses and households, and financial firms.

While these three characteristics mean that climate risks present unique measurement and management challenges, the bank's approach has prioritized development of the necessary capabilities, recognizing that delay will impair our ability to both measure the risks we are taking in the short term and assess the long-term consequences of those decisions. In particular, the bank takes a forward-looking approach to climate risk management.

The process for managing these risks will continue to develop as our understanding of underlying risks improves, technical capabilities evolve, and methodologies develop and become more standardized.

Metrics and targets:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. Financial service firms' metrics and targets provide stakeholders with important insights on how the capital allocation to carbon-intensive sectors is changing. Metrics and targets are the mechanism for measuring and disclosing progress versus the commitments made to stakeholders with respect to managing and mitigating the impact of climate change.

<p>Recommended Disclosure</p> <p>a) Disclose the metrics used by the MTB is required to assess climate related risks & opportunities in line with its strategy and risk management process</p>	<p>MTB is supposed to provide the key metrics used to measure and manage climate related risks and opportunities, as well as metrics consistent with the cross-industry, climate-related metric categories described. MTB is required to consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable.</p> <p>Where climate-related issues are material, MTB should consider describing whether and how related performance metrics are incorporated into remuneration policies. Where relevant, MTB should provide their internal carbon prices as well as climate- related opportunity metrics such as revenue from products and services designed for a low-carbon economy.</p> <p>Metrics should be provided for historical periods to allow for trend analysis. Where appropriate, MTB should consider providing forward-looking metrics for the cross-industry, climate-related metric categories, consistent with their business or strategic planning time horizons. In addition, where not apparent, MTB should provide a description of the methodologies used to calculate or estimate climate- related metrics. We are yet to accomplish this.</p>
<p>Recommended Disclosure</p> <p>b) Describe the MTB's processes for managing climate related risks</p>	<p>MTB should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. All MTBs should consider disclosing Scope 3 GHG emissions.</p> <p>GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across MTBs and jurisdictions. As appropriate, MTBs should consider providing related, generally accepted industry- specific GHG efficiency ratios.</p> <p>GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, MTBs should provide a description of the methodologies used to calculate or estimate the metrics. We are yet to accomplish this.</p>
<p>Recommended Disclosure</p> <p>c) Describe the targets used by the MTB to manage climate related risks and opportunities and performance against targets.</p>	<p>MTB should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with the cross-industry, climate related metric categories, where relevant, and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.</p> <p>In describing their targets, MTB should consider including the following:</p> <ul style="list-style-type: none"> • whether the target is absolute or intensity based; • time frames over which the target applies; • base year from which progress is measured; and • key performance indicators used to assess progress against targets. <p>MTB is required to disclose medium-term or long-term targets and should also disclose associated interim targets in aggregate or by business line, where available. Where not apparent, MTB can provide a description of the methodologies used to calculate targets and measures. We are yet to accomplish this.</p>

Risk Metrics

MTB annually calculates and reports a set of Performance metrics, including environmental indicators such as energy consumption within MTB, energy intensity, per day power consumption, reductions in energy requirements of products and services, in-house green banking practices, direct greenhouse gas (GHG) emissions, metric tons of CO2 emitted, reduction of GHG emissions, GHG emission intensity, water consumption, waste management etc. While these metrics provide an overall perspective on how MTB is doing on its own emission-performance goals, other measures are also monitored and discussed in assessing climate related risks and opportunities, including the following:

- Regulatory changes and country legislation, including those related to required actions and country emissions goals
- Investor, regulator, and NGO activism, publications, and reports
- Changes in revenue generated from sustainability services
- Changes in market pricing and availability for offsets and renewable energy credits

MTB's environmental performance e.g. energy and greenhouse gas emissions data is included in the MTB Annual Report and MTB Sustainability Report as well as MTB annual Sustainability report (following the GRI standards) in detail. MTB is committed to improving the accuracy of the data sources and calculation methodology and continuing to recognize our supply chain as one of the key components of our greenhouse gas footprint. We also recognize that inventory methodologies and standards continue to evolve and may change future greenhouse gas reporting processes or may result in recalculation of some metrics for year-over-year comparability.

GHG Emission:

Emission Type	Description	Emission Sources Activities
GHG direct emissions (Scope 1) <i>Yet to fully assess and integrate</i>	Direct emissions that occur from sources that are owned or controlled by us	Fuel consumed by own equipment, vehicles etc. used in operation
GHG indirect emissions (Scope 2) <i>Yet to fully assess and integrate</i>	Indirect emissions from the generation of purchased electricity consumed by us	Electricity purchased from grid
Other GHG indirect emissions (Scope 3) <i>Yet to fully assess and integrate</i>	Indirect emissions that are a consequence of the activities of the Company, but occur from sources not owned or controlled by us	Fuel consumed by visiting marine vessel, contracted vehicles and equipment, business travel (air, train, road), employee commute, transportation for waste disposal



ACKNOWLEDGEMENT

Note of Thanks



We know, that sustainability refers to humankind meeting its economic needs without overburdening the environment or weakening societies. So, it entails development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The modern concept of sustainability originated within the context of sustainable development, that is, country-level economic development done in a way that does not overexploit natural resources or overburden society.

Environmental sustainability means to maintain ecological integrity, preserve biodiversity, and maintain the balance of natural systems (such as the global climate), and that we should consume natural resources at a rate less than that at which it can be replenished. Social sustainability means that all can afford a minimum standard of basic necessities and human rights, and they have sufficient resources to keep themselves, their families, and their communities healthy and secure. Economic sustainability means to have economic systems that are accessible to everyone and that help to spread and generate prosperity globally.

Environmental criteria consider a bank's relationship to climate change or to nature: Typical metrics include our carbon dioxide emissions, water usage, or its impact on deforestation. Social metrics examine how we treat our employees and manage relationships with suppliers and communities. Governance deals with the bank's leadership, including board composition, executive compensation, risk management, and other internal procedures.

At MTB, we strive to ensure sustainable development, without having to compromise in any of the ESG parameters. I wanted to take a moment to extend my heartfelt gratitude towards all our valued stakeholders for their invaluable support and engagement with our sustainable report. Their commitment to understanding and promoting the importance of sustainable finance is pivotal in our collective journey towards a more responsible and resilient future.

Their active involvement and interest in our sustainable report highlights the growing awareness of the crucial role that finance plays in addressing global sustainability challenges. Together, we are driving positive change by emphasizing transparency, accountability and ethical financial practices.

By acknowledging the significance of sustainable finance, we are not only advancing our organization's mission but also contributing to a broader movement that seeks to create a more sustainable, equitable and prosperous world for all. In a world increasingly defined by environmental and social challenges, sustainable finance stands as a beacon of hope and a catalyst for positive change.

The Imperative of Sustainable Finance: At its core, sustainable finance recognizes that financial success and societal well-being are inextricably linked. It champions a financial system that not only seeks profit but also nurtures our planet and improves the lives of all people. Our report underscores the critical role sustainable finance plays in addressing several global imperatives:

Environmental Stewardship: Sustainable finance acknowledges the urgency of environmental preservation. It directs capital towards eco-friendly investments, renewable energy and conservation efforts. By supporting green initiatives, we contribute to mitigating climate change and safeguarding the natural world for future generations.

Resilience and Risk Management: Sustainable finance bolsters resilience. By assessing and addressing environmental and social risks, it helps financial institutions and businesses prepare for a changing world. We actively identify and manage climate related risks to ensure financial stability.

Corporate Responsibility: It compels businesses to operate ethically and transparently. Companies are increasingly recognizing that integrating ESG (Environmental, Social, and Governance) factors into their operations is not just ethical but also enhances long-term financial performance. Our investments prioritize entities committed to strong corporate governance and ethical practices.

Social Equity: Sustainable finance fosters economic and social inclusivity. It channels resources to projects that uplift marginalized communities, provide access to education and healthcare, and promote fair labor practices. Through our initiatives, we aim to reduce inequality and enhance societal well-being.



Our Commitment to Sustainable Finance:

Our organization has fully embraced the principles of sustainable finance. We are proud to report on the following key achievements:

- **Impactful Investments:** We have directed capital towards sustainable projects with tangible environmental and social benefits, aiming to reduce our carbon footprint and enhance societal welfare.
- **Innovation:** Leverage cutting-edge technologies, we strive to develop innovative financial products that promote sustainability and inclusivity while improving customer experiences.
- **Transparency:** We maintain unwavering transparency in our financial practices, provide stakeholders with comprehensive ESG data and other key information to inform their decisions.

As we move forward, our commitment to sustainable finance remains unwavering. We understand that the financial sector wields immense influence, and we are dedicated to leveraging that influence for the greater good.

MTB is committed to build an environmentally responsible business by minimizing the environmental impact of its operations and acting promptly to reduce or respond to incidents that endanger health, safety or the environment. We believe that our ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help us deliver value to all our stakeholders. Hence, MTB ensures good corporate governance practices and the highest standards of business integrity applied to all our activities. In this glorious journey we need the support and company of our valued clients, shareholders, regulators and all stakeholders.

We extend our sincere gratitude to our partners, clients, employees, and regulators who have supported us on this journey. Together, we are pioneering a financial system that not only thrives economically but also leaves a lasting positive impact on our planet and society.

Warm Regards,

Tahmina Zaman Khan
Head of Sustainability

MTB SUSTAINABILITY REPORT 2022

GROWING WITH SUSTAINABILITY

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