

MTB SUSTAINABILITY REPORT 2023

A DECADE OF SUSTAINABLE COMMITMENT



মিউচুয়াল ট্রাস্ট ব্যাংক পিএলসি
Mutual Trust Bank PLC

you can bank on us



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MUTUAL TRUST BANK PLC (MTB) PRESENTS ITS 10th SUSTAINABILITY REPORT



For the period from

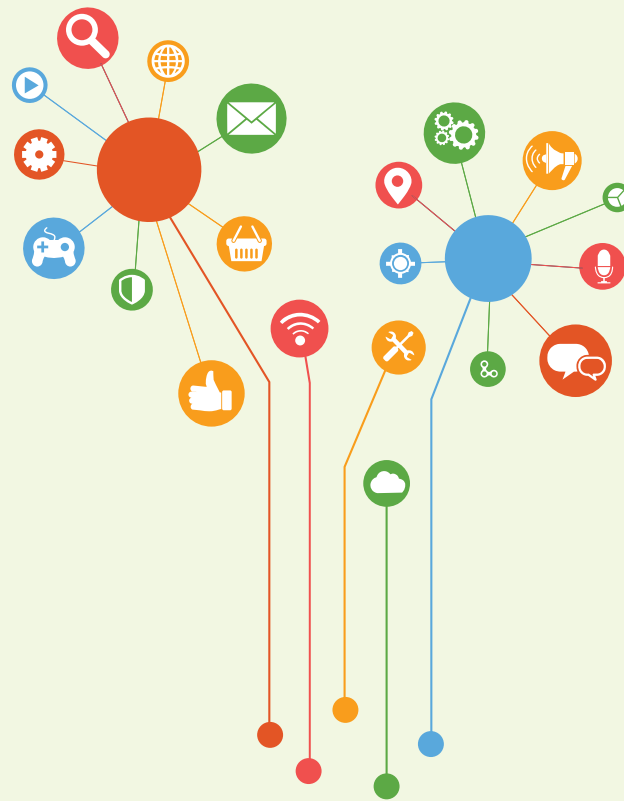


JANUARY 2023 TO DECEMBER 2023



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





PREFACE

Mutual Trust Bank PLC (MTB) presents its **10th Sustainability** Report for the period from January 2023 to December 2023. 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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STRATEGY



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

Dear Valued Stakeholders,



It is both an honor and a privilege to address you through this Annual Report, where I will provide a succinct performance analysis of MTB in 2023 and its future prospects. Below, I have summarized the bank's journey over the past year before walking you through some of the other significant aspects of the reporting narrative.

Navigating Global and Local Economic Uncertainty

The world has undergone significant changes in recent years, particularly following the pandemic, which unleashed macroeconomic volatility globally. In 2023, unpredictability persisted as major global events unfolded, including Russia's lingering actions in Ukraine and subsequent humanitarian and economic crises, along with Israel's attacks on Gaza leading to tensions escalating into an Iran-Israel conflict in the Red Sea. These disturbances disrupted global trade lines and escalated operational

costs, sanction on various countries adding complexity to the trade environment.

Amidst this global turmoil, Bangladesh has faced unprecedented macroeconomic pressures since 2022, manifesting in soaring inflation, rapid depletion of foreign exchange reserves, and mounting pressure on foreign exchange liquidity. Currently, Bangladesh maintains a low tax-GDP ratio of 8%, ranking as the second-lowest in South Asia and trailing most lower-middle-income countries by nearly 5%. This limitation hampers the government's ability to finance infrastructure, human development initiatives, and social protection programs adequately.

Import constraints resulting from import control measures and acute shortages of foreign exchange supply have hindered GDP growth and private sector investment. Consequently, private sector credit growth contracted to 10.13% in December 2023 from 12.89% in December 2022. Confidence in the macro-economy has waned, impacting FDI inflows and leading to credit rating downgrades.

These challenges have further weakened the already fragile banking sector, plagued by governance issues, liquidity crises, and high loan default rates, posing risks to the overall economy. Despite these obstacles, the Bangladesh economy managed to grow at 5.78% in FY 2023, according to the Bangladesh Bureau of Statistics (BBS), albeit lower than the 7.10% growth in FY 2022.

Amidst these upheavals, customers have increasingly embraced digital lifestyles, incorporating digital technologies into daily activities. Notably, digital financial services have gained traction, with small payments, such as purchasing a cup of tea, being conducted digitally in a cashless manner. The rapid evolution of QR code payments underscores the growing importance of digital financial services in Bangladesh.

Our Strategies for Sustainable Growth

In response to the winds of change and navigating through the inclement socio-economic weather of 2023, MTB has taken decisive steps to reinforce its fundamentals. This involved refining our long-term strategy to ensure relevance



and viability in the future. Despite challenging conditions, MTB achieved remarkable financial performance in 2023 supported by a diversified asset liability portfolio, service excellence, and a steadfast commitment to good governance practices and enhanced compliance with regulatory norms.

Deepening our purpose of adding a human touch to financial services, particularly in the realm of digital financial solutions, we aim to create superior customer experiences and serve as a force for good in the community. This commitment remains central to making a difference in the lives of our customers and communities.

Our strategic thrusts emphasize the importance of putting customers at the forefront of all our endeavors. We aim to enhance customer-centricity by offering personalized products and services that provide meaningful solutions throughout their journey with us. Accelerating digitalization and technological modernization will drive this effort, along with strengthening our backend and frontend systems to create a thriving connected digital ecosystem.

Expanding beyond metropolitan areas, we are committed to improving regional services and digital touch points to broaden our market presence in Bangladesh and strengthen our position across the country. Our agent banking and sub-branch model exemplify this effort, as we bring banking services closer to the masses, particularly the unbanked population. This year, we plan to expand our network in hard-to-reach areas leveraging our robust and cost-effective digital platform.

To deepen our reputation and positive impression among stakeholders, future expansion will focus on unique offerings such as loans for pre-owned cars and holistic banking solutions for freelancers. Additionally, we aim to establish a pioneering presence in Islamic banking by increasing our Shariah-compliant solutions and extending our MTB Yaqeen reach sustainably and in compliance with regulations.

As we expand and diversify our product and customer portfolios, we remain committed to fortifying our ethical and sustainable standards. This evolution ensures that MTB continues to serve generations of customers as one of Bangladesh's most modern banks with a history of customer excellence.

Consistent Performance Delivered

I will always look back at the year 2023 with pride as we navigated an uncertain and complex macroeconomic environment with relative ease, thanks to the strong foundations we have patiently built over the years. Our unwavering focus on platform-building enabled us to stand tall at all times.

Despite dwindling customer confidence in weak banks due to governance concerns, MTB continued to grow as a preferred bank, known for championing compliance. All of our business divisions performed well in 2023, with new businesses showing particularly rapid growth due to their resonating proposition with the target customer base. Mature business wings also contributed, albeit at a slower pace, resulting in a collectively sound performance.

In 2023, MTB achieved the milestone of exceeding Tk. 2.50 billion Profit after Tax (PAT), with a commendable increase of 20.71% to Tk. 2,860 million. This reflected efficient ALM practices, prudent risk management, and various cost rationalization measures during persistently high inflation. Notably, net interest income increased by 87.58% to Tk. 7,253 million, primarily due to a faster increase in return on loans compared to the growth rate of the cost of deposits, along with quality loan growth. Additionally, income from investment and other operating income grew, contributing to the positive growth of operating income.

Despite the challenging business environment, MTB demonstrated notable growth in its balance sheet. Total loans and advances grew by 2.82%, reaching Tk. 261 billion, while the deposit base expanded by 12.86%, reaching Tk. 263 billion compared to the previous year. Our consistent adherence to rigorous credit policies and underwriting practices helped maintain a decent NPL (Non-Performing Loan) ratio of 6.54% (up from 5.77% in 2022), which is well below the industry average of 9.00% as of December 2023. This increase is mainly due to some legacy portfolios, which we are aggressively provisioning for, but rectification will take some time. We request your patience during this period. The portfolios we have built over the last few years have been performing well, reflecting our accomplishments in rigorous credit screening, onboarding quality accounts, and implementing an efficient collections strategy. Having secured these foundational pillars, we can look to scale up our asset book while maintaining pristine loan book quality.



CASA witnessed growth, reaching 43.55% in the year under review, primarily due to our efforts in garnering retail and corporate deposits. The strength of our deposit franchise is evident in the Bank's ability to grow its CASA ratio despite offering lower than market interest rates. This demonstrates the stability and long term nature of our deposits, as our deposit holders prefer the safety of their capital over higher short-term, risk-prone returns. At the same time, it was also evident that customers opted to move their excess funds into higher-yielding products, especially Treasury Bills and Bonds, amid the rising interest rate environment.

Despite a slightly increased cost-to-income ratio to 53.05% versus 51.54% in 2022, our pre-provisioning operating profit rose to Tk. 8,210 million in 2023, up from Tk. 7,803 million, registered 5.22% YoY growth. We managed our asset quality vigilantly, setting aside higher provisions as a precautionary measure, contributing to a significant growth in PAT for the year.

We ensured compliance in all the regulatory ratios including liquidity and solvency ones. Being a AA+ rated bank, CRAR stood at 14.98% respectively. We closed the year with EPS of Tk. 2.91 and NAV (per share) of Tk. 23.99. Supported by robust capital levels, the Board declared a 10% Cash dividend for 2023, aligning with our commitment to enhancing long-term value for our shareholders.

Our Digital First Philosophy

In our commitment to providing unique digital experiences, we draw inspiration from consumer companies where digital innovation is paramount. Recognizing the value of digitalization early on, MTB continues to lead with innovative digital solutions to enhance our banking services. Our pioneering digital nano loan product, developed in partnership with Delivery Tiger, received overwhelming response for its simplicity and convenience in addressing customers' liquidity needs.

Moreover, we've modernized our ATM/CDM network with smart kiosks that offer more than cash withdrawal, facilitating cash recycling and instantaneous deposits. Leveraging robust data analytics, we address customer needs by transforming pain points into end-to-end digital solutions, prioritizing speed and convenience.

As digital accessibility expands, ensuring a secure banking environment is paramount. We've strengthened online banking security with enhanced authentication measures.

To mitigate risks associated with physical cards, we're reducing dependency and implementing secure transaction methods like Bangla QR and instant remittance disbursement with bKash and Nagad integration.

Testament to our digital strength is the large digital user base we serve and our growing online transaction market share. As at 31 December 2023, we recorded no less than 0.14 million active smart banking app users who executed 6.31 million transactions, 152% higher in YoY. More than 15 unique features were added in MTB apps for customer convenience. We have partnered with 300 plus e-commerce site and on boarded more than 60 thousand QR Merchant. Throughout the year, a total of 16 digital initiatives went on live and saved Tk. 345 million through business process automation.

The driving force of our digital transformation is our strong digital culture, manifested in the way we work and serve our customers. Our efforts have gained numerous recognitions in the industry. Most notably, MTB clinched 25 global and local awards in terms of corporate governance, leadership innovation culture, diversity and inclusion, corporate social responsibility.

Developing a Future-proof Workforce

At MTB, we understand that motivated employees are essential for delivering service excellence and enhancing customer satisfaction and loyalty. That's why we prioritize creating a positive work environment that fosters employee engagement and satisfaction. We've instilled a culture of recognition, goal-setting, teamwork, and work-life balance through various awareness programs. We believe every employee represents the MTB brand and deserve regular salary increments, benefits, and unique life insurance coverage for themselves and their families.

We recognize that cultivating the right culture is paramount, valuing attitude, ethics, and values as much as skills. Our performance assessment metrics consider not only individual performance but also how it was achieved. These help safeguard our operations and our reputation. We are serious about any malpractice being brought to light through our whistleblowing policy, anti-harassment policy or preventing financial fraud or terrorist activities through our anti-money laundering and anti-terrorist financing vigilance mechanisms.

As we shape a next-generation workforce, we're focused on building digitally-savvy, customer centric, and sustainability-conscious employees. We envision a



workforce that innovates and collaborates to deliver customer-centric solutions while upholding our core values. This vision is not just idealistic but a reality at MTB.

Sustainable Banking is at Our Core

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

As one of the leading banks in the country, MTB is committed to financing environmentally and energy-efficient projects. In 2023, MTB made significant progress in furthering the UN Sustainable Development Goals (SDGs). Our initiatives included enhancing financial inclusion through agent and sub-branch outlets, conducting webinars on education and gender equality, and creating affordable products for women entrepreneurs. We allocated significant funds towards green financing and sustainable projects, underscoring our dedication to environmental preservation and societal advancement. We have

implemented an Environment and Social Risk Management System to assess project risks and promote cleaner energy financing in alignment with our climate change mitigation efforts. Collaborating with multilateral organizations like GCPF and SIFEM, MTB continues to uphold sustainable banking practices. We also encourage green initiatives in our daily activities. For instance, we partnered with SOLShare to finance smart lithium batteries for Electric Vehicles (EVs), a pioneering initiative aimed at reducing transportation costs and fuel dependency. Consequently, MTB won the “Global Climate Partnership Award 2023” for this innovative idea of bridging the gap between smallholder farmers in Bangladesh and cost-effective EV solutions through accessible finance.

Challenges and Opportunities Lie Ahead

Bangladesh confronts a challenging economic landscape marked by pandemic aftermath and inherent structural weaknesses. Despite growth slowdown, inflationary pressures, and fiscal constraints, opportunities for enhancement exist. Monetary and exchange rate reforms, coupled with structural adjustments, can boost investor confidence and foster sustainable growth. Essential measures like NPL resolution, banking sector consolidation, and revenue mobilization are vital for resilience. Though revenue-GDP ratio lags, IMF projects an upward trajectory, aiming for 10% by FY27 with successful tax reforms. Despite challenges posed by escalating external debt, exceeding US\$100 billion by 2023, embracing prudent strategies are imperative. Positive developments, including Moody’s revised outlook on Bangladesh’s banking sector and the introduction of the Offshore Banking Act-2024, signal stability and opportunities for growth. Policy actions by Bangladesh Bank, such as corridor-based SMART rate introduction and policy rate increases, are expected to have positive impacts on the banking industry. However, potential stringent classification criteria by Bangladesh Bank in 2024 could affect the sector’s overall financial health. Despite these challenges, Bangladesh’s economic outlook for FY 2024 remains positive.

Regardless of circumstances, our commitment remains steadfast towards delivering outstanding banking services to our customers and enhancing returns for our shareholders. The achievements in our financial performance validate the effectiveness of the strategies adopted in 2023. Looking ahead, we will persist in seeking a competitive advantage, staying true to our path of



sustainable growth. Our primary goal is to attain strong, secure, and enduring growth, while optimizing operational efficiency and seizing diverse investment prospects.

Thank You for Your Trust

The most inspiring aspect of 2023 was witnessing MTB overcome the challenges posed by the prolonged pandemic and conflicts, emerging even more determined to achieve its objectives. Our resilience is attributed to various factors, including a shared vision and values.

I extend my sincere appreciation to the Chairman of the Board of Directors for his invaluable guidance and supporting us all the way through, as well as to the entire Board of Directors for their insightful advice and timely direction. I also recognize the contributions of our ManCom and E-ManCom teams, along with all employees, for rallying together when it was most needed, further strengthening the Bank into an organization we can all take pride in.

I am deeply thankful to the Bangladesh Bank, as well as other regulatory bodies, for their prudent guidance. Lastly, I want to express my heartfelt gratitude to all our stakeholders – customers, shareholders, regulators, and partners – for their trust and continual inspiration. Each of you plays a vital role in MTB's journey, and we remain committed to maximizing value for you.

Thank you for choosing us as your banking partner.



SYED MAHBUBUR RAHMAN
MANAGING DIRECTOR & CEO



STATEMENT OF THE ADDITIONAL MANAGING DIRECTOR & GROUP CHIEF RISK OFFICER



In last 52 years of Bangladesh, banking sector has been playing a pivotal role to build today's USD 450-plus billion economy. From financing crucial infrastructure projects to nurturing small businesses, banks serve as the lifeblood of diverse sectors. However, this very dependence underscores the critical need for robust risk management practices. By proactively identifying and mitigating potential risks, banks can ensure the stability of the financial system and foster a healthy environment for continued economic growth.

Being one of the leading financial institutions of the country, MTB actively foster a "risk-intelligent culture" to navigate the inherent risks, where everyone understands the risk approach, takes ownership of risk management, and inspires others to do the same. Our governance, systems, and behaviors should all encourage sound risk decisions.

From the management perspective, role of Chief Risk Officer (CRO) goes here beyond mere risk identification. The role seeks ready preparation must to shift gears into crisis management, prioritizing business continuity and open communication during challenging times. Additionally, MTB designates its desk of CRO as a multifaceted role including revenue generation strategies with diversified portfolio, operational streamlining, legal and regulatory compliance, focus on core competencies and most importantly, ensuring the bank's stability and growth.

Key Global Risks and Risk Management Challenges

As 2024 unfolds, a number of key risk trends from the previous year are expected to not only remain relevant but become even more significant. Amidst of continuation of the Russia-Ukraine War, conflicts between Israel and Palestine, flare-ups in Yemen or Syria, Africa's ongoing struggles, are many of the ongoing major crises that threaten to destabilize the world further. Risks like societal polarization, economic downturn, and climate change are expected to worsen over the coming decade. Escalating conflict in the Middle East could disrupt oil supplies and send price soaring, leading to a global recession.

Economic woes like inflation and potential downturns threaten financial stability, especially for vulnerable countries like Bangladesh. Additionally, the widening digital divide due to uneven access to technology risks further marginalizing developing nations. These trends, coupled with potential disruptions from extreme weather events and geopolitical conflicts, paint a picture of a world increasingly at risk.

While the global inflation is predicted to decline from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, the world economy is expected to grow at 3.2% during 2024 and 2025, with advanced economies experiencing a slight acceleration and emerging markets a modest slowdown. Despite central bank interest rate hikes, the global economy remained resilient, with economic activity growing

steadily through the disinflation of 2022-23. [World Economic Outlook - IMF, April 2024]. The growth engine is losing steam due to structural frictions, demographic pressures, and a slowdown in private capital formation.

We observed alarmingly, earth's temperature has risen by an average of 0.11° Fahrenheit (0.06° Celsius) per decade since 1850, or about 2°F in total. 2023 was the warmest year since global records began in 1850 by a wide margin. Meanwhile, increasing cost of living vis-à-vis inflation is impacting social life of the people severely. COP23 in Bonn saw some progress on climate action. A platform for local communities and indigenous peoples was established, and plans for gender equality and agricultural practices were adopted. However, a major sticking point remained - climate finance for developing countries. Decisions on this and finalizing the Paris Agreement rulebook were deferred to future meetings.

The coming decade promises significant change, pushing the boundaries of risk management professionals' adaptability. Organizations worldwide have witnessed a crucial shift, elevating the risk management activity as forefront activity. As environmental and technological threats escalate in severity and concerns surrounding Artificial Intelligence (AI) and its potential downsides are particularly pronounced, significance of risk management has become more crucial and critical for any organization than ever before.

To stay ahead in this dynamic environment, organizations must prioritize the continuous development of their risk management expertise and practices. Maintaining a state of heightened awareness and fostering organizational agility are critical for effective navigation of the intricate complexities inherent in the contemporary risk landscape.

The Evolving Nature of Risk Management

The risk management domain in banking is undergoing a continuous evolution, propelled by the dynamic nature of the financial environment and the necessity to adapt to emerging challenges. International and national regulations, such as Basel III and Basel IV, have ushered in a more stringent set of risk management requirements. In response to these evolving regulatory demands and the ever-present need to maintain financial stability, banks are engaged in continual refinement of their risk management practices.

Reorganized Three Lines of Defense

The traditional "Three-Lines-of-Defense" model has been changed into a six-step, principles-based approach, to focus more on defined roles in an effort to boost collaboration. The governing body delegates tasks and sets direction for each line (management, internal audit) with clear accountability and reporting structures. Management roles are streamlined, with the first line (client service & risk) and second line (risk expertise & oversight) combined.

Digitization: Generative AI, Data Analytics, Crypto currency

New technologies and data improve risk monitoring and decision-making through early warning systems and real-time controls. However, poor data quality as well as inappropriate utilization create hinder advanced analytics applications. Exploring new algorithms to address data vulnerabilities is crucial. Additionally, reporting remains a challenge due to manual intervention and inefficiency. Efficiency improvements are vital for better reporting.

Regulatory Landscape

Anti-Money Laundering regulations with newly formed bodies like Anti-Money Laundering and Countering the Financing of Terrorism Authority [AMLA – EU] are emerging [AMLA will launch its first open selection procedure by the end of 2024/early 2025] and pushing for consistency in policies and controls. Climate and ESG regulations are expected to tighten, requiring robust and sustainable risk functions with agile working models. Proactive engagement with regulators is key to aligning compliance and control strategies.

Market Shifts and New Risks

Banks face rising cost pressures with digital transformation. Budgets should reflect shifting priorities and risk maturity. Alongside credit risk, model risk, climate risk, and technology risk are gaining importance, requiring adjustments to the risk skillset.

Value Creation for Risk Functions

Leading organizations are shifting risk functions from bureaucratic tasks to value creation. This includes focusing on execution, business outcomes, process simplification, and risk assessment consolidation. This ultimately leads to better institutional performance, lower losses, and reduced capital requirements. Successful risk functions are more productive and responsive to all stakeholders.



Risk Environment in Bangladesh Context

In its Global Risks Report 2024, World Economic Forum (WEF) identifies 6 challenges Bangladesh would face in two years – energy shortage, inflation, economic downturn, inequality, public debt and unemployment. The Global Risk Report further elaborates that, Bangladesh may struggle to achieve its Sustainable Development Goals (SDGs) by 2030 due to a lack of funding. The report estimates they need to invest USD 400 per person, but predicts they may only reach USD 230. Additionally, rising government debt and unemployment are highlighted as key economic risks. High debt can limit private sector credit and investment, while also potentially raising interest rates.

Here, the banking sector serves as a critical engine for the nation's economic growth and stability. It facilitates the synchronization of depositors, investors, and borrowers, fostering a dynamic environment for economic development. However, recent concerns regarding adherence to sound banking practices have cast a shadow of uncertainty. Issues such as a lack of transparency, accountability, and instances of financial mismanagement have raised questions about the overall discipline within the sector.

Non-performing loans (NPLs) pose a significant and persistent challenge. Unlike developed economies where NPLs typically remain around 2%, Bangladesh currently grapples with a much higher rate of 9% (as of December 2023). This necessitates substantial provisioning by banks, thereby exerting immense pressure on their capital adequacy and overall financial health. Positive developments, however, are emerging. Recent data indicates a decline in the NPL ratio compared to the previous quarter, accompanied by a rise in deposit and loan growth. Additionally, banks are demonstrating improvements in bad loan provisioning, enhancing their resilience against credit risks. While excess liquidity in the banking system has shown a slight decrease, the sector's overall stability appears to be maintained.

The Bangladesh Bank (BB) has undertaken proactive measures to address these challenges. Landmark circulars like the "Recovery Plan for Banks" and the "Prompt Corrective Action (PCA) Framework" represent noteworthy initiatives aimed at bolstering financial stability and restoring public confidence in the banking system. Notably, the PCA framework mandates corrective actions by banks based on specific performance indicators such as Capital to Risk-weighted Assets Ratio (CRAR), Tier 1 capital ratio,

Common Equity Tier 1 (CET1) ratio, Net NPL ratio, and corporate governance practices.

Risk Governance of MTB – Championing Risk Management Culture

MTB prioritizes robust risk governance frameworks throughout its operations by embracing an "enterprise mindset." The CRO strategically aligns risk management with the broader business strategy and customer needs. This integration involves factoring risk considerations into decision-making processes and providing insights to drive innovation. MTB's CRO leads the development of capabilities for the risk team to understand end-to-end processes, aiming to reduce operational risks. Risk-awareness culture is cultivated through periodic surveys, quizzes, comprehensive risk register and dedicated forums, all spearheaded by the CRO.

Collaboration and Stakeholder Engagement

Effective collaboration and stakeholder engagement are crucial. The CRO fosters strong relationships with key internal and external stakeholders, including the CEO, senior management, and increasingly, the Board of Directors. This requires exceptional communication and collaboration across business units, executives, regulators, and external partners. The CRO acts as a bridge, ensuring a holistic and comprehensive approach to risk management. We utilize risk escalation platforms at all levels to guarantee the free flow of information.

Leveraging Technology and Data

Data is an invaluable asset in risk management. The CRO champions the development of strong analytical skills within the risk team, allowing them to translate vast amounts of data into actionable insights. By leveraging advanced analytics, automated tools, and predictive modeling, we aim to improve risk identification, enhance risk quantification, and develop proactive mitigation strategies. This, in turn, contributes to better asset quality and ensures timely recoveries.

Navigating Regulatory Complexity

Regulatory landscapes are becoming increasingly complex and demanding. The CRO actively engages with regulatory bodies to understand and adapt to evolving requirements. Our commitment to proactive adherence to regulatory directives is ingrained in our organizational DNA. The CRO spearheads a zero tolerance strategy regarding regulatory compliance.



Fostering a Risk-Aware Culture

The CRO champions a risk-aware culture throughout the bank. We aim to shift the perception of risk management from a business hurdle to an enabler of innovation and growth, strategically supporting business objectives and ultimately safeguarding our customers. Fostering such a culture, led by the CRO, empowers employees at all levels to proactively identify and manage risks, contributing to a resilient and agile organization.

Commitment towards Environment and Society

The CRO upholds the principles while screening bank's activities as a promise to support MTB's corporate sustainability. We work relentlessly to work for the benefits of the society promoting financial inclusion, environment friendly investments and attending social responsibilities. It enables the organization to plan for compliance, enhance voluntary disclosures, and develop risk mitigation roadmaps, paving the way for a sustainable future.

Forward Looking Risk Management Strategies

The prudent risk management practice shall play a pivotal role in safeguarding the financial stability and integrity of a bank, leveraging technology, data, and a risk-aware culture to drive innovation and ensure sustainable growth.

Addressing Post-Pandemic Recovery Challenges

Bangladesh's post-pandemic journey necessitates economic reforms. Diversifying exports, strengthening finance, and fostering urban development are crucial. Robust governance, infrastructure investment, and climate resilience strategies are essential for balanced growth. Embracing green growth principles will ensure sustainable development. Timely action can accelerate recovery and achieve upper-middle-income status.

Navigating Global Risks in an Interconnected World

A vigilant approach towards rising tide of global risks, both familiar and emerging, is the key tool to manage the global crisis exploring diverse solutions. The global landscape is increasingly shaped by various risks, some familiar like pandemics and geopolitical conflicts, while others, like climate change and technological disruptions, are novel and rapidly evolving. Collaboration remains the fundamental tool in addressing global risk. Being

market-update and agile to adaptive scenarios with period stress testing and scenario analysis can help in accelerate proactive measures and enhance resiliency for the bank.

Ensuring Compliance and Effective Risk Management

For MTB, ensuring compliance with relevant laws, regulations, and industry standards is paramount. The same is achieved by implementing clear policies and procedures, conducting regular audits and assessments, and maintaining open communication with internal and external stakeholders.

We prioritize data governance by utilizing reliable data sources and tools, employing best practices for data encryption, backup, and recovery, and consistently refining our governance frameworks. While effectively managing stakeholder engagement is another key challenge, MTB identifies and prioritizes key stakeholders, fosters clear and frequent communication, and actively seeks feedback and input to ensure smooth banking operations.

Adapting to Uncertainty and Managing Resources

Uncertainty and volatility are inherent in the internal and external environments. We adopt a proactive and flexible approach to navigate these challenges, utilizing contingency plans, regularly monitoring and reviewing the risk landscape, and prudently managing uncertainty and volatility. Resource constraints can limit the effectiveness of risk management practices. To address this, we prioritize and focus on critical risks, allocate resources efficiently, and consider leveraging existing or external resources.

Climate Change and Sustainability

Climate change, primarily driven by human activity, presents a significant risk to human existence. We recognize the urgency for continual research and development in this area. At MTB, we leverage sophisticated climate risk assessment tools, recognizing the need for continual refinement to reflect the dynamic interplay between climate science, natural factors, and policy changes.

As we move forward, we are confident that financial institutions will continue to develop innovative solutions to facilitate their sustainability journeys and transition towards a resilient, low-carbon future.



Light of Hope

Despite ongoing economic challenges, Bangladesh's economy exhibited resilience in 2023, achieving a growth rate of 6.03%. While a slight moderation to 5.70% is projected for 2024, the International Monetary Fund (IMF) anticipates a rebound to 6.60% in 2025 (World Economic Outlook, April 2024). This trajectory underscores Bangladesh's remarkable economic progress. Currently, Bangladesh contributes 0.84% to global GDP, with a projected increase of 0.17% over the next five years. This growth is expected to propel Bangladesh's share of global GDP to over 1.01% by 2028, potentially positioning it as the 19th largest economy globally (up from its current 25th position). The banking sector has historically played a crucial role in enabling financial intermediation, facilitating investment, and fostering economic activity in our country. However, maintaining public trust and financial stability is paramount to ensuring a bank's long-term viability. At MTB, we strive to uphold these principles through responsible practices and a strong risk management framework.

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.




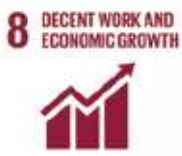




MTB's sustainable strategy is built on concrete ambitions in the area of climate change, the global as well as national economy and social impact. MTB is strictly following the directions of Bangladesh Bank on sustainability (e.g. Sustainability Policy, ESRM guideline etc.) which is the central Bank 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.

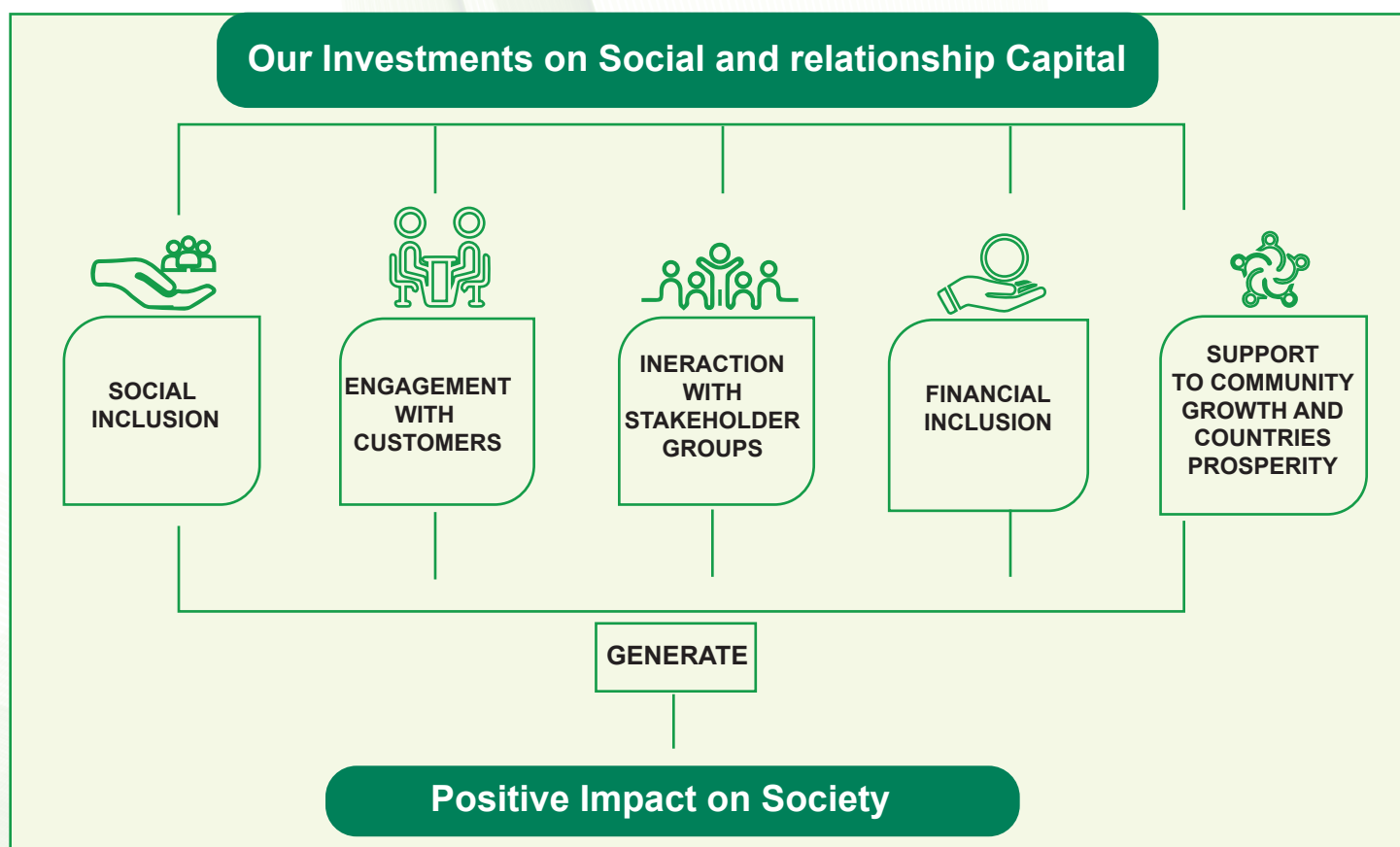


Our strategy is keenly focused on addressing risks to society from our operating activities by managing our direct and indirect impacts.



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 2023 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 2023.

- 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 2023
- 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 2023 is sufficiently accurate and in detailed form for stakeholders to assess MTB's performance. Such as-

- MTB Sustainability Report 2023 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 2023'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, 2023 to December 31, 2023) 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 2023. 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 two subsidiaries, namely

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

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



STAKEHOLDER ENGAGEMENT



Stakeholder Engagement

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 2023									
<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 2023 for MTB shareholders- (In BDT)</div> <table><tr><td></td><td>Conso.</td><td>Solo</td></tr><tr><td>EPS</td><td>2.91</td><td>2.74</td></tr><tr><td>NAV per share</td><td>24.52</td><td>23.99</td></tr></table>		Conso.	Solo	EPS	2.91	2.74	NAV per share	24.52	23.99
	Conso.	Solo											
EPS	2.91	2.74											
NAV per share	24.52	23.99											




<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. 	<ul style="list-style-type: none"> Total number of customer accounts- 1281799 158 Branches & sub-branches, 194 Agent Banking Centers, 320 ATMs, 2829 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"> 223 training programs for 2623 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 98.80 million contribution in CSR in 2023.



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.

However, MTB Sustainability Report 2023 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.



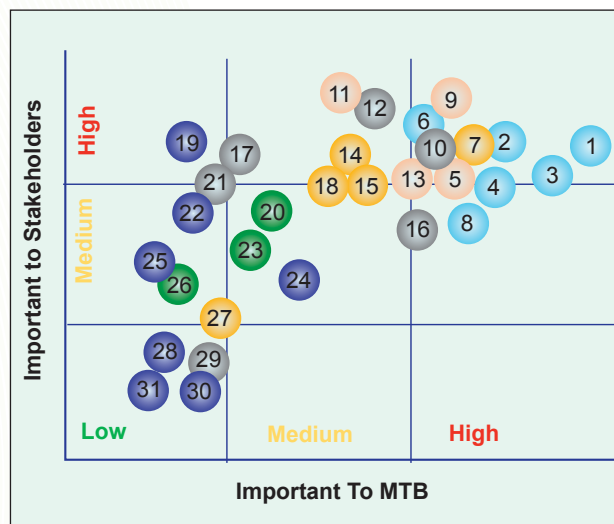
ENGAGING OUR STAKEHOLDERS (GRI 102-43)

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 2023.

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 2023 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, 2023 to December 31, 2023
Date of the most recent previous report	Sustainability Report 2022 Date: Published in MTB website on December, 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 2023 is our 10th 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.



ORGANIZATIONAL PROFILE



ORGANIZATIONAL 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 120 branches and 38 sub-branches in Bangladesh with a strong regional presence.



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.

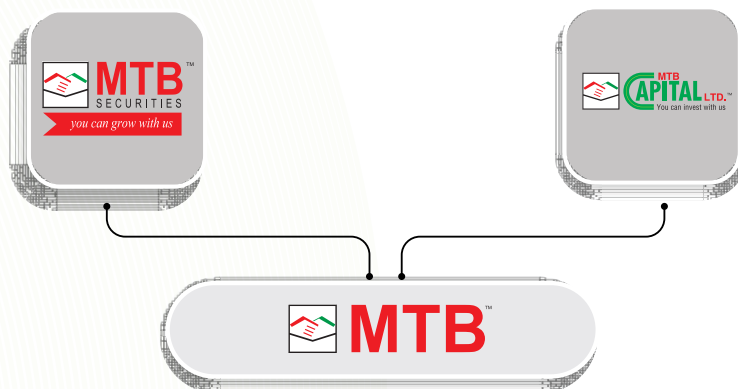
MTB has two fully-owned subsidiaries –

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.



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.

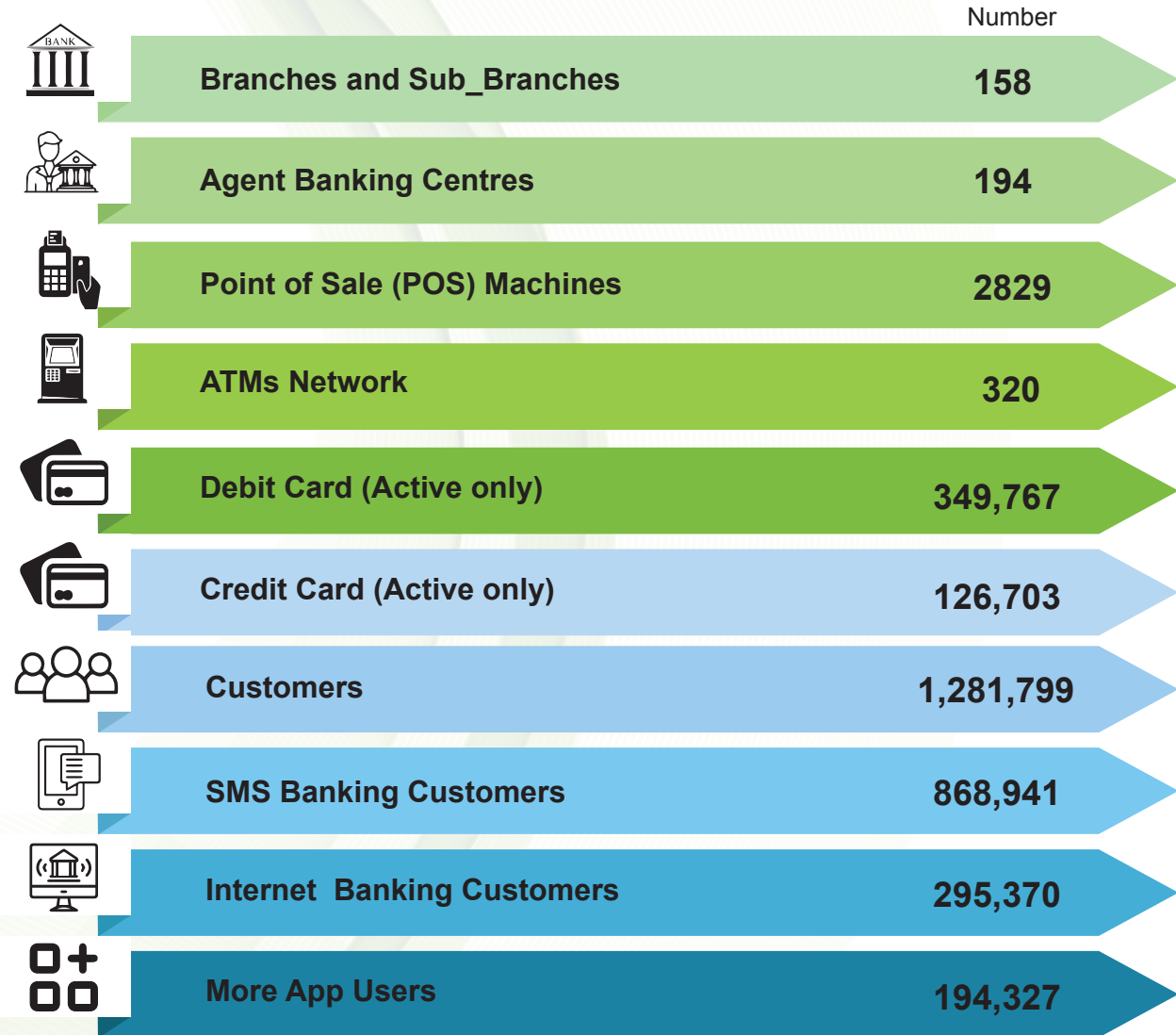
MTB REMITTANCE NETWORK

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.

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 NBFIs

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 Professional'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:

With the introduction of crucial infrastructure projects like the Chattogram-Cox's Bazar Railway, the Dhaka Elevated Expressway, and the Bangabandhu Sheikh Mujibur Rahman Tunnel, Bangladesh is demonstrating its increasing capabilities.

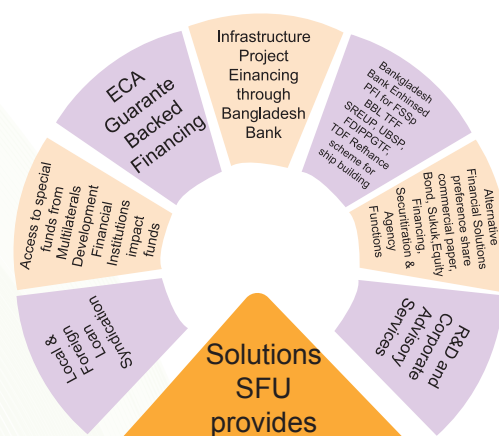
With a projected 0.166% GDP gain, a direct rail link between Chattogram and Cox's Bazar connecting the capital with Cox's Bazar is poised to revolutionize the communication and economic sectors. The Elevated Expressway will significantly reduce both the time and cost of doing business and improve Dhaka's connectivity. The tunnel virtually materializes the concept of 'One City, Two Towns', similar to Shanghai in China, on either side of the Karnaphuli River. Bangladesh had to face stiff economic challenges in 2023 as a consequence of global crises such as the conflicts in the Middle East, the Russia-Ukraine war, and disruptions in international trade lines. Following the COVID-19 pandemic, the country recovered well, showing strong growth of 6.9% in 2021 and sustaining pace with a rise to 7.2% in 2022. However, in 2023, challenges such as depleting foreign exchange reserves, currency devaluation, and import restrictions resulted in a lesser growth rate of 6.03%.

Foreign exchange reserves plummeted to US\$ 27.13 billion in December 2023 from US\$ 32.22 billion in January 2023. The local currency depreciated by 30%. Interest rates jumped as a result of Bangladesh Bank's adoption of the SMART mechanism, which redefined the factors that determine interest rates for loans as well as deposits. The "Wholesale Banking Division" of MTB offers corporate houses a comprehensive range of financial services and solutions while maintaining sectoral exposure in line with national policies and guidelines. A wide range of goods and services, such as overdraft facilities, short-term loans, project finance, export credit, post-import finance, letters of credit, bank guarantees, foreign exchange, and treasury products, are offered by the Bank's wholesale business section. This year Wholesale Banking has continued improving its governance and risk culture about coverage, credit underwriting, products, and procedures. By concentrating on working capital loans and the cross-selling of other products, it has prospered in strengthening its relationships with higher-rated business houses and MNCs. Wholesale Banking has been working hard to increase its share of the trade and cash management businesses while continuing to provide credit facilities.

In 2023, Wholesale Banking contributed 85% to total loans, 40% to deposits, 95% to imports, 92% to exports, 94% to total trade business, and 61% to Bank Guarantee business. Its contribution to interest and commission earnings was 72% and 74%, respectively. Despite the challenging economic conditions, MTB on-boarded 64 corporate clients, including some top-rated MNCs. Wholesale Banking aims to optimize the wallet share of existing customers to maximize outcomes while keeping risk levels at a minimum. Notwithstanding intense industry competition, volatile foreign exchange, and prevailing economic challenges, Wholesale Banking significantly increased its interest and commission earnings by 25.58% and 22.98%, respectively, showing an excellent performance. For the coming years, the portfolio's health will continue to be the key focus.

Structured Finance Unit

The Structured Finance Unit (SFU) at Mutual Trust Bank PLC (MTB) offers an array of comprehensive solutions and products to its clients, including: successfully negotiating and securing US\$ 33 million from three different sources, including two new partners for the bank. Notably, MTB's groundbreaking deal involved a first-of-its-kind short-term revolving loan facility, showcasing the bank's adaptability and innovation. SFU's commitment to innovation received global recognition with the prestigious 2023 Global Climate Partnership Award. Sponsored by the Technical Assistance Facility of the Global Climate Partnership Fund (GCPF), this award program aimed to empower investees in developing innovative climate finance solutions. MTB's innovative green financing concept linking Agriculture & Transportation business earned the bank a prize of US\$ 50,000, highlighting the institution's creativity and proactive approach in climate finance initiatives.



Throughout the year, SFU organized significant events, enhancing its network and fostering collaboration. The bank hosted networking events with German partners, bringing together officials from the German Embassy, Dhaka, and the local business community. Additionally, a two-day design thinking workshop held at the yearend focused on implementing the award-winning climate finance concept with key stakeholders.

Looking ahead, SFU aims to develop innovative financial solutions, emphasizing creativity and flexibility to meet the unique needs of customers. The unit will continue managing and sustaining the existing USD flow to the bank, ensuring a stable and diversified source of funds. Recognizing the importance of liquidity, SFU will actively source new USD funds, aligning with the evolving liquidity requirements of the bank. SFU's accomplishments in 2023 showcase its pivotal role in MTB's success. As it progresses into 2024 with a clear vision and strategic objectives, SFU is poised to continue making a positive impact on the bank's financial landscape, with innovation, sustainability, and adaptability at the forefront of its operations.



German Desk Networking Event



Design Thinking Workshop on Global Climate Partnership Award Concept

MTB SME & Agri Banking Division

Introduction

MTB recognizes the pivotal role of CMSMEs (Cottage, Micro, Small, and Medium Enterprises) and Agriculture in Bangladesh's economic landscape. In 2023, MTB transformed its SME Banking division into the SME & Agri Banking division, amplifying its focus on these sectors. Despite challenges such as the Dollar crisis and geopolitical unrest, MTB thrived in SME & Agri business.

Acknowledging the significance of SMEs and Agriculture, MTB garnered four awards for its exceptional response to COVID-19 challenges, dedication to innovative financial solutions, and commitment to diversity and inclusion. The bank established 03 agriculture-based clusters, showcasing its commitment to financial inclusion, and introduced instant e-loans for SMEs while digitizing internal processes.

MTB actively engaged with CMSMEs and Women Entrepreneurs through conferences and initiatives like school bag distribution in remote tribal communities. Celebrating International MSME Day, MTB approved new loans across its branches and marked its 24th Anniversary by supporting 24 women entrepreneurs with sanction letters. This multifaceted approach underscores MTB's commitment to fostering economic growth and financial inclusivity.

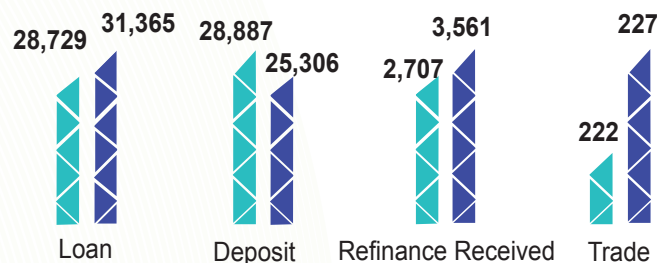
Highlights of 2023



Key Business Facts – At a Glance



Key Business Position



* Figures are Taka in Million, except Trade which is expressed in US\$

Re-branded

Re-branded “SME Banking Division” as “SME & Agri Banking Division”

In 2023, the “SME Banking Division” underwent a name change to the “SME & Agri Banking Division,” signifying the Bank’s commitment to serving both small and Medium-sized Enterprises (SMEs) and the agriculture sector. The expanded name underscores the Bank’s dedication to support farmers, agribusinesses, and rural communities by duly emphasizing their importance.

RETAIL BANKING DIVISION

Introduction

Retail Banking Division (RBD) is the cornerstone of Mutual Trust Bank’s commitment to serving the diverse financial needs of individuals and households. With a steadfast focus on providing accessible, personalized, and innovative banking solutions, the Retail Banking Division of MTB caters to a broad spectrum of customers, ranging from first-time savers to seasoned investors. MTB Retail Banking Division started its journey back in 2010. In over a decade of operations, the bank has evolved its retail banking services through a comprehensive suite of products and services, including savings and checking accounts, loans, mortgages, and investment options.

Keeping pace with the country’s development goals the bank in the year 2023 equipped itself with digital transformation. As part of that initiative, MTB Retail Banking Division made significant strides towards enhancing its digital offerings and improving customer experience by exploring technological solutions and incorporating product-centric strategies and branch interactions. Some of the key highlights of 2023 for MTB Retail Banking Division:



Retail Banking Division Innovation Highlights-2023:

- **Launching of M Auto Lead**

A digital application through which enlisted Auto Vendors generate Loan reference for MTB. Till date it is industry's one of a kind application which assist in generating auto loan reference digitally reducing sales lead generation time and helping tracking of sales lead update.

- **E-KYC**

Introduced regular and simplified account opening through e-KYC platform.

- **Launching of Post Call Survey**

An automated post call survey system launched by Contact Centre to measure customer service satisfaction level.

Retail Banking Division Campaign Highlights-2023:

- **Home Loan Carnival at DEPZ, BEPZA**

MTB being the first bank in Bangladesh organized a Home Loan campaign at DEPZ where 7 renowned developers participated

- **Retail Loan Fest**

MTB organized a weeklong 360 customer engagement program which created a lot of awareness of its products and services amongst its customer base. During this week special discounts and offerings were announced for customers. Also, all stakeholders of RBD participated through numerous customer engagement programs and events.

Retail Banking Division Business Performance-2023:

Retail Lending:

The performance of retail business in the past fiscal year reflects a compelling narrative of resilience, adaptability, and growth amidst a dynamic marketplace. Despite prevailing economic uncertainties and evolving consumer preferences, MTB Retail Banking Division has demonstrated robust performance across key metrics. Through strategic initiatives, innovative marketing campaigns, and a relentless focus on customer satisfaction, RBD has achieved notable milestones.

In the year 2023, Retail Banking Division made a portfolio growth of 12.1%. Previously the bank was more inclined towards unsecured lending which in part also affected the NPL ratio. In the recent past years, senior management has put a lot of emphasis to focus on secured lending most notably on home loan/home equity product and accordingly steps were taken to streamline the process. Which in turn helped to pick up the home loan disbursement volume. Furthermore, to get support from the market and to establish the home loan product MTB arranged a focus group discussion with its developer partners titled as 'MTB Developers Meet'. Greater focus was also given towards auto loan as this is also a secured lending product. Similar arrangement was made to engage in stakeholders and share insights of improving MTB Retail Auto business titled as 'MTB Auto Vendors Meet'. In addition, for the first time in Bangladesh MTB organized a 'Home Loan Carnival' at the most prominent economic zone of Bangladesh, BEPZA.

These programs facilitated in strengthening the existing relationship which is reflected in the business volume increase. MTB experienced the highest ever home loan disbursement as well as highest ever retail loan disbursement. The home loan portfolio experienced an impressive growth of 32.2%; auto loan portfolio grew by 28.7% and personal loan portfolio's growth was 7.2%. The effort that was taken in shifting the focus towards secured lending is reflected in the percentage growth of the lending products. Now the secured and unsecured lending ratio stands at 59:41. Classified loans significantly erodes a bank's income. In the year 2023, RBD gave a special focus in catering loans to the targeted customer segment coupled with a strong focus on recovery. Which in turn actually helped in bringing the classified loans to a very much acceptable range. In the year 2023, there was a 16% rise in recovery rate which brought down the NPL to 2.37% from 2.81%.

Retail Deposit:

Deposits are considered to be critically important in the overall well-being of a bank. In line with this, MTB Retail Banking Division has put a lot of effort and focus in growing low cost customer deposits. This is reflected positively in the overall performance of the bank. Notably, we recorded a remarkable 9.4% overall retail deposit growth, showcasing the effectiveness of our deposit mobilization efforts. Our digital transformation agenda yielded tangible results, with an increasing number of customers choosing to book deposits through our online portal. Amidst economic challenges, our focus on raising low-cost deposits proved to be a prudent strategy for sustaining stability and growth. We achieved an impressive 8.7% growth in savings deposits.



These achievements underscore our resilience and adaptability in navigating dynamic market conditions while remaining steadfast in our mission to deliver value to our customers and stakeholders.

Retail Banking Division Growth Strategies-2024:

- Expand low-cost deposit base
- Introduce more digital innovations to ensure a smoother customer experience
- Focus on growing retail home loan portfolio to cater to the growing demand
- Refine our service propositions to widen customer coverage

MTB Angona 2023: Breaking Barriers and Inspiring Triumphs in Women's Empowerment"

Mutual Trust Bank PLC (MTB) continues to play a pivotal role in the dynamic landscape of women's empowerment by fostering financial inclusion, delivering tailored financial services, and promoting entrepreneurship among women. In our steadfast commitment to women's financial inclusion and empowerment nationwide, MTB introduced MTB Angona in December 2020—a segmented approach that stands as the country's best. MTB firmly believes that the empowerment and growth of women contribute significantly to societal advancement.

Key Financial Facts in 2023

MTB Women Banking has experienced substantial financial growth, marked by a noteworthy increase in the Deposit Portfolio and a robust expansion of our customer base.

Year	Angona Customers	Total No. Of Accounts	Deposit Portfolio (Million)	Credit Card
2023	49,524	66,972	10,260.50	2,703
2022	17,612	27,928	6,203.3	2,093

Key Initiatives of MTB Angona:

- Expanded MTB Angona's reach to more Women customers through branch and digital Platforms.
- Leveraged financial services, including Deposit Accounts, Debit & Credit Cards, and Digital Service Enrollments.
- Established strategic alliances with women-led groups to provide distinctive offerings to Angona customers.

Digital Innovation:

- Leveraged digital banking services for more digital financial services, from instant account opening on a digital platform to receiving propositional offerings on social media platforms.
- Provided access to SMS, E-Statement, and the Smart Banking application.

Initiatives under Women Empowerment Program

“এমটিবি স্বনির্ভর অঙ্গনা”:

MTB Women Banking initiated its signature project, aiming to empower underprivileged women segments by fostering financial independence through skill development, vocational training, microfinance, and digital services. This comprehensive program not only imparts financial education but also offers guidance and tailored financial products to support their journey towards economic self-independence.

Skill Development Program:

- Facilitated a Graphic Design Training course in collaboration with Creative IT Institute, empowering 23 aspiring participants from various women segments to improve their financial standings

Financial Literacy and Inclusion Program:

- Addressed the pressing need for comprehensive financial literacy and accessibility, targeting 250 people among Farmers & Low-Income Marginalized People, Students, Cottage & Micro Entrepreneurs/Micro Merchants/Retailers, Women (Individual & Entrepreneur), and Migrant Workers.
- Featured engaging sessions, workshops, and discussions led by experts, followed by instant account opening through the E-KYC platform.

Product Innovation:

- Continued to innovate and develop new financial products and services to meet women's financial requirements.
- Introduced a digital platform for instant account opening without visiting branches.

Outlook for the Future:

As MTB Women Banking looks ahead, our commitment to women's financial inclusion and empowerment remains steadfast. We will continue to innovate, expand our product offerings, and strengthen partnerships with organizations that share our vision. Our focus remains on fostering sustainable growth, creating value for shareholders, and making a positive impact on the lives of women in our communities.



Scaling Up:

- Expand the business network by reaching out to unexplored business prospects through various initiatives.
- Reach out to more women in remote and rural areas through the Financial Literacy and Inclusion Program.
- Foster collaborative women entrepreneurship through gender-lens financing and support green financing initiatives.
- Transform the digital banking experience for women.
- Implement Entrepreneur Development Programs and Skill Development Programs that promote financial literacy and inclusion.

In summary, MTB's Women Banking division achieved remarkable success in 2023 and has set the stage for continued growth and empowerment in the years to come. The bank's commitment to fostering financial inclusion, supporting entrepreneurship, and championing diversity underscores its dedication to creating a more equitable and prosperous future.

Payroll Banking:

The Bangladeshi economy has witnessed substantial growth in recent years, resulting in a notable expansion of both the manufacturing and service sectors, thereby generating a multitude of employment opportunities. To integrate this burgeoning workforce into the financial system, MTB has been instrumental in providing Payroll Banking Services to its clients.

MTB's Payroll Banking initiative stands as a distinctive offering, facilitating salaried individuals to expeditiously establish accounts and commence banking activities promptly. This comprehensive service extends access to state-of-the-art mobile applications, cards, ATMs, and conventional Branch Banking services. The Payroll Companies are free to choose branch based salary processing, centralized salary processing and even salary processing from client end using e-Banking solutions. The noteworthy performance of MTB Payroll banking during the year 2023, is highlighted below:

Metric	Achievements
Monthly Salary Processing	Tk. 200 Cr.+
Payroll Companies Served	400 + companies
Payroll Portfolio	~Tk. 700 Cr.
Payroll Accounts	115,000

Student Banking

MTB Student Banking is committed to delivering financial solutions tailored to the distinctive needs of students. Emphasizing the cultivation of a savings mindset from an early age, MTB implements various initiatives to foster education and financial literacy. In collaboration with Bangladesh Bank, MTB actively supports financial inclusion and awareness through multiple campaigns, resulting in a notable surge in student accounts. MTB presents exclusive savings schemes, including the Children Education Deposit Scheme and Education Plan, providing parents the means to save for their child's future education or special requirements.

Opening student files, facilitating the remittance of tuition fee, opening of CASA accounts and supporting with necessary documents – all are being served here at MTB Student Banking. The service, inaugurated in 2018, was designed to position itself as a prominent provider of student services in the country. Our five Student Centers, strategically located in key branches, are dedicated to processing student files and offering comprehensive services to students. The MTB Student File system streamlines fund transfers for students studying abroad, maintaining detailed records for each student until the completion of their course.

The MTB Student Banking Department sustains its visibility by introducing distinctive propositions and promoting student banking products through targeted campaigns to engage our customer base effectively.

Privilege Banking

MTB always aspires to let its customers to have the taste of best services in the Banking Industry. Since its inception in 2010, MTB Privilege Banking as a frontier of Retail Banking, strives to provide 360 degree banking solution to High Net worth (HNW) clientele with its well-trained and dedicated Relationship Managers. The Bank has restructured its Privilege Banking proposition in 2022-23 and now have six (6) Privilege Banking Centers to provide 'best of class' experience to the high net-worth Clients.

2023 was another continuation year of providing the magnificent experience to the niche segment of the society with the remarkable business numbers. In this year, MTB Privilege Banking reached its portfolio at Tk.13,300 m with the starling number of appx. 2,000 Privilege Customers. In compare with the year 2022, Privilege Banking has successfully achieved the growth of 24% on its deposit portfolio, which is highest ever.



Apart from the regular business contribution, MTB Privilege Banking Propositions made some major initiatives and overhauling during 2023 by launching new Privilege Center at Dhanmondi and a new retrofitted Privilege Center at Uttara. Furthermore, the retrofit project is ongoing at Banani Privilege Center and Agrabad (CTG) Privilege Center. A new experience for MTB Privilege Customers has been launched offering a complimentary Medical Health Package in association with United Hospital & Medix. MTB Privilege Banking Proposition also focused on international travel corridor by introducing unparalleled vacation offer for Privilege Customers in association with The Oberoi Grand (India).

With all its initiatives, business achievements, and collaboration with partners MTB Privilege Banking has made a milestone during 2023 as the best year for Privilege Banking in MTB.

TREASURY DIVISION:

Functions of Treasury Department:

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

Monitoring Tools

- **Gap or Maturity Limits:** These limits are put in place to monitor and manage exposures arising from the differences in maturity dates or re-pricing dates of transactions. Such limits can be used to reduce the volatility by staggering the maturity and/or re-pricing and thereby smoothing the effect of changes in market factors affecting price. Maturity limits are required to monitor and manage the liquidity risks as well as re-pricing risks.
- **Notional or Volume Trigger:** A trigger that needs to be monitored based on the notional amount of the total outstanding FX contracts. This helps to guard against any unusual transaction pattern in the dealing room.
- **Stop Loss Limits:** These limits are established to avoid unrealized loss in a position from exceeding a specified level. When these limits are reached, the position must either be liquidated or hedged.

- **Daily Treasury Risk Report:** The treasury back office summarizes all daily positions particularly the end-of-day positions on a report format for the information of the senior management. Such report contains information about outstanding open position against limit, counterparty credit limits usage, stop loss limit etc.

- **Open Position Limit:** Treasury will keep the open position within the limit sanctioned by regulator i.e. Bangladesh Bank. Before breaching the limit treasury will sell/buy foreign currency to keep the position within the open position limit.

- **Internal Audit:** Considering the complexities of the foreign exchange business, a process for an internal audit has widely been accepted as a check point to review the adequacy of the key control issues. Internal control and Compliance Division of the bank conducts such audits at specific interval.

- **Position Reconciliation:** All dealers' positions must be reconciled with the positions provided by the treasury back office. This must be done daily prior to commencement of the days business. Un-reconciled positions may lead to real differences in actual positions exposing the Bank to adverse market changes and real losses.

- **Management Action Triggers (MAT):** MAT is a predetermined level given by the management. When a trigger is hit, the management needs to be informed the same. Upon advised of a trigger, the treasurer usually decides on close monitoring of the particular situation.

- **Dealing Room Access:** Dealing rooms are restricted areas where the access is controlled for unauthorized persons.

Role of Mid Office

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



RISK MANAGEMENT DIVISION (RMD) OF MTB

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



MTB Policies on Risk Management:

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

- To promote better risk culture at all levels of the bank.
- To provide minimum standards for risk management practices.
- To improve financial soundness of bank and stability of its overall financial aspects.
- To encourage bank to adopt and implement a sound risk management framework.

MTB has developed the following policies for ensuring effective risk management across the organization; these policies are approved by the bank's Board of Directors and are updated periodically:

Risk Management Area	Relevant Policy Standards	Key Objective
Risk Management	MTB Risk Management Policy	• Provides a structured way of identifying and analyzing potential risks, and devising and implementing responses appropriate to their impact
	MTB Recovery Plan	• Preparing for responses to the potential shocks in advance so that Bank can act promptly and effectively in the event of a stress situation
Core Risk Management	Credit Risk Management Policy	<ul style="list-style-type: none"> • Provides adequate oversight in managing core risks in banking business • Defines governance structure for each core risk area • Outlines roles & responsibilities of concerned business units in managing risks
	Asset-Liability Management Policy	
	Money-Laundering Risk Management Policy	
	FX Risk Management Policy	
	Internal Control & Compliance Policy	
Combating Unforeseen Event/Emergency Plans	ICT Risk Management Policy	<ul style="list-style-type: none"> • Chalks out detail plans for emergency readiness and response procedures • Ensures ensure safety and security of bank's asset and premises.
	Business Continuity Plan	
	Covid 19 Risk Management Policy	
	Fraud Risk Management Policy	
	Earthquake Emergency Procedure	
Comprehensive ESG	MTB Fire Safety and Firefighting Policy	<ul style="list-style-type: none"> • Incorporates E&S risk management into the core business operations
	MTB Environmental & Social Safeguard Policy	

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

SCALE OF THE ORGANIZATION (GRI 102-7)

Total Number of Employees in 2023

At the end of 2023, the total workforce numbered 2,703, of which 525 were female. The gender distribution rate (19.42%) 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 120 branches & 38 sub-branches.

Financial Highlights of MTB in 2023 (IN BDT MILLION)

Authorized Capital 10000	Total Shareholder's Equity 23,589	Capital Adequacy Ratio (CAR) 14.93%	Total Liabilities 343218	Retained Earnings 4221
Paid up Capital 9831	Total Property & Assets 366808			

Performance of MTB in 2023 (IN BDT MILLION)

Net Interest Income 7048	Total Operating Income 16994	Total Operating Expenses 9081	Total provision 4629	Profit before Tax 3284	Net Profit After Tax 2698
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GEOGRAPHICAL LOCATION WISE LOANS AND ADVANCES IN 2023

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

Particulars	Amount (Solo)	Geographical distribution of the Portfolio	
Dhaka Division	210,742,841,321	Barisal Division	0.26%
Chattogram Division	37,193,279,543	Rangpur Division	0.28%
Sylhet Division	4,623,456,421	Khulna Division	0.39%
Mymensingh Division	1,555,657,788	Rajshahi Division	0.74%
Rajshahi Division	1,914,689,560	Mymensingh Division	0.60%
Khulna Division	1,012,365,207	Sylhet Division	1.79%
Rangpur Division	725,400,406	Chattogram Division	14.39%
Barisal Division	679,871,703	Dhaka Division	81.54%
Total	258,447,561,949		

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:

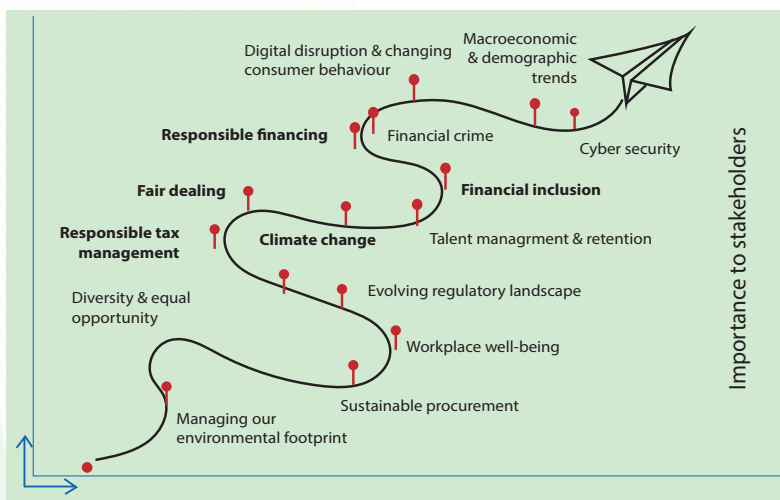
Customers: Delivering the right product in innovative, easily accessible, and responsible way.

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.

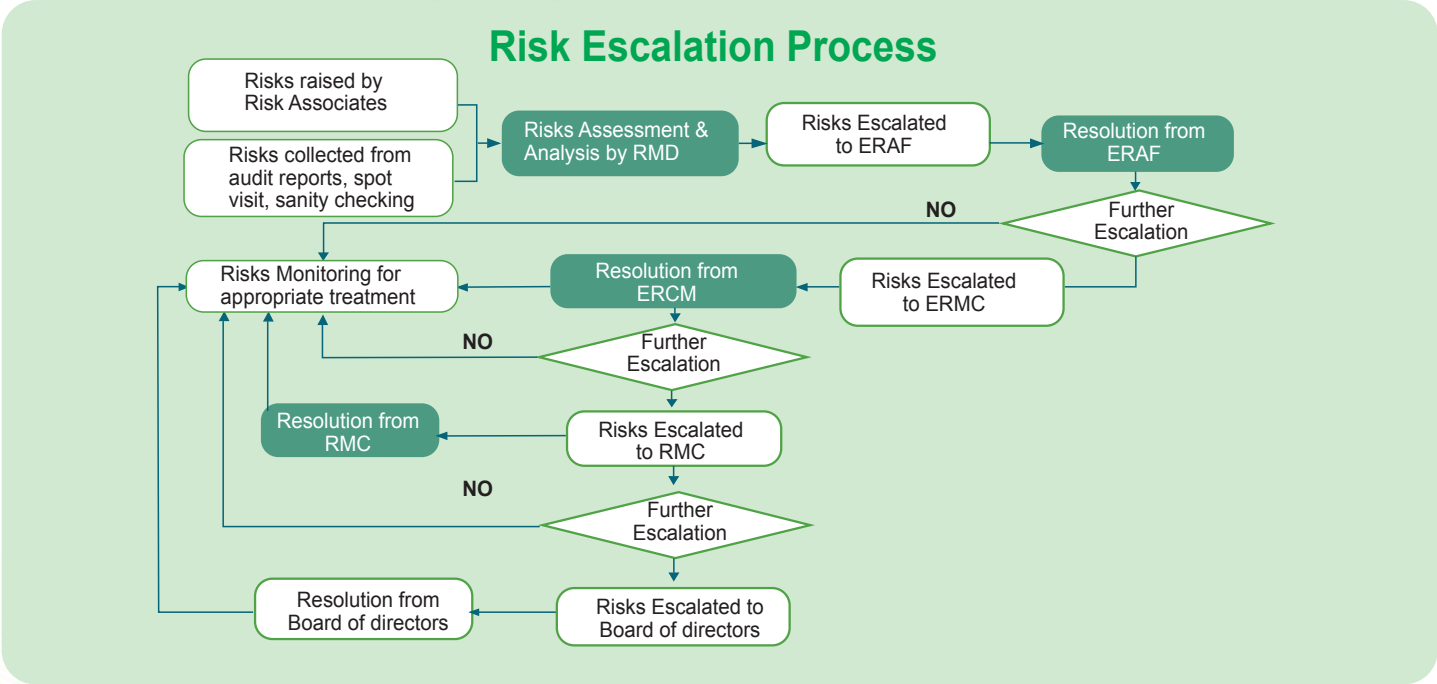
PRECAUTIONARY PRINCIPLE (GRI 102-11)

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

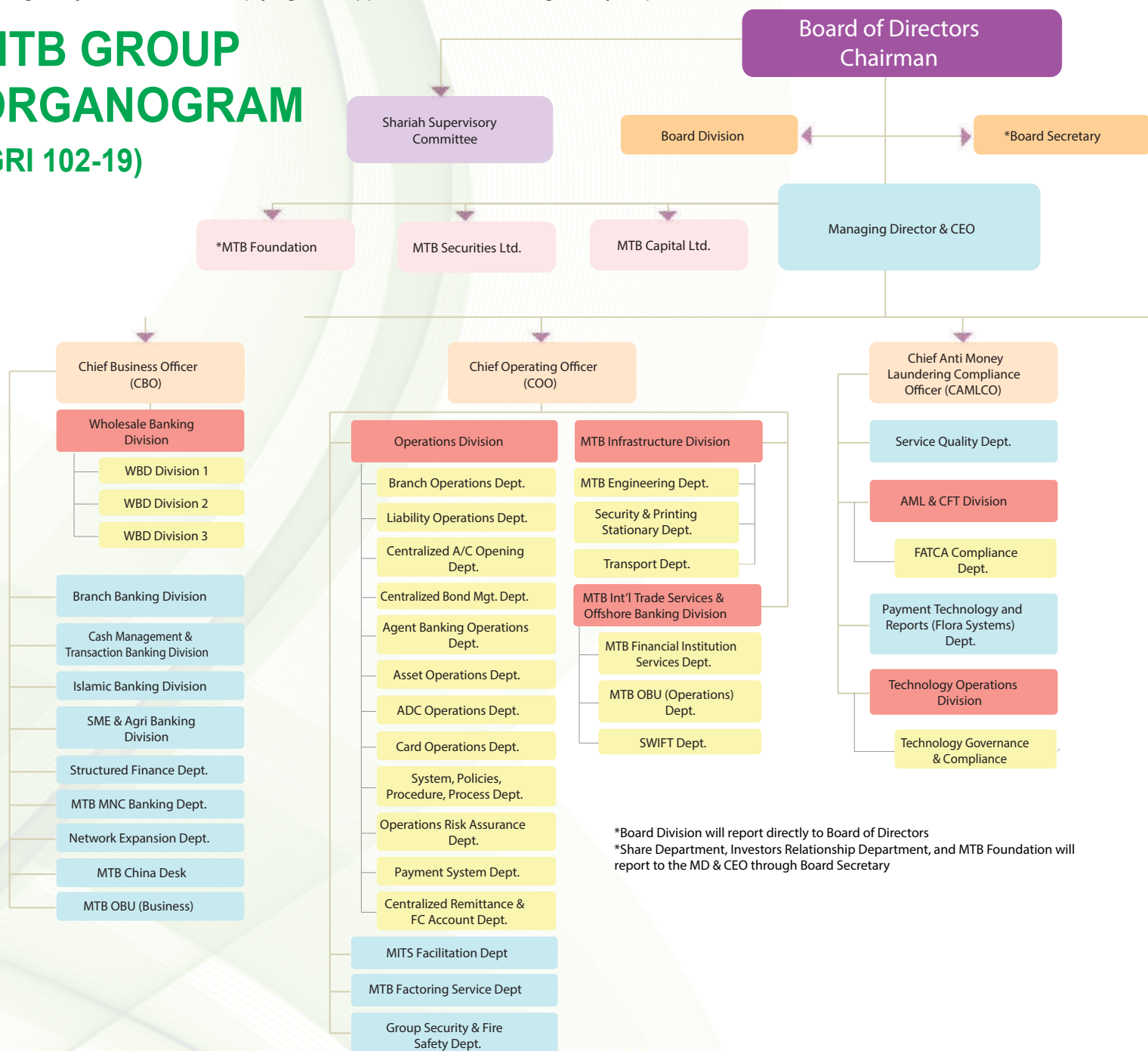
(GRI 102-18)

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

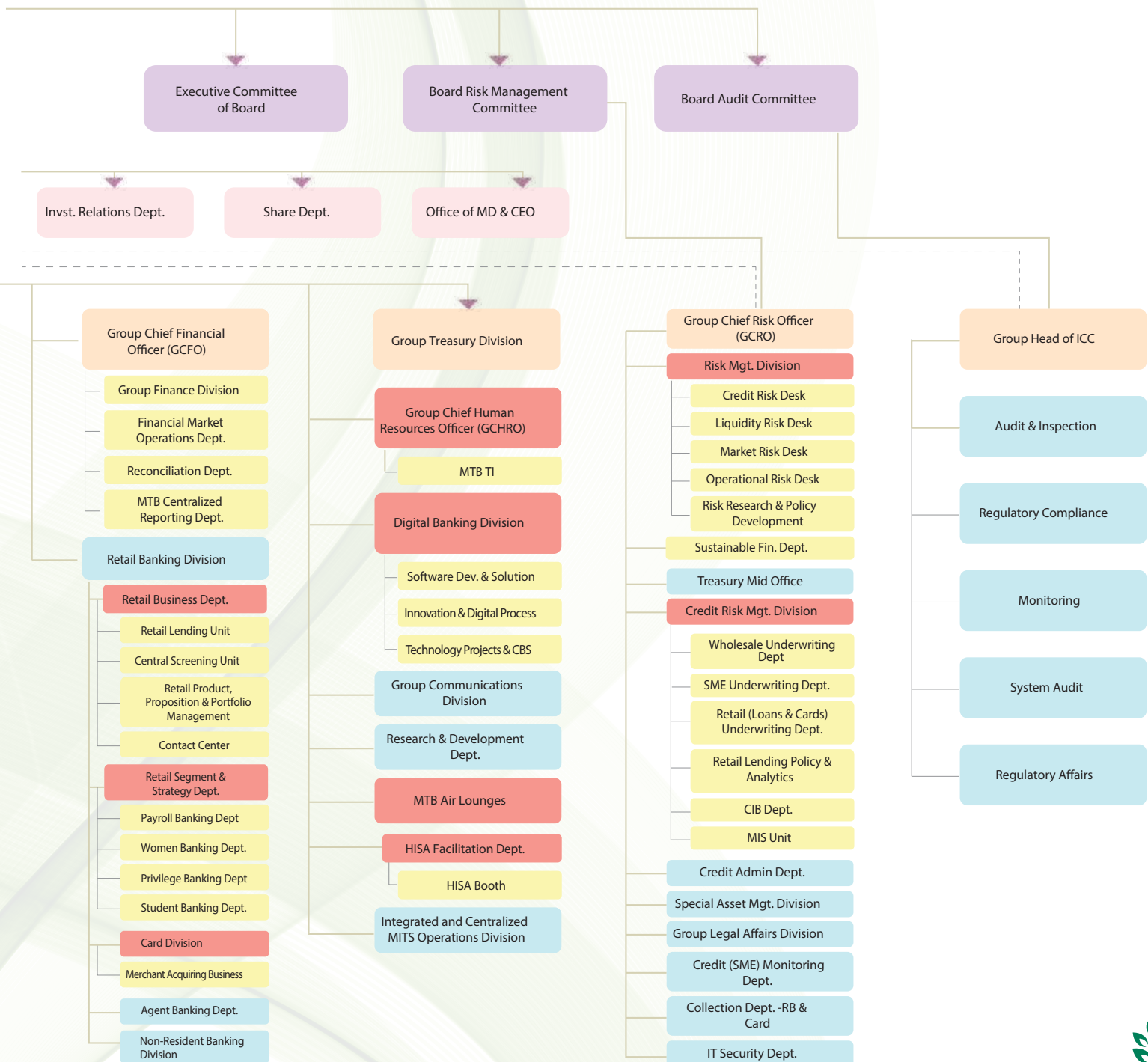
(GRI 102-19)



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

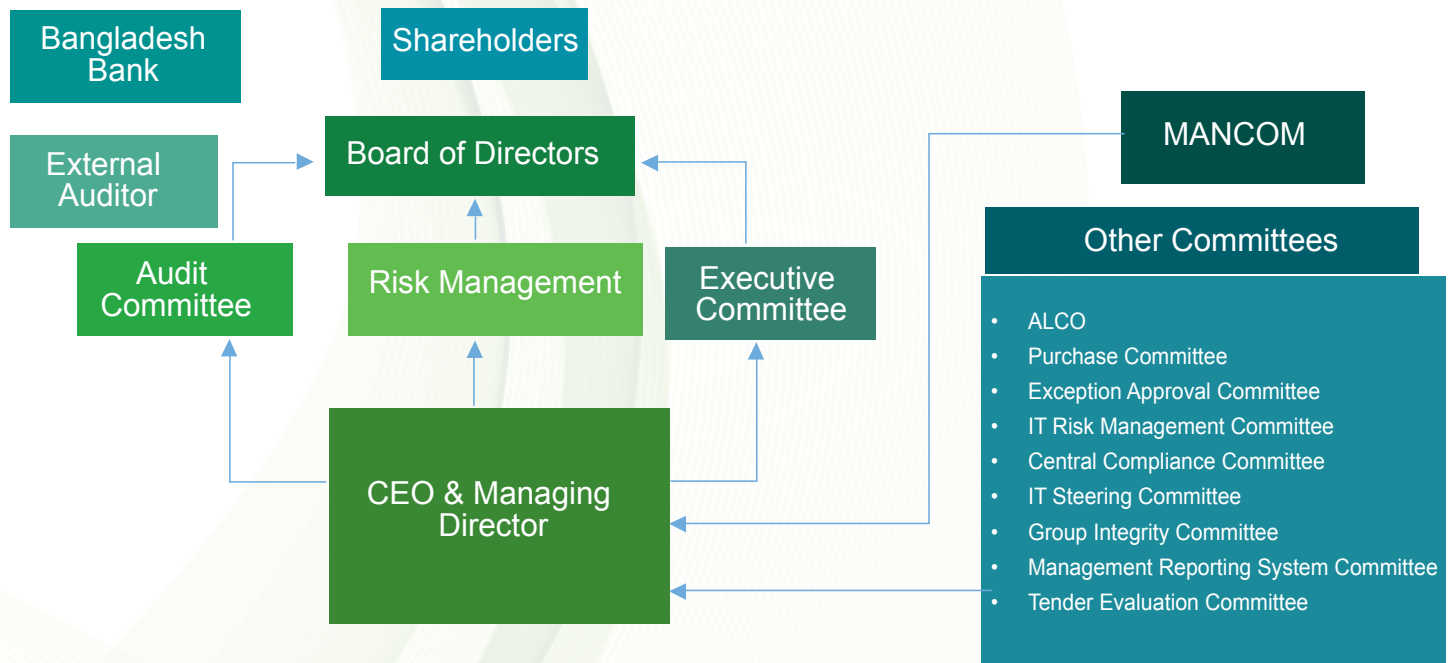


A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures. The bank's corporate governance policy, which contains guidelines for directors, 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 2023, there were 12 Board members, including two independent Directors and Managing Director & CEO. The Board of Directors consisted of:

SL	Name of Director	Positon
1	Md. Abdul Malek	Chairman
2	Syed Manzur Elahi	Vice-Chairman (Founding Chairman)
3	Md. Wakiluddin	Director
4	Md. Hedayetullah	Director
5	Rashed Ahmed Chowdhury	Director
6	Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director
7	Khwaja Nargis Hossain	Director
8	Anika Chowdhury (Representing ASTRAS Ltd.)	Director
9	Daniel Donald de Lange (Representing NORFUND)	Director
10	Nasreen Sattar	Independent Director
11	Faruq Ahmed Siddiqi	Independent Director (Retired on March,2024)
12	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	09	75%
Female	03	25%
Total	12	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 re-election by shareholders at the AGM. At the 25th AGM to be held on June 03, 2024, Mr. Md. Abdul Malek, Chairman, Mr. Syed Manzur Elahi, Vice Chairman & Founding Chairman, and Dr. Arif Dowla, Director will retire and will be eligible to be re-elected.

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



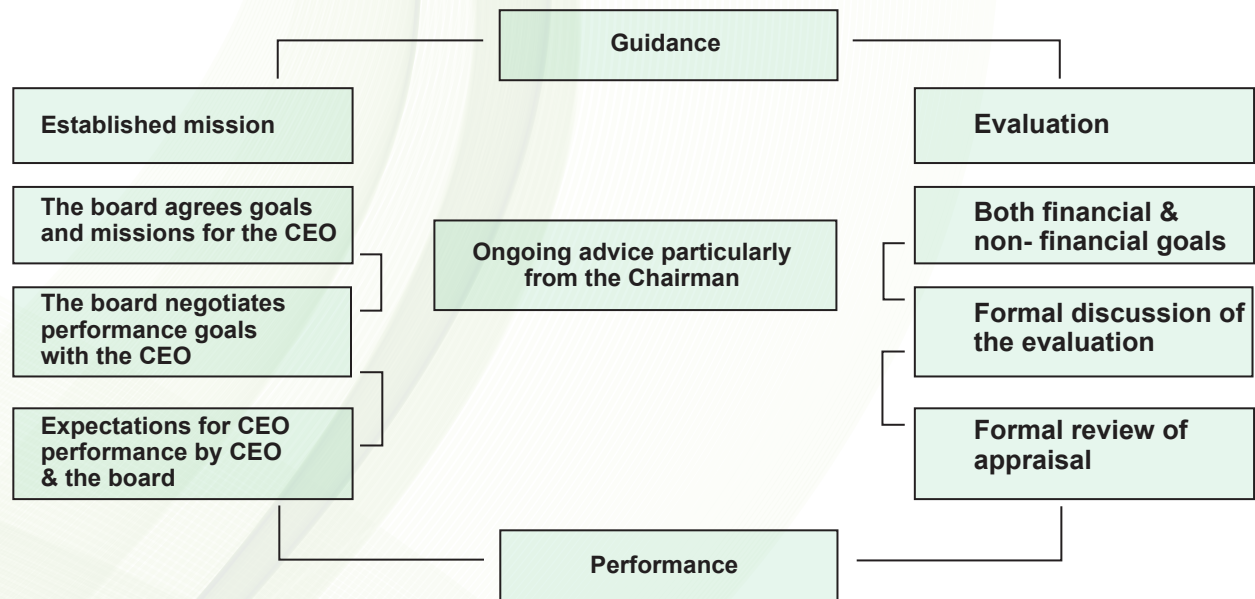
EVALUATION OF THE MANAGEMENT APPROACH

(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

- The Committee met 5 times in 2023.
- 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

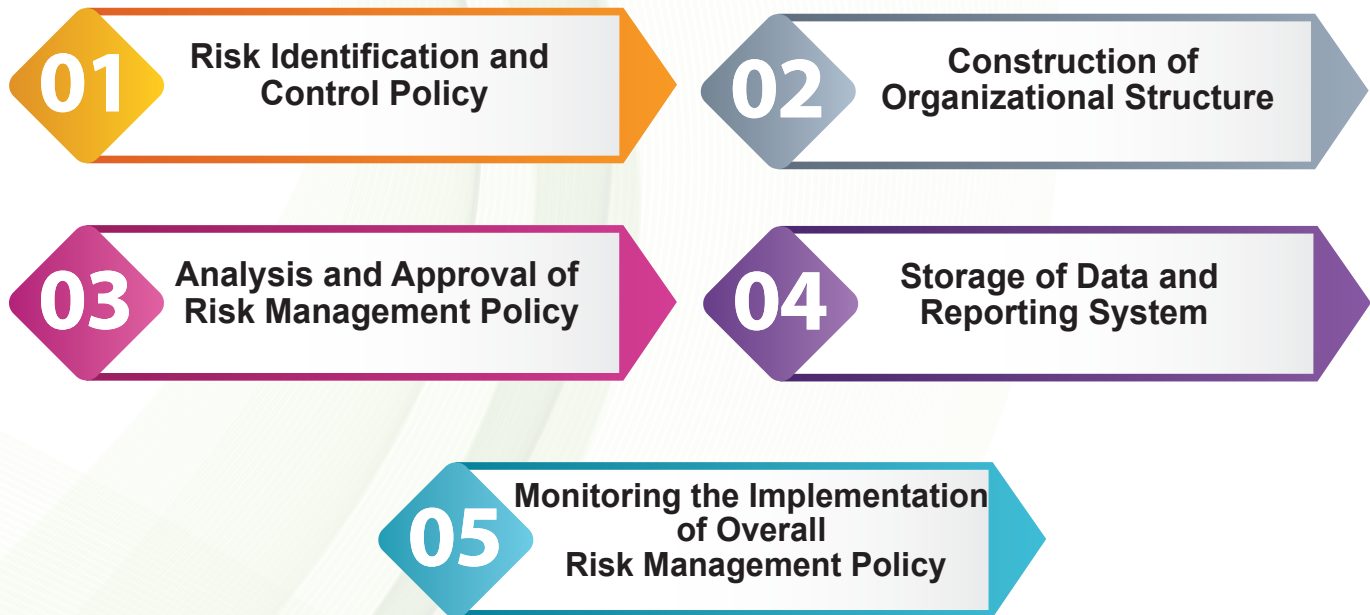
- Members of the Committee are nominated by the board from themselves.
- The Committee consists of 5 (five) members.
- Company Secretary of the bank is the secretary of the Board Risk Management Committee.



Meetings

- The BRMC met 4 (four) times in 2023.
- 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.

Roles and Responsibilities of BRMC



THE MANAGEMENT APPROACH & ITS COMPONENTS

(GRI 103-2)

MTB SENIOR MANAGEMENT TEAM

1 Syed Mahbubur Rahman
Managing Director & CEO

4 Goutam Prosad Das
Deputy Managing Director
& Group Head of ICC

7 Md. Shamsul Islam
Deputy Managing Director
& Group Head of Treasury

2 Chowdhury Akhtar Asif
Additional Managing Director & GCRO

5 Rais Uddin Ahmad
Deputy Managing Director,
Group Company Secretary
& CAMLCO

8 Usman Rashed Muyeen
Deputy Managing Director
& Head of Credit Risk Management

3 Md. Khalid Mahmood Khan
Additional Managing Director & CBO

6 Md. Bakhteyar Hossain
Deputy Managing Director & COO

9 Md. Shafquat Hossain
Deputy Managing Director
& Head of Retail Banking Division



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

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. In 297th meeting of MTB Board of Directors on October 25, 2023, updated Environmental & Social Safeguard Policy (ESSP) 2023 was approved.



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 2023.



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.



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-

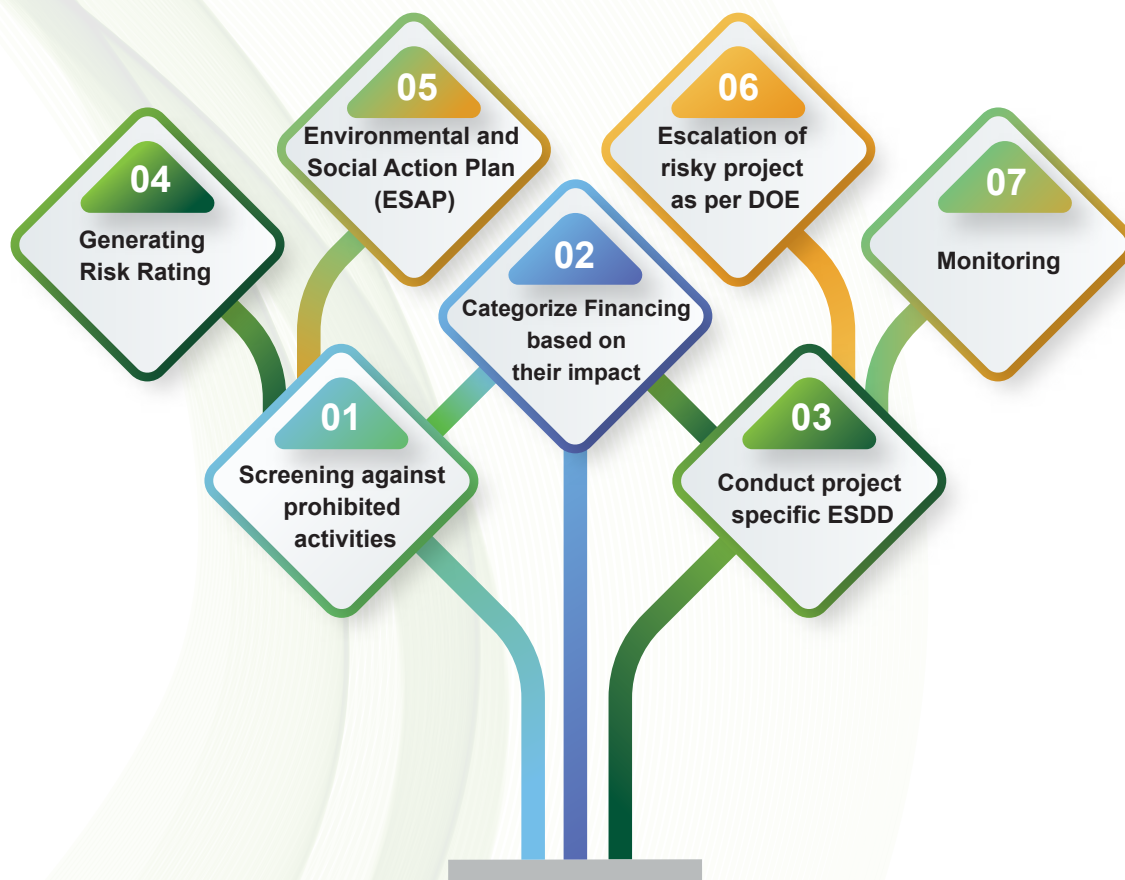
- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management.
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures.
- Ensuring construction of adequate organizational structure for managing 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

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 & 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:

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

MTB CORE VALUES (GRI 102-16)

01

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

02

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

03

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.

04

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.

05

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.

06

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

07

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

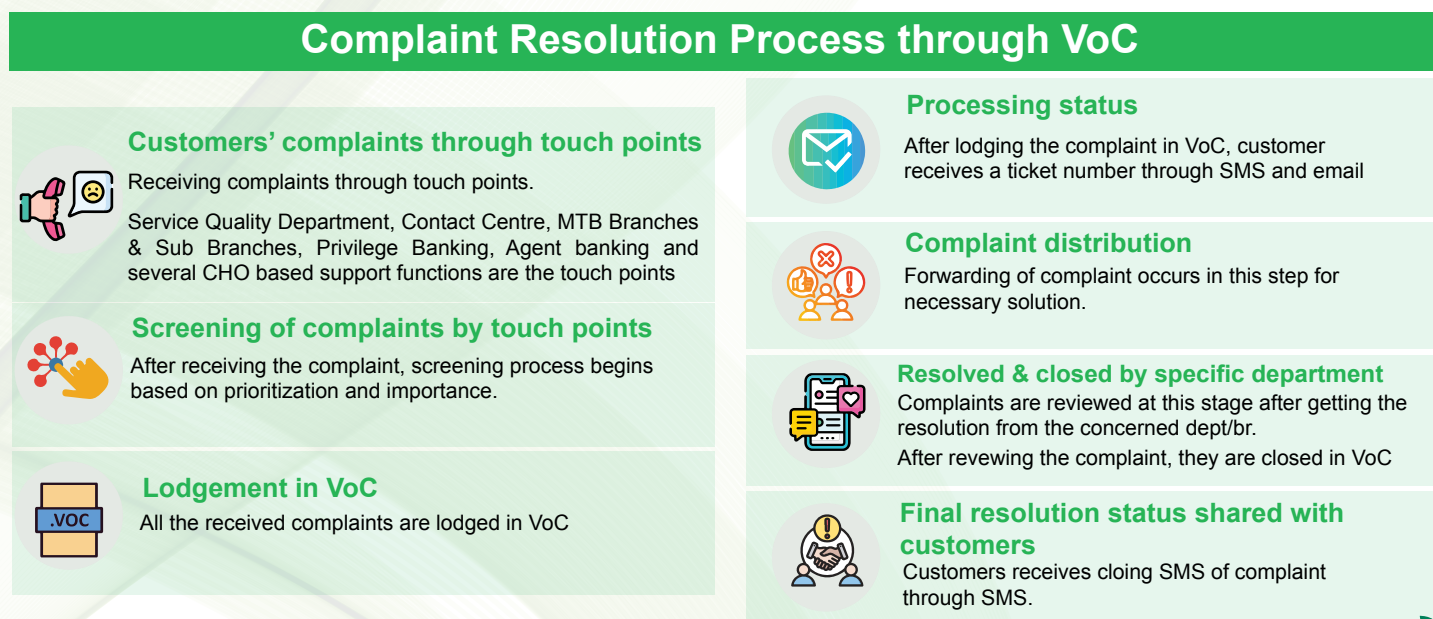
Complaint Management

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	Dial 16219 to reach MTB Contact Centre
Complaint Box at Branch	Lodge written complaints via complaint form
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
Virtual Assistant	Lodge complaint through MBot

Complaint Resolution Process through VoC

Following is the flowchart for Complaint Resolution Process through VoC :



Grievance from Internal Stakeholders

Mutual Trust Bank Limited (MTB) is committed to maintaining a work environment free from discrimination, harassment, and any form of unfair treatment. It is important to treat employees in a respectful and dignified manner and any actions or conduct that do not meet this standard, will not be accepted.

Definition: An employee grievance states the correct process through which any employee can file a complaint regarding his/her workplace, coworkers, or manager or about a conflict or any other issue regarding the workplace, such as unsatisfactory working conditions.

Purpose: This Grievance Policy aims to provide a clear and transparent process for employees to raise any concerns or grievances related to their employment. This policy is designed to assure that all grievances are handled promptly, fairly, and in a confidential manner.

Scope: It covers grievances related to any aspect of employment, including but not limited to discrimination, deprivation, harassment, bullying, performance evaluation process, pay and benefits, working conditions, and health and safety, etc. The policy applies to regular, temporary time-bound staff and third party outsourcing.

Informal Resolution: The policy encourage employees to raise concerns or grievances with their immediate supervisor or line manager. The employee should explain the situation and seek a resolution calmly and respectfully. The line manager will listen to the employee's concerns, will arrange a meeting to consider the matter and work with them to find a mutually acceptable solution. MTB Employees Grievance Redressal process flow covering response times and levels of escalation etc. is attached in the annexure. At each stage of the complaint procedures the employee concerned may be accompanied by a colleague of his/her choice if he/she requires.

Formal Resolution: If employees cannot resolve their grievance through informal means or feel uncomfortable approaching their supervisor or manager, they may submit a formal grievance in writing to the Next level of management or MTB Group Human Resources (GHR). The written complaint should mention the particular incident and person regarding the complaint, the date and time of the incident, witnesses, and at last, signature and the date (Annexure).

Investigation: Once a formal grievance has been submitted, Next level of management or MTB GHR will discuss with the employee and line manager and investigate the matter if required. It will conduct an investigation in a fair, impartial, and confidential manner.

Outcome: Next level of management/ MTB GHR will provide a written response to the employee outlining the outcome of the investigation and any remedial action that will be taken, if necessary.

Appeal: If the employee is not pleased/satisfied with the outcome of the investigation, he/she may appeal the decision by submitting a written appeal to the MD & CEO where decision made will be final. The appeal should provide a clear and concise explanation of why the employee disagrees with the outcome of the investigation. The request will be reviewed by an independent reviewer who was not involved in the initial investigation.

General points:

To avoid any possibility of misunderstanding and misinterpretation, the complaint must be reported in writing.

MTB GHR is able to give advice to employees about complaint procedures, and may be contacted for Environmental & Social Safeguard Policy 2023 discussion at any stage during the process.

If under any circumstances, the complaint / grievance raised is found to be deceitful/ fabricated, then stern measure will be taken against that official.

Confidentiality: All grievances and their related investigations will be treated with the utmost confidentiality. Individuals directly involved in the grievance investigation, its progress and outcome will be informed. The Managing Director & CEO



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 223 Uthan Boithak (Rural Activation Program) and financial literacy program around the year in all over Bangladesh



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 2023



MTB Celebrates Customer Service Week in Dhaka & Mymensingh Regions

“Customer Service Week” from 2021 in compliance with Bangladesh Bank Circular ref: FICSD/5094(1)/2020-714. The event is celebrated all across MTB with utmost sincerity and integrity. In continuation with the success of previous years, MSQD arranged CSW in 2023 in Dhaka & Mymensingh regions on June 04-08 with “Celebrate Service” theme. Various activities were arranged during the CSW to enhance service quality and establish synergy between frontlines

Recognition of Best Customer Service Providers

MSQD arranged a special award ceremony in September, 2023 for 30 best serving employees and 3 best performing branches throughout the Customer Service Week, 2023. During the CSW, the branch and contact Centre staff participated wholeheartedly and made the event grand.

Voice of Customer (VoC) : VOC is an automated, transparent and all-inclusive system where customers will be heard and responded from every touch point of MTB. It offers a 360° view for MTBians to work in an efficient manner, which has made customer experience easier & faster than ever. In 2023, MSQD implemented Turn Around Time (TAT) in this automated platform which yielded faster resolution of complaints and enhanced customer 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



HOURS
a day



DAYS
a week



DAYS
a year

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 2023

Under the guidance of the MTB Board and senior management, MTB has set its AML&CFT 2023 include:

Activity	Description
Central Compliance Committee (CCC) Meetings	The CCC, consisting of 18 members, had met 4 times to discuss AML&CFT measures and provided guidance to stakeholders.
MD & CEO's Statement of Commitment	The Managing Director & CEO issued his statement of commitment on strategy, action plan and consequence of non-compliance.
Review & Update of Policy Guidelines	Updated "MTB ML&TF Risk Management Policy Guideline" and "MTB Guidelines for Prevention of Trade Based Money Laundering (TBML)" were reviewed and approved by the Board of Directors.
Appointment of Compliance Officers	Branch/divisional/departmental anti money laundering compliance officers (BAMLCOs/ DAMLCOs) were appointed in branches and divisions/departments vulnerable to ML&TF risks.
Conference/Workshop/ Training Programs	Organized 22 conferences/workshops/training programs on 'ML & TF Risk Management' in 2023 with a total of 2645 participants.
BM & BAMLCO Conference	Conference was held on October 21, 2023 aiming to discuss the accomplishments and strategy to overcome future challenges.
Re-Orientation Sessions	Conducted re-orientation sessions with branches and departments focusing on key AML&CFT compliance requirements, challenges and raising awareness to manage the risks associated with ML & TF.
Correspondent Relationship Reviews	Correspondent relationships were assessed while establishing new and reviewing existing correspondent banking relationship.
ML & TF Risk Assessment	Performed ML & TF risk assessment on the digital initiatives of the bank along with regular products/services/processes.
AML & CFT Assurance Review	AML&CFT Division continued risk based AML&CFT Assurance Review on branches and departments as well as on emerging risks.
Quarterly Compliance	Performed Quarterly Compliance check of AML&CFT compliance for a number of Head Office based division/department.
Screening	Continued screening against extensive sanction lists, PEP list and adverse media through automated screening tools.
TBML Risk Assessment	Performed enterprise level risk assessment of TBML with the input from trade associated divisions and "TBML Compliance Solution" & "AML&CFT Compliance Solution" on screening, vessel tracking, dual use goods checking outcome and trade transaction alerts.
Price Verification of Goods	Apart from using an independent price verification tool of IHS Markit, MTB developed its own database of trade transactions & search tool to check that prices declared by client represent fair market value.
Update of CDD Project	Health check was performed for a good number of accounts under Customer Due Diligence (CDD) Project.
Adverse Media News Screening	AML&CFT Division reviewed the adverse media news, searched the alleged names in system and took necessary steps, as applicable.



Activity	Description
E-learning & evaluation	To evaluate the AML & CFT knowledge base of the employees, MTB continued e-evaluation under a program titled "Knowledge Assessment on Risk Management of AML&CFT (KARMA)". The assessment was conducted through in-house e-learning platform.
Rule Based Transaction Monitoring	Implemented "Rule Based Transaction Monitoring & Case Management: General Banking" in AML&CFT Compliance Solution for a number of Branches and Agent Banking Department.
Half Yearly Evaluation	Board of Directors 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 2024

MTB's fight against money laundering and terrorist financing will continue in 2024 with the following measures:

- Ensuring the implementation of MTB ML & TF Risk Management Policy Guideline and Guidelines for Prevention of Trade-Based Money Laundering 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.
- Updating Standard Operating Procedures (SOPs) for existing processes and formulating SOPs/manuals for upcoming processes.
- Arranging workshop/training on ML & TF risk management, prevention of trade-based money laundering and sanctions for relevant employees to reinforce compliant culture.
- Arranging electronic evaluation of MTBians through e-learning/evaluation platform
- Hosting a Branch Anti-Money Laundering Compliance Officers' Conference and Annual Trade-Based Financial Compliance Conference.
- Ensuring prevention of credit backed money laundering (CBML) through ML & TF risk assessment while assessing credit risk, performing due diligence during loan disbursement and monitoring non-performing loans.
- Forming a dedicated and centralized System based Transaction Monitoring Unit (STMU) for extensive monitoring of unusual transactions.
- Performing off-site monitoring of AML & CFT activities of the branches and concerned divisions, departments and units.
- Accelerating the progress of Customer Due Diligence project and introducing customer initiated information update platform.
- Conducting assurance reviews on branches and head office departments/divisions for riskbased control.
- Ensuring compliance of MTB Securities Ltd., MTB Capital Ltd., and MTB Off-shore Banking Unit with relevant regulations and statutory obligations.

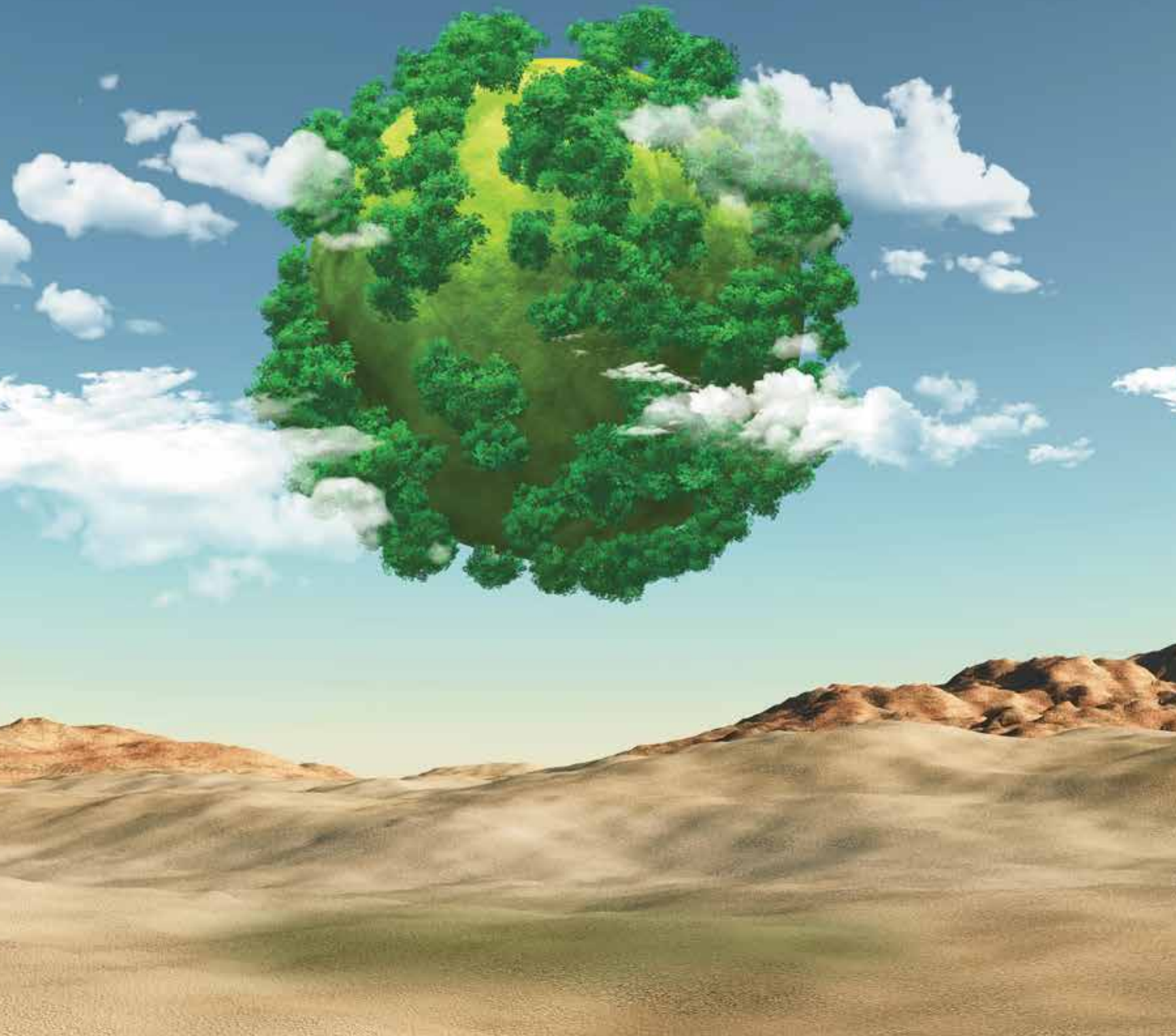


PRODUCT AND SERVICE INFORMATION AND LABELING (GRI 417-1)

- 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



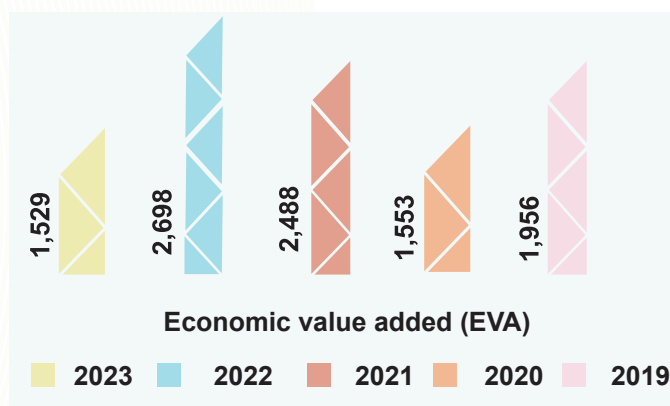
ECONOMIC PERFORMANCE OF MTB (GRI 201-1)

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 of time. Such a metric is useful for investors who wish to determine how well the bank has added value for its investors and it can be compared against bank(s) peers for a quick analysis of how well the bank is operating in its industry. Economic Value Addition (EVA) by the bank has been estimated at BDT 1529.00 million for the reporting year of 2023.

Statement of Market Value Addition

Unlike Economic Value Added (EVA), which measures internal performance, 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 these shares. Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by investors. If MVA is positive, the bank has added value. If it is negative, the bank has destroyed value. The amount of value added needs to be greater than the bank's investors could have achieved investing in the market portfolio, adjusted for the leverage of the bank relative to the market. A high MVA denotes that the bank has maximized the wealth for the shareholders. The calculation of market value added is tabled below.



Particulars	Number of Shares	Value per share	Total Value 2023	Total Value 2022
Market Value of shares outstanding	983,119,746	BDT 15.50	15,238	14,926
Book value of shares outstanding (Considering Face value of Share)	983,119,746	BDT 10.00	9,831	8,937
Market value added		BDT 5.50	5,407	5,988

INDIRECT ECONOMIC IMPACTS (GRI 203-2)

During the year 2023, 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.

Financial Inclusion Initiatives in 2023

MTB took a number of initiatives in 2023 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.

MEasy, 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. MEasy 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 MEasy umbrella.

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	82,766	7,60,74,434.79
TAP	1,272	17,78,525.21

Channel	Deposit Transaction Count 2023	Deposit Transaction Amount 2023	Withdrawal Transaction Count 2023	Withdrawal Transaction Amount 2023
bKash	323,488	193,783,532.83	5,0863	10,921,7387.02
TAP	3,660	2,794,426.5	418	1,050,901.29
Total	327,148	196,577,959.3	51,281	110,268,288.31



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 2023 are below:

Metric	Position
Number of student files opened in 2023	236
Total remittance for tuition fees handled in 2023	USD 11.29 Million

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 500-crore refinance scheme of the central bank by using the accounts for an interest rate of 7 percent. MTB also has initiated MTB 10/50/100 Taka account for providing financial assistance to the underprivileged groups of Bangladesh.

Total Deposit amount in 10 Taka Account as on December 2023 is given below-

No. of 10 Taka Account Opened	2023 (as of Dec-23)	2022 (as of Dec-22)
Number of 10 Taka Deposit Account	11,286	9,256
Deposit amount in 10 Taka Accounts (BDT)	112,197,316	55,420,843

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 Shahjalil Int. Airport



MTB AGENT BANKING

Bringing Financial Inclusion to Underserved Communities

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

Our Offerings

Product	Service	Security Features
<ul style="list-style-type: none"> ▶ Savings accounts ▶ Current accounts ▶ DPS accounts ▶ Term Deposit ▶ Accounts ▶ Loan products/ ▶ Lending facilities 	<ul style="list-style-type: none"> ▶ E-KYC ▶ Cash deposit and withdrawal ▶ Fund transfer to any MTB account ▶ Electronic fund transfer 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 ▶ Prepaid Card (dual currency) 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	194
District covered	44
Rural MAB Centre	142
Urban MAB Centre	52
▶ Number of new Agent Banking Centres launched	7
▶ No. of Accounts	112,231
▶ Total Deposit Amount (Million Tk.)	4,555
▶ No. of Remittance disbursed	123,843
▶ Total Cash Remittance disbursed amount (Million Tk.)	5,765
▶ No. of Debit Card issued	16,522
▶ No. of Cheque Book issued	35,203
▶ No. of REB Bill Collection	28,12,430
▶ Amount of REB Bill Collection (Million Tk.)	2,017



Capacity Development Programme

e-KYC (assisted Mode) hands on training program has been conducted for CSE's who will be the main catalyst to enable centre's employee to open account through e-KYC platform to make customer's life easy

Customer Awareness Programme

Our CSEs have conducted over 223 Uthan Boithak (Rural Activation Program) and financial literacy program around the year in all over Bangladesh. 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 Angona 2023: Breaking Barriers and Inspiring Triumphs in Women's Empowerment"

Mutual Trust Bank PLC (MTB) continues to play a pivotal role in the dynamic landscape of women's empowerment by fostering financial inclusion, delivering tailored financial services, and promoting entrepreneurship among women. In our steadfast commitment to women's financial inclusion and empowerment nationwide, MTB introduced MTB Angona in December 2020—a segmented approach that stands as the country's best. MTB firmly believes that the empowerment and growth of women contribute significantly to societal advancement.

Activities under MTB Angona

MTB Women Banking has experienced substantial financial growth, marked by a noteworthy increase in the Deposit Portfolio and a robust expansion of our customer base.

Year	Angona Customers	Total No. Of Accounts	Deposit Portfolio (Million)	Credit Card
2023	49,524	66,972	10,260.50	2,703
2022	17,612	27,928	6,203.3	2,093



Increased Access to Financial Services:

- Expanded MTB Angona's reach to more women customers through branch and digital platforms.
- Leveraged financial services, including Deposit Accounts, Debit & Credit Cards, and Digital Service Enrollments.
- Established strategic alliances with women-led groups to provide distinctive offerings to Angona customers.

Digital Innovation:

- Leveraged digital banking services for more digital financial services, from instant account opening on a digital platform to receiving propositional offerings on social media platforms.
- Provided access to SMS, E-Statement, and the Smart Banking application.

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

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

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:

Initiatives under Women Empowerment Program



MTB Women Banking initiated its signature project, aiming to empower underprivileged women segments by fostering financial independence through skill development, vocational training, microfinance, and digital services. This comprehensive program not only imparts financial education but also offers guidance and tailored financial products to support their journey towards economic self-independence.

Skill Development Program:

- Facilitated a Graphic Design Training course in collaboration with Creative IT Institute, empowering 23 aspiring participants from various women segments to improve their financial standings.

Financial Literacy and Inclusion Program:

- Addressed the pressing need for comprehensive financial literacy and accessibility, targeting 250 people among Farmers & Low-Income Marginalized People, Students, Cottage & Micro Entrepreneurs/Micro Merchants/ Retailers, Women (Individual & Entrepreneur), and Migrant Workers.
- Featured engaging sessions, workshops, and discussions led by experts, followed by instant account opening through the E-KYC platform.

As MTB Women Banking looks ahead, our commitment to women's financial inclusion and empowerment remains steadfast. We will continue to innovate, expand our product offerings, and strengthen partnerships with organizations that share our vision. Our focus remains on fostering sustainable growth, creating value for shareholders, and making a positive impact on the lives of women in our communities.

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 2023. 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 Ava and MTB Bhaggobati for facilitating the women entrepreneur under this Programme. MTB Ava and MTB Bhaggobati, 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. The outstanding loan amounts as of August 31, 2024 for the two products, Ava and Bhaggobati are 8.87 million and 11.79 million, respectively. MTB is actively involved in empowering women entrepreneurs and providing them with opportunities to grow and innovate. The outstanding loan position for women-led SME clients in 2023 for this segment is Tk. 4,609.7 million.

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 Ava and MTB Bhaggobati. MTB finances women entrepreneurs at 5% rate under refinance scheme of BB Women Fund. 'MTB Ava and MTB Bhaggobati 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 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 & Agri Banking Division and Women Banking Department have special focus on catering Women entrepreneurs and are involved in creating gender-responsive marketplace.

এমটিবি অগ্না ডিপিএস

ছোট সঞ্চয়, বড় স্বপ্নের ভিত্তি

- অনলাইনে ডিপিএস খোলার সুবিধা
- সুবিধা অনুযায়ী মেয়াদ বেছে নেয়ার সুযোগ
- মাসিক জমা ৫০০ টাকা থেকে শুরু
- মেয়াদ পূর্তির আগেই নগদায়ণ সুবিধা
- আকর্ষণীয় হারে মুনাফা
- জমাকৃত অর্থের বিপরীতে ঋণ সুবিধা




MTB's Award on 2023



MTB go the recognition as the Best Bank for Diversity and Inclusion in Bangladesh for 2023 by Asia NMoney. This marks the second consecutive year that MTB has received this prestigious accolade.

MTB was selected as the 2023 Global Climate Partnership Award winner for innovative idea of bridging the gap between smallholder farmers in Bangladesh and cost-effective electric vehicle (EV) solutions through accessible finance. Beyond its climate benefits, MTB seeks to establish an inclusive financial ecosystem that will significantly enhance the farmers' quality of life. MTB will receive USD 50,000 to implement their award-winning climate finance concept.



Mutual Trust Bank Limited (MTB) has been recognized by the Global Good Governance (3G) Awards for its excellence in sustainability reporting. The 3G Excellence in Sustainability Reporting Award 2023 validates MTB's dedication to sustainable practices and ethical standards within the banking industry.

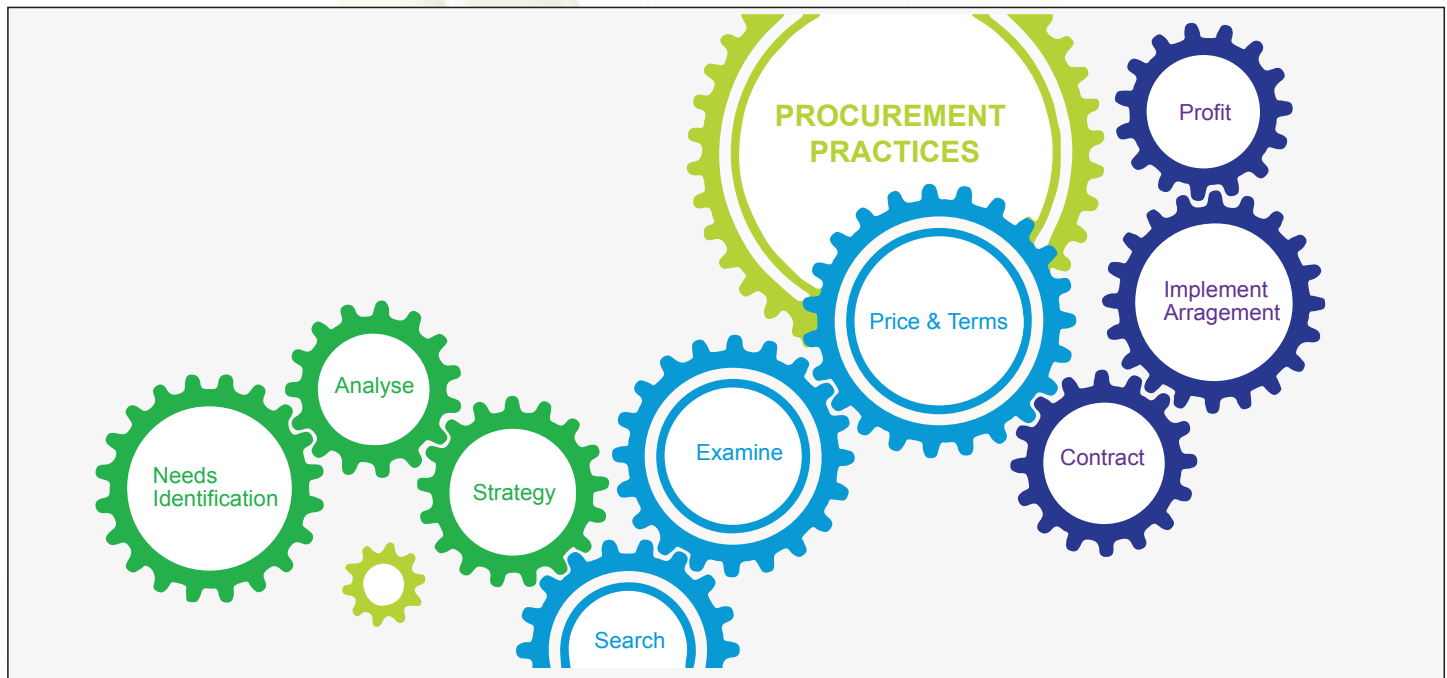
GREEN FINANCING THROUGH MTB GREEN ENERGY

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.



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



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 2023 (GRI 302-1)

The bank consumed 48.28 million mega joules of energy in 2023 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	
	2023	2022	2023	2022
Electricity (KWH)	11,079,402.18	11,343,988.38	39,885,847.85	40,838,358.17
Diesel (LTR)	156,840.34	153,336.35	5,459,190.28	5,337,228.67
Octane (LTR)	84,337.06	65,789.05	2,935,546.24	2,289,941.37
Total	11,320,579.59	11,563,113.78	48,280,584.36	48,465,528.21

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>

ENERGY INTENSITY IN MTB 2023 (GRI 302-3)

Per Employee Energy Consumption in Mega Joules

Fuel/Source Type	*Per Employee Energy Consumption in Mega Joules	
	2023	2022
Electricity (KWH)	14,756.14	16,027.61
Diesel (LTR)	2,019.68	2,094.67
Octane (LTR)	1,086.03	898.72
Total	17,861.85	19,021.01

* Total Employees as on December 31, 2023 =2703



Per day Energy Consumption in Mega Joules

Fuel/Source Type	*Per Employee Energy Consumption in Mega Joules	
	2023	2022
Electricity (KWH)	109,276.30	111,885.91
Diesel (LTR)	14,956.69	14,622.54
Octane (LTR)	8,042.59	6,273.81
Total	132,275.57	132,782.27

MTB's Solar Power Capacity

*365 in a day

MTB has installed solar power panels at its Corporate Head Office, branches and ATM booths. By 2023, total capacity installed is 41.72 KW of solar panels that reduce total power consumption by the bank.

Solar Power Capacity of Branches in 2023

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	2023	2022
Internet Banking Users	295,370	210,223
MTB Smart Phone App-based Banking Users on Mobile & Tab	194,327	115,174

Table: E-Statement

Topic	2023	2022
Number of E-statements Delivered to Customers through Email instead of Using of Papers Traditionally	255,549	69,815

Automation towards Green Banking

Number of Online Branches		Total Number of Accounts - 1,281,799
Rural	Urban	
35	85	

Environmental Conservation in Business Centres

Number of Agent Outlets		Number of Solar Powered Agent Outlets	
Rural	Urban	Rural	Urban
142	52	4	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
Recent Transfers & Releases	etc
Retail Business Dashboard	Info & Archives
MAB Business Dashboard	CBS
Internet Banking	SME Business Dashboard
Remittance	Ask & Learn.
SMS Banking	Finance Glossary
Out of Office (OD/OT Marking)	Bill Collection
Ongoing Campaign	MTBian's News
Ready Reference	Doctor's Requisition
Downloads	Subsidiaries
	M-tracker
	MTB Policies & Guidelines



Table: In-house Green Banking Practices

In-house Green Banking Practices (in million Taka)	2023	2022
Electricity Consumption per employee	0.07370	0.04060
Water Consumption per employee	0.00371	0.00216
Paper Usage per employee	0.01985	0.00898
Transport expenses for official purpose per employee	0.00728	0.00336

EMISSIONS

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

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

Fuel/Source Type	2023	2022
Electricity (KWH)	4,619	4,907
Diesel (LTR)	368	360
Octane (LTR)	198	154
Total	5,185	5421

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	2023	2022
Electricity (KWH)	1.708842027	1.925824176
Diesel (LTR)	0.136145024	0.141287284
Octane (LTR)	0.073251942	0.06043956
Total	1.918238994	2.12755102

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

Category	2023	2022
M Tons of CO ₂ Emissions/Employee	1.918238994	2.12755102
M Tons of CO ₂ Emissions/Day	14.20547945	14.85205479



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	2023	2022	2021
Water (LTR)	194,36,000*	1,94,77,000*	313,562.1

*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 2022

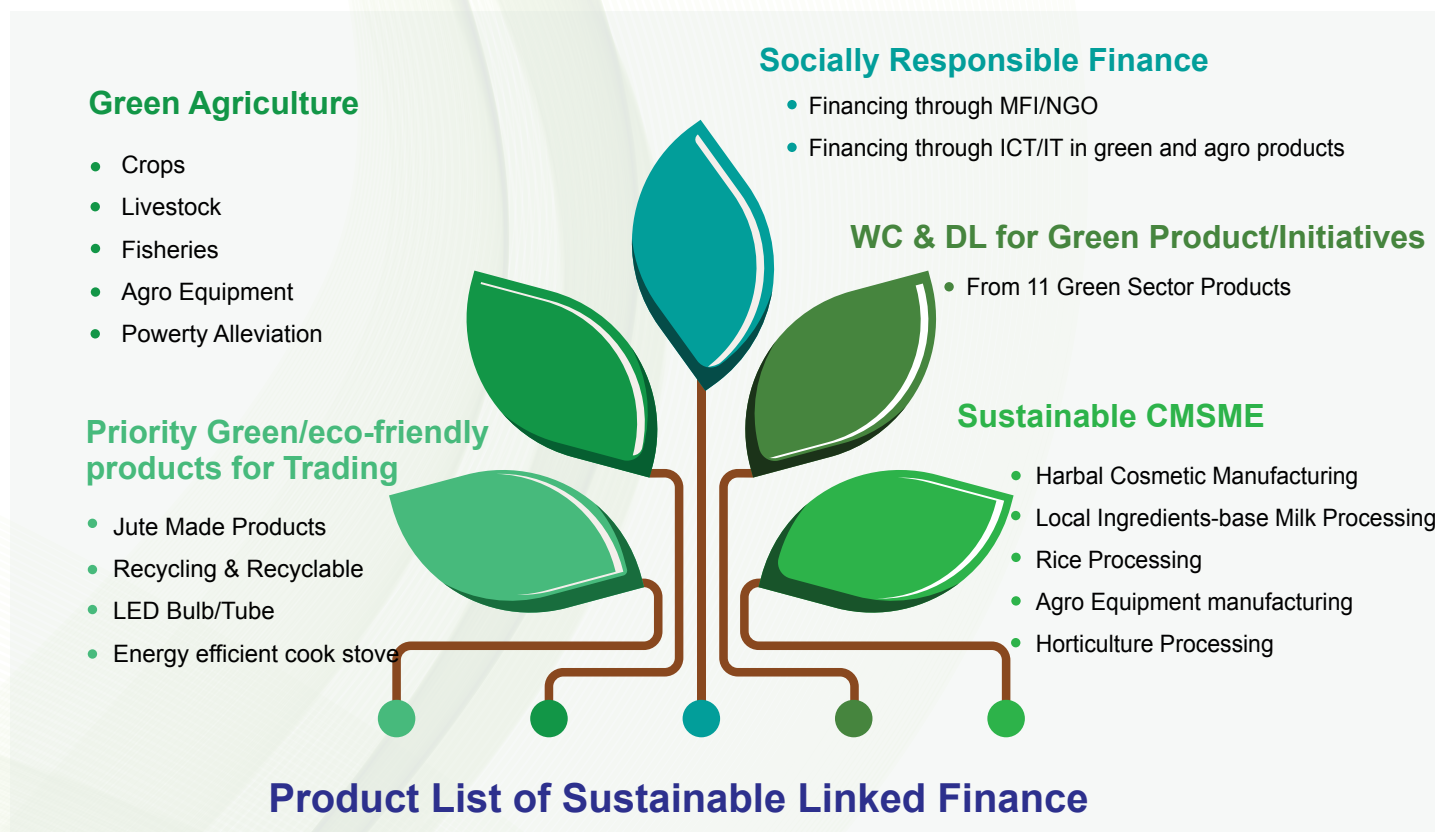
In 2023, MTB proudly released its Sustainability Report for the year 2022, showcasing a steadfast commitment to environmental stewardship, social responsibility, and sustainable business practices in accordance with Global Reporting Initiatives (GRI) standards. MTB has consistently adhered to GRI standards since 2014, marking this publication as the 9th in the series. This comprehensive report illuminates our achievements, initiatives, and strides towards our sustainability objectives, ensuring transparency and accountability to our stakeholders.

Through meticulous data collection, analysis, and engagement with stakeholders, we have meticulously documented our endeavors to reduce our environmental impact, foster diversity and inclusion, bolster local communities, and uphold ethical standards across our operations. As we progress on our path towards a more sustainable future, our commitment remains unwavering to catalyzing positive change and generating enduring value for both our business and society at large.



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 (ESRM) 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.

BB published its latest "Guidelines on Environmental & Social Risk Management (ESRM) for Banks and Financial Institutions in Bangladesh" on June 26, 2022. As per this latest circular MTB has revised its Environmental & Social Safeguard Policy in 2023. The latest update includes sector specific E&S guidelines and updated ESDD tool.



Sustainable Finance Committee



It's commendable that MTB has established a diverse Sustainable Finance Committee to ensure a wellrounded approach to making sustainable decisions. The composition of the committee, with representation from different departments such as Business, Communication, Infrastructure, Human Resources, MTB Foundation, Group Finance, Credit Administration, Retail & Wholesale Banking Division, reflects a comprehensive perspective on sustainability.

Chowdhury Akhtar Asif, AMD & GCRO, as the Chairman, plays a crucial role in guiding the committee and providing leadership to ensure the bank's sustainability efforts align with its overall goals and values.

Tahmina Zaman Khan, as the Member Secretary, holds a significant responsibility in coordinating and organizing committee meetings at regular intervals. This is vital for fostering communication, collaboration, and timely decision-making within the committee. Her role ensures that the committee remains active and effective in addressing sustainability challenges and opportunities.

The diversity within the committee is a strength, as it brings together individuals with different expertise and viewpoints. This diversity is likely to contribute to a more holistic and informed decision-making process, enabling the bank to navigate sustainability issues in a comprehensive manner. Overall, the structure and roles within MTB's Sustainable Finance Committee suggest a proactive approach to sustainability, emphasizing the importance of collaboration and diverse perspectives in making well-informed and sustainable decisions.

Name of the Sustainable Finance Committee Members

1	Chowdhury Akhtar Asif - Additional Managing Director & GCRO	Chairman
2	Md. Khalid Mahmood Khan - Additional Managing Director & CBO	Member
3	Goutam Prosad Das - Deputy Managing Director & GHOICC	Member
4	Bakhteyer Hossain - Deputy Managing Director & Chief Operating Officer (COO)	Member
5	Rais Uddin Ahmad - Deputy Managing Director & CAMLCO	Member
6	Usman Rashed Muyeen - Deputy Managing Director & HoCRM	Member
7	Shafquat Hossain - Deputy Managing Director & Head Of Retail Banking Division	Member
8	Mir Iqbal Hossain - Head of Special Asset Management Division	Member
9	Amitav Kiser - Head of MTB Infrastructure Division	Member
10	Md. Habibur Rahman - Head of Wholesale Banking Division-2	Member
11	Masud Mushfiq Zaman - Head of Group Human Resource Division	Member
12	Faisal Masum - Head of Finance	Member
13	Sanjib Kumar Dey - Head of SME & Agri Banking Division	Member
14	Tahmina Zaman Khan - Head of Sustainability	Member Secretary
15	Azam Khan - Head of Communication	Member
16	Khalid Hossin - Head of Digital Banking	Member
17	Md. Abu Bokar Siddik - Head of Card Division	Member
18.	Md. Shirajul Islam - CEO, MTB Foundation	Member
19.	Samia Chowdhury CEO, MTB Foundation	Member



Sustainability Initiative of 2023



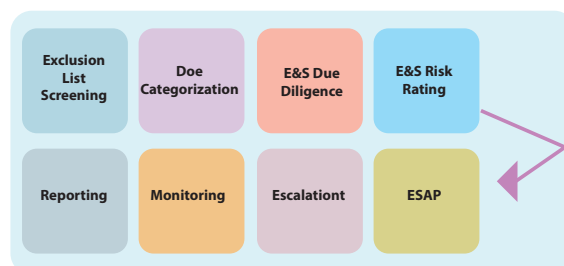
Environmental and Social (E&S) Risk Management

Mutual Trust Bank PLC places a high priority on responsible banking practices, particularly in the assessment of environmental and social risks associated with loan approvals. This commitment is in line with the guidelines provided by Bangladesh Bank, emphasizing the importance of sustainable financing. MTB follows robust standards and frameworks for risk assessment, ensuring a thorough evaluation of potential environmental and social impacts. The bank proactively implements mitigation measures to address identified risks, demonstrating its dedication to environmental stewardship. By upholding these principles, MTB not only complies with regulatory recommendations but also contributes to a sustainable and responsible banking ethos that positively impacts both society and the environment.

Environment, Social & Safety Status of Client

In the year of 2023, MTB's comprehensive assessments of clients delved into their Environment, Social, and Safety practices. Notably, a significant number of clients were found to have implemented commendable fire protection systems in accordance with Bangladesh labor law and the Fire Prevention Act. The RMG businesses, constituting a substantial portion of these clients, often boasted certifications from Accord/RSC or alliance, further attesting to their commitment to safety standards.

In the realm of environmental management, a commendable proportion of our clients have embraced robust systems aligned with ECR 2023 & ECR 1997. Despite this positive trend, some clients were found to have room for improvement in their environmental management systems, where MTB provides tailored suggestions for enhancement. Concerning worker rights and social compliance, the MTB team discovered that a commendable percentage of clients adhered to minimum standards encompassing areas such as minimum wages, the prohibition of child labor, and the establishment of harassment-free workplaces. MTB remains steadfast in its commitment to encouraging these clients to achieve the pinnacle of worker rights compliance. The evaluation of Effluent Treatment Plants (ETP) revealed that 25% of clients' production processes necessitate the presence of ETPs. Impressively, 22% of these clients had already installed ETPs, while the remaining 3% were actively engaged in the installation process. In terms of community safety, an overwhelming number of clients demonstrated awareness of its significance. However, on-site visits uncovered some adverse impacts on the community, including traffic congestion and pollution. MTB consistently emphasizes the imperative of community safety and encourages clients to proactively address these issues. This holistic approach underscores MTB's commitment to fostering responsible and sustainable business practices among its clientel



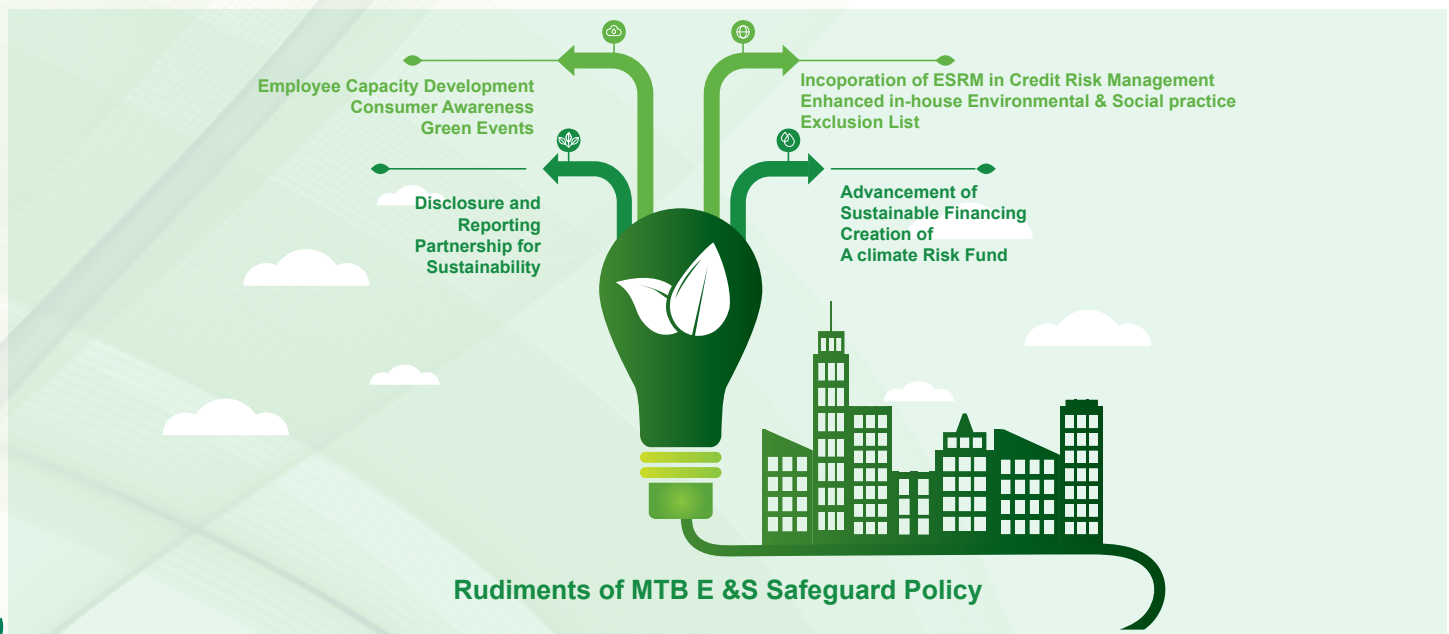
Green Banking

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 –

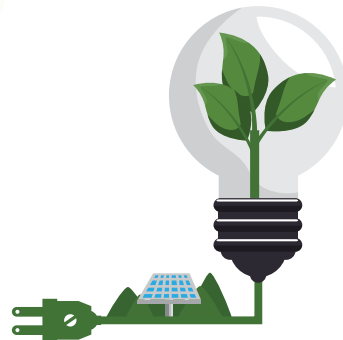
- Reduce
- Reuse
- Recycle

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 4 solar powered agent banking outlets among a total of 194 agent outlets.



Solar Power ATM:

In 2023, total number of MTB ATM reached 320. 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:

In 2023, total number of MTB ATM reached 320. Among which 7 ATMs are solar powered.

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	2023	2022
Number of ATM	320	312
Number of MTB's POS Machines on Market	2,829	2,854
Number of branches with online banking	120	119
Number of SMS Banking Accounts	868,941	744,026
Number of Internet Banking users	295,370	210,223
Number of MTB Mobile App Users	194,327	115,174
Number of branches powered by solar energy	1	9
Number of ATM Booths powered by solar energy	7	7

LEED Certified Green Building Initiative: Customer of MTB

Mutual Trust Bank PLC is at the forefront of promoting sustainable building practices, evident in our active involvement in the development of LEED (Leadership in Energy and Environmental Design) certified green buildings. In Bangladesh, a country witnessing over 200 ongoing activities related to green building initiatives, MTB has witnessed collaborative partnerships with many customers who are actively pursuing LEED certification for their projects.

Our engagement in these initiatives is a testament to our unwavering commitment to environmentally responsible banking practices. By aligning with customers dedicated to achieving LEED certification, MTB not only champions sustainable building standards but also contributes significantly to the broader objective of fostering green, energy-efficient structures across the nation.

This strategic collaboration underlines our dedication to being a responsible corporate organization, actively contributing to environmental conservation and sustainable development. MTB's support for LEED certified green buildings is a cornerstone of our sustainability initiatives, reflecting our holistic approach to creating a positive impact on both the environment and the communities we serve. We take pride in our role as a catalyst for sustainable development and look forward to furthering our commitment to green building practices in the years to come.

MTB'S GREEN INITIATIVES IN 2023

Training on Sustainable Banking, Environmental & Social Risk Management

It's commendable that Mutual Trust Bank PLC is dedicated to enhancing the capacity of its employees regarding Sustainable Banking & Green Banking. These initiatives align with the global shift towards more sustainable business practices and environmental responsibility.

By organizing training sessions for both new employees and on-the-job officers, MTB is ensuring that its staff members are equipped with the necessary knowledge and skills to integrate sustainable banking principles into their daily operations. This not only benefits the bank but also contributes to broader environmental and social goals.

Collaborating with regulators like Bangladesh Bank demonstrates MTB's commitment to staying updated on regulatory requirements and best practices in sustainable banking. This partnership can facilitate knowledge sharing and ensure compliance with relevant regulations, ultimately strengthening the bank's reputation and trustworthiness in the financial sector. In August 12, 2023 Capacity Development Program on "Sustainable Finance" was arranged along with Bangladesh Bank Sustainable Finance Team.

Additionally, organizing sessions on First Aid & Emergency Response reflects MTB's dedication to ensuring the safety and well-being of its employees. By providing training in these essential skills, MTB is fostering a safety culture within the organization, which is crucial for maintaining a secure and supportive work environment.





MTB in technical assistance of Global Climate Partnership Fund (GCPF) arranged a design thinking workshop on 'Global Climate Partnership Award' in November 28 & 29, 2023. The award concept is the hybrid financing model linking transport and agriculture businesses with green solutions enabled via digital application.

Overall, MTB's initiatives to arrange various training sessions on sustainable banking, collaboration with regulators, and focus on safety culture exemplify its commitment to responsible business practices and employee development. These efforts not only benefit the bank but also contribute positively to society and the environment.

MTB Green Events Earth Day 2023

April 22 marks Earth Day. Every year this day acts as an annual reminder for all of us that climate change is a reality and it has a major impact on our planet, lives and future. Since 1970, this day has been observed to show solidarity and draw people's attention on environmental protection. The theme of Earth Day 2023 was Invest in Our Planet. MTB shared awareness poster in social media on the occasion of Earth Day.

MTB Wishes Everyone a very Happy World Earth Day!

This year the **World Earth Day's** theme is **"Invest In Our Planet"**, designed to persuade businesses, governments, and citizens around the world to invest in our planet to improve our environment and give our descendants a better and safer future. Take Action - Be a part of the green revolution. For Earth Day 2023, we need to act (boldly), innovate (broadly), and implement (equitably).

As a responsible bank, MTB supports Environment, Social and Governance (ESG) principles in its operations and lending practices for a more greener and sustainable world.



এই সমস্যার
বাহকিঃ



Environment Day 2023

World Environment Day is the biggest international day for the environment. Led by the United Nations Environment Programme (UNEP), and held annually since 1973, it has grown to be the largest global platform for environmental outreach. It is celebrated by millions of people across the world. The theme of World Environment Day 2023 was **#BeatPlasticPollution**. It highlights the need to take concrete action to achieve transformative change to tackle the climate crisis. The human mobility implications of the climate and environmental crisis are profound. MTB celebrated the day with all staff mail from MD on emphasizing the themes importance, a quiz highlighting plastic pollution.

Dear MTBians,

You might know that World Environment Day (WED) is a global event commemorated every year on 5th June, to encourage awareness and action for the protection of the environment. This event was first organized in 1973 and has been observed every year since then. This year, the theme for World Environment Day 2023 is "Solutions to plastic pollution". Also, this year marks the 50th anniversary of World Environment Day, which will focus on solutions to plastic pollution, using the hashtag and slogan **#BeatPlasticPollution**.

We all know, the impact of our activity on the planet cannot be overstated. Anthropogenic climate change is a huge subject that involves intense and multi-disciplinary scientific inquiry, inspires passionate political and social movements, and raises as many political, social, and moral questions as it does economic and financial ones. Science shows that it is indisputable that human-caused emissions of carbon dioxide (CO₂) and other greenhouse gases, such as methane, are warming and disrupting the climate. Globally, climate change, pollution, deforestation and habitat destruction are just a few of the ways we are damaging the planet.

Considering the Bangladesh context, we are one of the most climate-vulnerable countries in the world. According to the Global Climate Risk Index 2021, Bangladesh is ranked 7th among the countries affected most in 2000-2019 due to climate change. Apart from climate change, continuous pollution, unplanned urbanization, poor implementation of environmental rules, reckless use of natural resources etc. are deteriorating our environment. According to a UNDP report, Bangladesh generates an estimated 1.6 million tons of plastic waste each year. Of this, only 50,000 tons are recycled, and the rest is either burned or dumped into landfills or water bodies. We can't ignore the environment where we are living in and Environment Day can be a reminder of our responsibility to protect the planet for ourselves and future generations.

Threats of plastic pollution: More than 430 million tonnes of plastic is produced every year worldwide, half of which is designed to be used only once. Of that, *less than 10 percent* is recycled. An estimated 19-23 million tonnes end up in lakes, rivers and seas annually. *Microplastics* – tiny plastic particles up to 5mm in diameter – find their way into food, water and air. It is estimated that each person on the planet consumes more than *50,000 plastic particles* per year –and many more if inhalation is considered. Discarded or burnt single-use plastic harms human health and biodiversity and pollutes every ecosystem from mountain tops to the ocean floor.

Staying ahead of the global movement, we are already taking significant strides in environmental sustainability through our support to establish "Plastic-Free Campus" jointly with Environment and Social Development Organization (ESDO). Through this project, we are planning to include 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. Recognizing the importance of a grassroots approach to waste management in Bangladesh, MTB is actively fostering partnerships between the public, private, and community sectors to address waste management challenges and build zero-waste communities.

So let's celebrate this World Environment Day and also every other day following some sustainable and responsible practices

Stop using Single Use Plastic (SUP) - Stop using single use plastic (e.g., Plastic straws, knives, forks, and spoons, Plastic shopping carrier bags etc.) as much as possible.

Follow 3R (Reduce, Reuse, Recycle) – By following 3R, we can manage our waste sustainably. We can start reducing waste by using reusable bags, water bottles, and containers. We can also start composting food waste to reduce the amount of waste that goes into dumping.

Tree plantation - Trees absorb carbon dioxide, provide habitat for wildlife, and help combat climate change. Planting trees is also a fun way to get outside and connect with nature.

Clean Up Program - Picking up trash from surrounding can help us to have a clean, germ free surrounding and we can also prevent water logging by collecting the trash properly and disposing it correctly.

Save energy at home and workplace - From turning off lights and electronics when not in use, to using a programmable thermostat, to changing air filter regularly, there are many small things we can do to save energy and reduce greenhouse gas emissions, while saving money on your utility bills.

Turn off the tap - Whether we are washing our hands, brushing our teeth, we should turn off the water when it's not needed.

Environment Day is a pledge to protect our planet, to build a better future for ourselves and future generations. So, let's make a small difference in our day to day life by being responsible to environment. It is the high time that suitable initiatives must be taken on an urgent basis. As we all have been facing pandemic for almost last three years, it has highlighted the significance of safe, clean and sustainable environment like never before. Now, it is alarming for all of us to take care of the mother earth and its resources. The global warming is a very big threat giving us challenges to secure a healthy life and nature's protection. Countries have already taken many measures in the direction of spreading awareness and taking corrective measures for protecting the earth from global warming and environmental degradation.

It is our first and foremost responsibility to look after the usage of every resource. The environment has become extremely polluted and full of toxins which has harmful impact on our health. The World Environment Day inspires us to do something about it and improve the environment we cannot live without and take appropriate steps and protect the environment without which the life on the earth is impossible at all. As there is no Planet B, so let us all do our part and give our next generation a livable Earth.

Happy Environment Day 2023. You may take part in the quiz hosted in the Mnet and remain aligned with global movement.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Ltd.



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

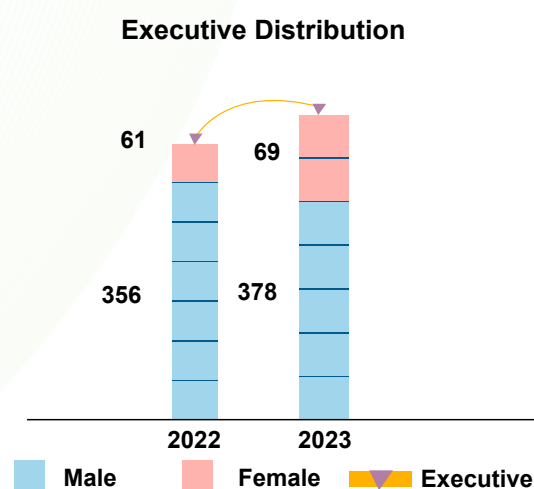
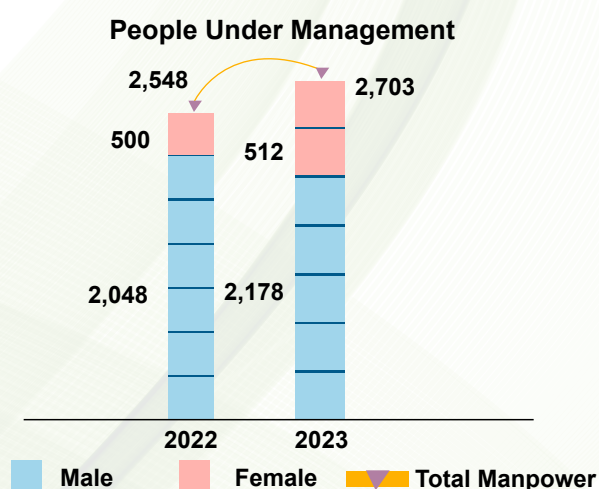
MTB GROUP HUMAN RESOURCES (GRI 102-8)

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.

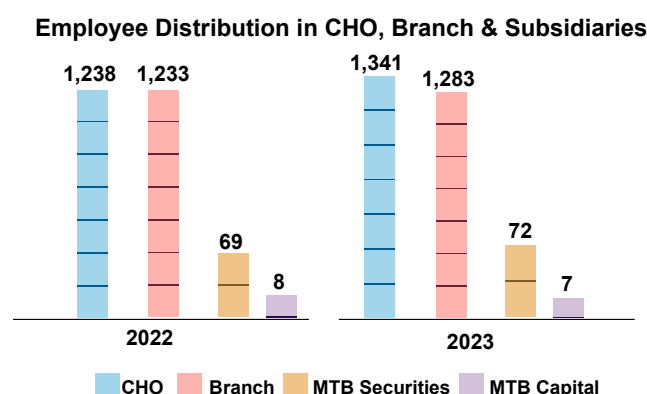
MTB trust that, delivering our best to MTB's customers takes men and women who give us their best very day. MTB's Human Resource philosophies and policies are an integral part of MTB's overall business strategies. Here, we pay special attention to managing people as our most important resources and important 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)

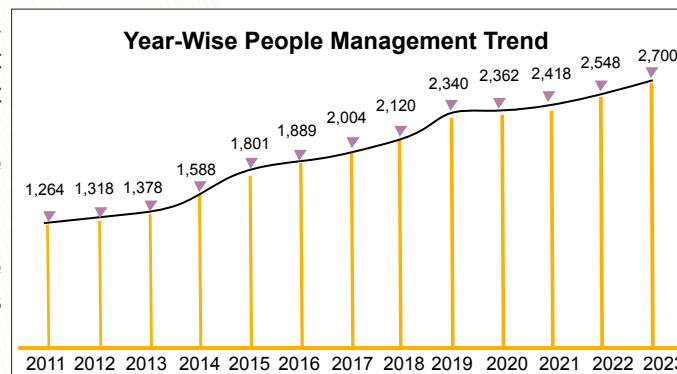


At the end of 2023, the total workforce numbered 2,703 of which 525 were female. Following trends from previous years, the number of employees has been more rationally distributed to ensure concerted efforts towards growth. A pyramid structure illustrates the distribution of employees by grade. There is a positive trend in promoting female employees to leadership roles, demonstrating management's commitment to advancing women in various leadership positions.



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. In addition to the regular workforce, temporary workforces are used for special projects.

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 places significant emphasis not only on securing the right individual for each role but also on fostering diversity, inclusion, and organizational alignment. This commitment is exemplified by the increased representation of female executives compared to the previous year. Our recruitment processes, spanning from temporary placements to full-time positions, adhere strictly to competency frameworks to identify and select the most suitable candidates.

All communications regarding job openings, meticulously crafted to target specific skill sets, are made available to the public, resulting in a remarkable surge in applicants for entry-level positions. Furthermore, tailored recruitment assessments are developed and implemented across various departments to ensure a thorough evaluation of candidates' capabilities. In addition to conventional recruitment channels, MTB also utilizes headhunting services and engages external industry experts as assessors for lateral hires.

Inclusion, Diversity & Community Engagement

MTB aims to be responsive and promote gender equality and equity within the organization. Regarding diversity and inclusion, MTB ensures that women and men are hired at an equal pay scale, given equal opportunities, and evaluated based on performance and talent. MTB is progressing in terms of gender ratio over the years. Currently, MTB is maintaining a standard male-to-female ratio in the workplace. At the executive level, a significant number of females are employed. MTB has a strong anti-harassment policy and maintains all compliances towards providing a safe and healthy work environment. MTB has taken the initiative to assess, analyze, and develop potential female leaders for future leadership through the assessment center. Additionally, MTB plans to develop mentorship and sponsorship programs for aspiring female leaders soon. 'Aporajita' is one of the MTB Women's Forums that focuses on all female MTBians, providing opportunities to understand their potentials, challenge their limitations, and overcome stereotypes. It aims to network women within and outside the organization for knowledge sharing and capacity building among female employees.

MTB offers internship and fast-track career opportunities to numerous graduates. With a strong infrastructure of 120 branches, MTB accommodates them throughout the country and helps them gain hands-on experience in the banking and finance sector. In terms of recruitment, MTB plays a bias-free role, fosters a culture of openness and acceptability, and encourages every competent candidate to apply for significant job roles.

HR Operations towards Desired Outcomes

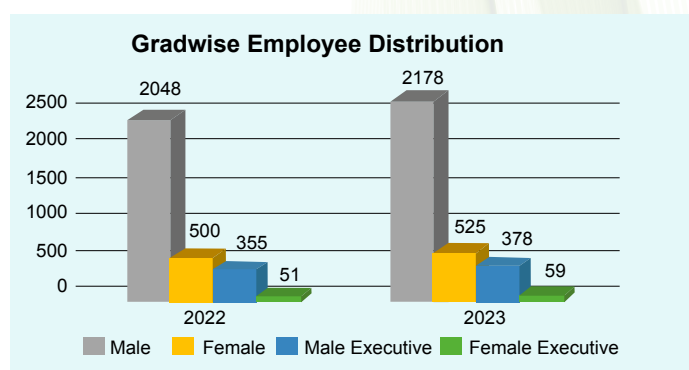
Human Resource Operations maintain a comprehensive employee database, HRIS, to ensure the timely and accurate processing of records. This system assists senior management by providing all necessary employee information, financial details, work history, and detailed employee profiles to facilitate real-time decision-making. Additionally, Human Resource Operations are responsible for onboarding employees, disbursing benefits, maintaining employee discipline, and performing other administrative functions to meet stakeholders' requirements.



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

Succession Planning towards Future Leaders

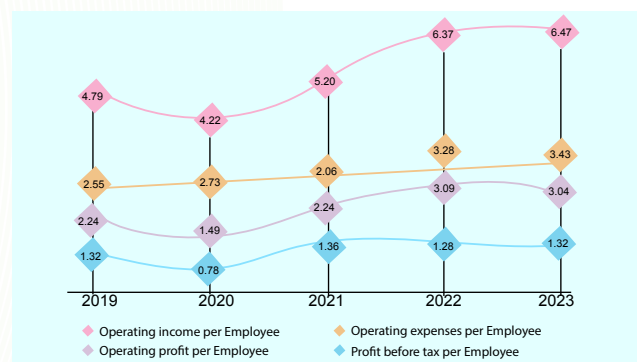
MTB believes that a highly skilled, diverse and transformed workforce, representative of society, is key to remaining competitive. As one of the pioneers of fast-track career paths in local banks, MTB always focuses on nurturing the next business leaders via its MMT (MTB Management



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.

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)

A well-designed performance management system facilitates continuous communication, development, and alignment of employee efforts with organizational goals, ultimately contributing to enhanced productivity, employee engagement, and organizational success. GHR, aims to maintain a perpetual sense of motivation among employees to strive for optimal results consistently. This performance evaluation framework serves as a conduit between internal human capital and the strategic goals of the bank.

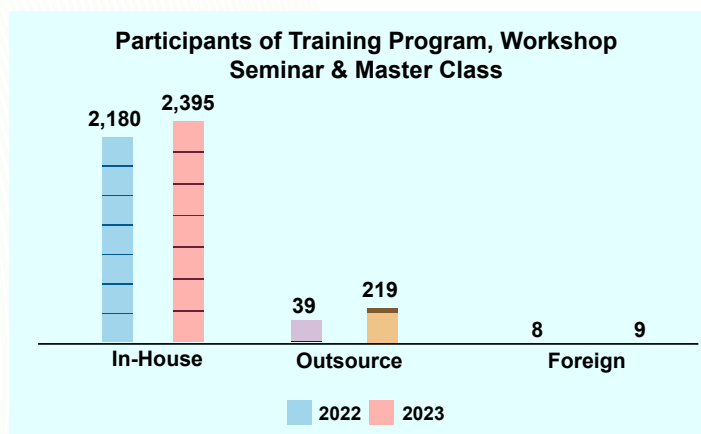
The performance evaluation process begins with goal setting, where employees input their anticipated outputs for the year by discussing them with supervisors. Employees delineate their anticipated outputs for the year, and these objectives must be Specific, Measurable, Achievable, Realistic, and Time bound (SMART). Both employees and their reporting supervisors contribute to the performance assessment by providing feedback, planning for development, and identifying areas of improvement. During the appraisal process, several key elements are considered, including ongoing job responsibilities, efforts in system redesign, enhancements to operational efficiency, contributions to projects and assignments, business development initiatives, efforts in developing people, cost reduction strategies, and self-improvement pursuits. The performance management system also supports the overall strategic objectives of the organization by linking individual and team performance goals to broader organizational goals and priorities. 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)

In-house learning and development are key approaches to capability development and nurturing talent. With a continued emphasis on fostering a culture of constant learning and development, year-round training, workshops, and conferences have been organized under various categories. These include specialized learning interventions, need-based solutions, compliance training programs, and orientation and induction programs for new recruits, all designed to meet the learning needs and requirements of the organization. MTB Training Institute (MTBTI), a state-of-the-art training center, hosted 156 training programs. The sessions were led by in-house trainers and guest speakers, and included collaborations with other reputed institutions.



MTB officials attended 62 external training programs organized by the Bangladesh Bank Training Institute, Bangladesh Institute of Bank Management, Bangladesh Association of Banks, ICC Bangladesh, and other participating institutions, with a total of 219 participants. Some significant trainings, workshops, seminars, master classes, and conferences include the following:

To encourage continued learning and development, MTB offers reimbursement for achieving certifications in various specialized areas, including Certified Expert in Risk Management (CERM), COBIT 19 Foundation, Certified Anti-Money

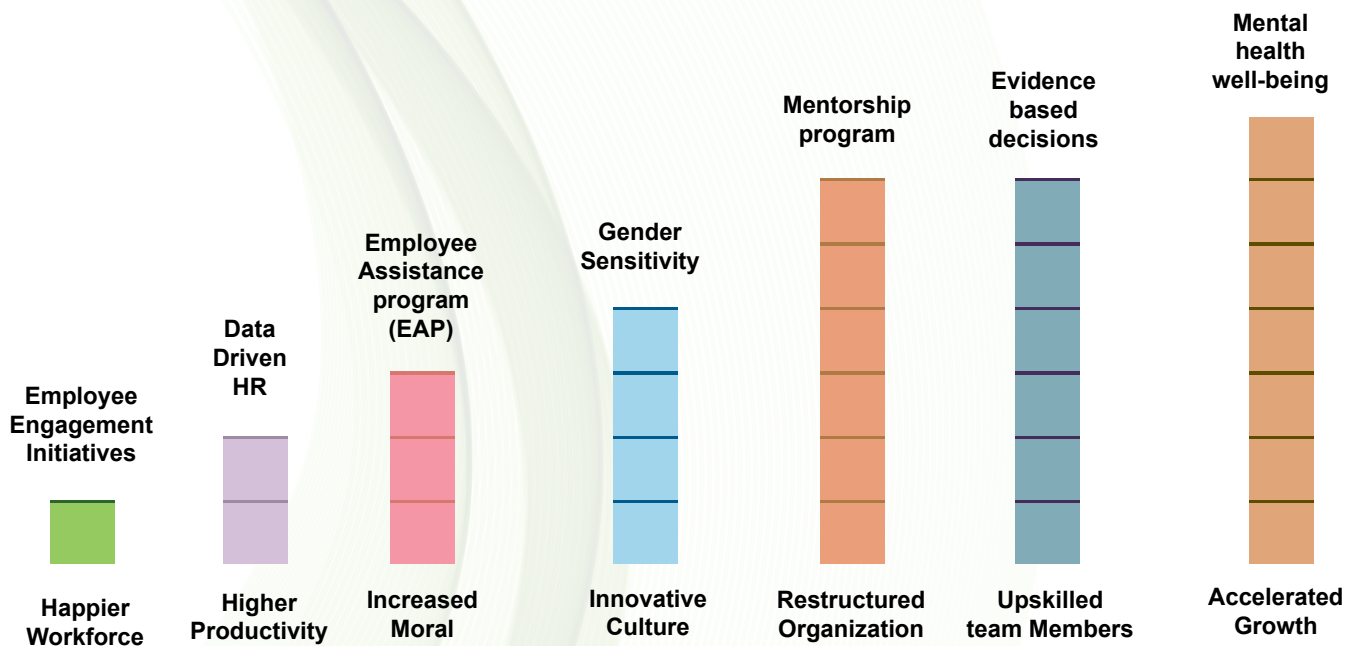
Envision the Future towards Accelerated Growth:



MTB is expanding its focus on reinventing the HR function by playing a more strategic role and entrusting it with the task of building and maintaining an innovative culture. This culture encourages employees to share creative ideas and solutions that lead to development. Going forward, GHR is placing greater emphasis on a data-driven HR approach to extract actionable insights and make evidence-based decisions.

This approach includes personalized employee engagement initiatives, developing leadership programs, focusing on employee mental health and well-being, enhancing Employee Assistance Programs (EAP), and introducing gender sensitivity in the workplace. These efforts aim to ensure employee retention, increase employee effectiveness, boost morale, and enhance productivity.





HR leadership is focusing on strategic business concerns such as long-term resource planning, upgrading the employee experience, up skilling team members, and restructuring the organization to better meet accelerated 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.

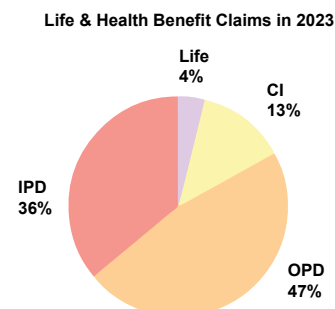
Neatness and cleanliness are encouraged and practiced throughout the bank branches and offices for health and hygiene issues. MTB also has a business continuance plan and data center backups. Offices are well designed for tackling hazardous situations such as fire and an earthquake. Regular fire drills 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

Life and Health Insurance to Mitigate Risks Every year, MTB invests a handsome amount in its employees to ensure they can avail themselves of some of the best comprehensive health benefits in the market. MTB provides Outpatient Treatment (OPD) and Inpatient Treatment (IPD) for its employees and their family members (spouse and children).

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.



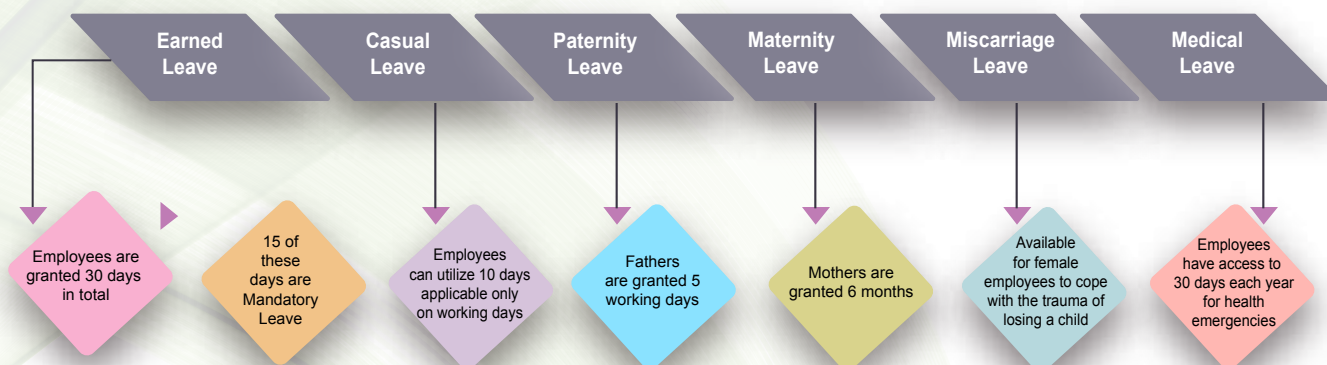
BENEFITS PROVIDED TO FULL-TIME MTB EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES (GRI 401-2)

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:

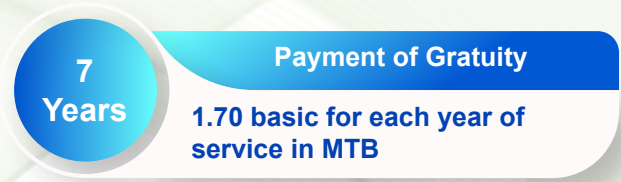
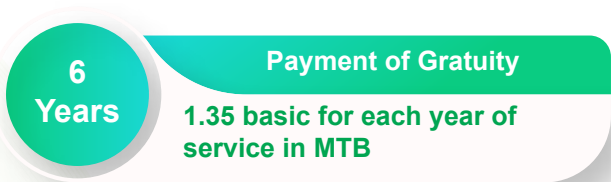
a) Provident Fund

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 2023 (GRI 403-3)

S/N	SAFETY MEASURES	DETAILS
1	Maintaining Standard Security Protocols. a. Installed archway door at few MTB premises to enhance security system.	<ul style="list-style-type: none"> Assist, monitored and ensured.
2	Office/ Environmental Safety	<ul style="list-style-type: none"> Safety Advisories given via circulars and email during national emergencies.
3	Security personnel Training a. Basic Security, Fire safety and firefighting Training.	<ul style="list-style-type: none"> Physically conducted by field security inspectors, CMR agents and service providers.
4	MTB Employee Training <ul style="list-style-type: none"> Firefighting and Evacuation Drill at MTB Centre and MTB Tower. Security and Fire Safety Training. 	<ul style="list-style-type: none"> Conducted the drill by Fire Service & Civil Defense authority. Conducted training with the presence of Branch Security & Fire Safety Officer, BSFSO from various Branches.



Fire Drill Briefing



First Aid Drill



Fire Extinguisher Usage Practice



Training for MTBians



SUPPORTING OUR COMMUNITY (GRI 413-1)

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

Corporate Social Responsibility (CSR)

At MTB, responsible business means caring for our people and the planet. We prioritize the well-being of our employees, customers, and the communities we serve. Recognizing the vital importance of safeguarding the environment for a thriving future, Corporate Social Responsibility (CSR) is central to our mission. Since our inception, we've been leaders in CSR, actively engaging in initiatives that create lasting value for stakeholders, the environment, and society at large. Our unwavering commitment extends beyond financial metrics, driving us to champion causes that resonate with our values. In staying abreast of global CSR trends and issues, we ensure our efforts remain relevant and impactful. Education, healthcare, environment, and disaster management stand as focal points, emblematic of our dedication to fostering sustainability and empowerment. Our approach is underpinned by sustainable business principles, emphasizing governance and social priorities to enrich communities sustainably. At MTB, we aspire not only to profitability but to a legacy of positive impact and lasting change.



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:



Achieving the SDGs requires a global village effort. Governments, businesses, civil society, and everyday citizens all play a crucial role. Collaboration is key to ensuring a sustainable future where we meet the needs of today without compromising those of future generations. This collective effort will create a fairer, more prosperous, and sustainable world for all.



MTB'S CSR ACTIVITIES TO SUPPORT SDG GOALS HIGHLIGHTING CSR ACTIVITIES OF MTB IN 2023

Re-Launches Swapno Sarathi (The Dream Chariot)

As a part of the 24th anniversary celebration of Mutual Trust Bank PLC (MTB), MTB Foundation recently relaunched Swapno Sarathi (The Dream Chariot), the free bicycle distribution CSR campaign targeted towards the underprivileged female students of hard-to-reach areas. The motto "School-e jete durotto jeno badha na hoy" aims to enable students to overcome geographical barriers by facilitating their movement to and from school.

MTB Foundation distributed thirty (30) bicycles to meritorious students of Bahadurpur High School and Esali High School at Jashore. The initiative exemplifies MTB Foundation's target to support the attainment of Sustainable Development Goal (SDG) 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 10 (Reduced Inequalities). The ceremony was attended by Rais Uddin Ahmad, Deputy Managing Director and CAMLCO, Md. Shakil Alom, Branch Manager, MTB Jashore Branch, Samia Chowdhury, Chief Executive Officer, MTB Foundation and Golam Rabbani, Associate, MTB Foundation.



MTB Donates BDT 40 Million to the Prime Minister's Home Construction Fund for Homeless People

Mutual Trust Bank PLC (MTB), as a part of its Corporate Social Responsibility (CSR) activities, has provided BDT 40 million as financial assistance for Home Construction Fund by Private Finance, Ashrayan Project-2 PMO, Dhaka aiming to provide homeless people with home along with land in different areas of the country. Honorable Prime Minister of the People's Republic of Bangladesh, Sheikh Hasina received the cheque from MTB Chairman, Md. Abdul Malek and Immediate Past Chairman, Md. Wakiluddin through a simple ceremony recently held at the office of Prime Minister.

"As a responsible corporate entity, MTB has always been a part of humanitarian activities and stand by the people of the country. We believe this support will help mitigate the sufferings of the homeless people."- expressed by MTB Chairman, Md. Abdul Malek

MTB Donates 75,000 Blankets to the Prime Minister's Relief Fund

Mutual Trust Bank PLC (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, donated blankets to the Prime Minister's Relief Fund for distribution amongst the cold-affected people of different regions of the country in 2023. Mutual Trust Bank PLC (MTB) Chairman, Md. Abdul Malek along with the Bank's Former Chairman, Md. Wakiluddin is seen handing over a token sample of the Seventy-Five Thousand (75,000) blankets to the Honorable Prime Minister of the People's Republic of Bangladesh, Sheikh Hasina, for the Prime Minister's Relief Fund, at a simple ceremony, held at Ganabhaban in Dhaka recently. This gesture highlights MTB's dedication to supporting the well-being of the community and its active participation in social causes. By donating blankets to the Prime Minister's Relief Fund, MTB aims to provide warmth and comfort to those affected by the harsh cold weather conditions.

MTB's efforts align with the Sustainable Development Goals (SDGs), a global framework aimed at achieving a sustainable and inclusive future for all. By contributing to the Prime Minister's Relief Fund, MTB supports SDGs such as good health and well-being, and partnerships for the goals. These actions demonstrate MTB's commitment to making a positive impact on society and its recognition of the importance of collective efforts to address social challenges. Overall, MTB's donation of blankets to the Prime Minister's Relief Fund showcases the bank's commitment to people and society. By actively engaging in CSR initiatives, MTB demonstrates its dedication to creating a better and more equitable future for all.



MTB and ESDO's Plastic-Free Campus Initiative in Bangladesh

Mutual Trust Bank (MTB) has partnered with the Environment Social Development Organization (ESDO) to address plastic pollution through the Plastic Free Campus (PFC) project, operating in collaboration with Plastic Solution Funds and Break Free from Plastic. This initiative is strategically targeted at school children in Bangladesh, aiming to educate them about plastic pollution, nurture environmental leadership, and advocate for plastic-free environments within school premises.

The project's multifaceted approach encompasses various activities conducted across different regions of Bangladesh, including Dhaka, Rangpur, Sylhet, Khulna, and Rajshahi. It involves training sessions, environmental education camps, campaigns against single-use plastics, waste segregation initiatives, and the establishment of green clubs within schools. By tailoring interventions to specific needs and engaging various stakeholders, the project ensures a dynamic and effective execution, fostering a culture of sustainability.



Collaborative efforts between ESDO and MTB, such as a grand book launching ceremony, further amplify the project's reach and impact, serving as pivotal moments in the initiative's journey. The outcomes of the Plastic Free Campus project are promising, with active participation from students and support from key stakeholders. By empowering youth with practical knowledge and fostering a zero-waste mindset, the project contributes to building a more sustainable future for Bangladesh and beyond.

The Plastic Free Campus (PFC) initiative aligns with several United Nations Sustainable Development Goals (SDGs), illustrating its broader contribution to global sustainability efforts:

SDG 4: Quality Education - The project educates youth about plastic pollution, fostering environmental leadership and awareness, thus contributing to promoting quality education.

SDG 11: Sustainable Cities and Communities – By advocating for plastic-free environments within schools and promoting waste segregation, the initiative contributes to creating more sustainable and resilient communities.

SDG 12: Responsible Consumption and Production - Encouraging the adoption of eco-friendly alternatives to single-use plastics promotes responsible consumption and production patterns, contributing to sustainable development.

MTB's 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 Empowers Underprivileged Children

MTB's dedication to promoting education for underprivileged children is commendable, especially through its support of the PM's Education Assistance Trust. By aligning with Sustainable Development Goal 4 and contributing to scholarships and stipends for deserving students, MTB is actively participating in the nation's development. Education plays a pivotal role in shaping a brighter future for Bangladesh, and MTB's investment in this sector reflects its commitment to sustainable growth and social responsibility. Additionally, by engaging in various community initiatives beyond education, such as healthcare, environmental sustainability, and women empowerment, MTB demonstrates a holistic approach to improving society. Through its enduring dedication to these causes since 2022, MTB exemplifies the power of corporate citizenship in driving positive change and empowerment for the nation's youth.

MTB Empowers Kora Tribal Children

MTB proudly participated in the completion of the KORA-PATHSHALA building in Dinajpur, Bangladesh. This project, a collaboration between MTB and the local NGO VABNA, brings much-needed education and hope to underprivileged children from the Kora Tribal community. Previously operating from a temporary location, KORAPATHSHALA now has a dedicated space to provide quality education to 19 students. MTB's support for the construction signifies the bank's unwavering commitment to creating opportunities for marginalized communities.



The Kora community faces significant challenges, with limited access to education being a major hurdle. Mustafizur Rahman Rupam, CEO of VABNA, emphasizes the importance of education for the Kora people, stating, "Finding food for daily hunger is a tough struggle here. Besides, they also have to face language problems." KORA PATHSHALA aims to break this cycle by equipping these children with the knowledge and skills they need to succeed.

This initiative directly addresses Quality Education (SDG 4) by providing quality education to underprivileged children from the Kora Tribal community. The construction of the KORA-PATHSHALA building ensures a dedicated space for learning and breaks the cycle of limited access to education faced by the Kora community. MTB is committed to building a more inclusive Bangladesh. By supporting KORA-PATHSHALA, the bank empowers the Kora community and paves the way for a brighter future for all.

Tree Plantation Program on National Mourning Day 2023

MTB, as part of its various programs to commemorate the 48th Martyrdom Anniversary of the Greatest Bengali of a Thousand Years and Architect of Bangladesh Bangabandhu Sheikh Mujibur Rahman and National Mourning Day 2023, has arranged a Tree Plantation Programme at National Government Primary School in Mirpur, Dhaka on August 15, 2023. MTB Managing Director and CEO, Syed Mahbubur Rahman inaugurated the event in the presence of the Bank's Senior Management, Teachers & enthusiastic Students of National Government Primary School. Beyond tree plantation, students also expressed their heartfelt respect and tribute through Art Competitions, Music, and Recitations dedicated to Bangabandhu Sheikh Mujibur Rahman arranged at the school premises.

In this event, prayers were offered for Bangabandhu and all the martyrs of his family who were martyred on August 15, 1975. From the Bank, Additional Managing Director & GCRO, Chowdhury Akhtar Asif, Deputy Managing Director & GHOICC, Goutam Prosad Das and Deputy Managing Director & CAMLCO, Rais Uddin Ahmad along with other senior officials were present during the auspicious moment. From the School, President, Sohel Mahbub Ahsan and Head Teacher, Maksuda Akter took part in the event. During this event, about 1000 saplings of different varieties were distributed among the students of National Government Primary School.



MTB's Environmental Initiatives with Bangladesh Poribeshbid Society (BPS)

In line with its ongoing commitment to Corporate Social Responsibility (CSR), MTB proudly partnered with the Bangladesh Poribeshbid Society (BPS) for the Environmental Olympiad 2023, marking a significant step towards environmental stewardship. The event, coinciding with the global commemoration of World Environment Day on June 5th, unfolded as a national level competition held across universities in Bangladesh, focusing on departments related to Environmental Science, Engineering, and allied fields. Through this collaboration, MTB actively promoted environmental awareness and education, showcasing its dedication to sustainable practices and community involvement. MTB's CSR strategy prioritizes climate action through projects like tree plantation and coastal afforestation. These initiatives directly contribute to SDG 13 (Climate Action) and SDG 15 (Life on Land), supporting biodiversity and carbon sequestration. By aligning its CSR efforts with global environmental objectives, MTB ensures a tangible and lasting impact on the planet. Through initiatives like tree plantation and coastal afforestation, MTB actively contributes to biodiversity conservation, carbon sequestration, and the overall enhancement of environmental health. These efforts not only benefit the ecosystem but also empower local communities, fostering resilience and sustainable development.

These actions not only benefit the environment but also empower local communities, fostering resilience and sustainable development. MTB remains dedicated to driving positive change for a greener, more sustainable future while fulfilling its corporate obligations and playing a proactive role in addressing environmental challenges.

Empowering Communities through Skill Development Project for Women

MTB Angona has initiated its latest Corporate Social Responsibility (CSR) initiative in partnership with Creative IT Institute: The "গল্প উইবস অ্যান্ড অর্গানাইজেশন" project. This collaborative endeavor aims to empower women in the community through skill development, particularly focusing on graphic design. This project is aligned with the United Nations Sustainable Development Goals (SDGs), particularly SDG 4 (Quality Education), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth), this initiative seeks to foster self-reliance and empower women through education and skill acquisition. "গল্প উইবস অ্যান্ড অর্গানাইজেশন" aims to empower women in the community by providing them with valuable skills in graphic design and facilitating financial inclusion.



The Graphic Design Course offered by Creative IT Institute serves as a gateway to new career opportunities and economic empowerment. The Graphic Design Course is just the beginning of the "এমটিবি স্নির্ভর অঙ্গনা" program, which will encompass various training courses, mentorship programs, and initiatives promoting financial independence for aspiring entrepreneurs, contributing to holistic community development. At MTB Angona, we believe in the power of partnerships and collaborative initiatives to drive positive change and create sustainable impact in the communities we serve.

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SHERPUR 10K Run Raises Awareness for Conservation



MTB partnered with the Sherpur Runners Community, a passionate running group, to support the SHERPUR 10K RUN. This significant event, held on February 17, 2023, at Gajni Obakash Road, aimed to raise awareness about environmental conservation and animal welfare through its impactful tagline "Save The Garo Hills & Animals."



MTB Supports First-Ever Youth-Led Plastic Policy Framework in Bangladesh

Mutual Trust Bank PLC (MTB) is proud to support the development of the first-ever youth-led policy framework on plastic pollution in Bangladesh. This initiative, led by EnvAction and supported by Zonta Club Dhaka IV, aims to create a strong national position paper for the upcoming International Negotiating Committee (INC) meeting on the Global Plastics Treaty. In 2023, EnvAction conducted two regional consultations in Cox's Bazar and Narayanganj. These consultations engaged a wide range of stakeholders, including businesses, government officials, waste pickers, and young people. The discussions focused on critical issues like sustainable plastic production, plastic waste management, and the challenges of trans-boundary river pollution. MTB recognizes the importance of empowering young people to address environmental challenges. To this end, the initiative included a capacity-building session for 30 young people on global and national plastic policies. This session aimed to raise awareness and equip young Bangladeshis to advocate for effective plastic pollution solutions. EnvAction successfully presented the framework at INC-3 in Kenya, fostering collaboration with a global youth movement on plastic pollution. Their interventions garnered attention from member states and the UNEP secretariat, highlighting Bangladesh's youth-led efforts.

The next step is a National Stakeholders Dialogue on the Global Plastics Treaty. This dialogue will bring together key stakeholders to discuss the framework's recommendations and ensure Bangladesh has a strong voice in international negotiations. MTB's support for this initiative reflects its commitment to environmental sustainability. By empowering young people and advocating for effective plastic pollution policies, MTB is working towards a cleaner and healthier future for Bangladesh. MTB's endorsement of this initiative underscores its dedication to environmental stewardship. By empowering youth and advocating for robust plastic pollution policies, MTB contributes to fostering a cleaner and healthier future for Bangladesh, aligned with the broader aspirations of Sustainable Development Goals 3 (Good Health and Well-being), 6 (Clean Water and Sanitation), 11 (Sustainable Cities and Communities), and 13 (Climate Action).

MTB Partners with JAAGO Foundation for Iftar

MTB is committed to giving back to the communities we serve. In 2023, we were proud to partner with JAAGO Foundation, a renowned non-profit organization working towards educational equity in Bangladesh. Together, we organized an Iftar program for underprivileged individuals in Dhaka. Our financial contribution enabled JAAGO Foundation to organize the Iftar program. This initiative not only addressed hunger but also fostered a sense of community and togetherness among the beneficiaries. The joy and appreciation on their faces during the holy month of Ramadan were truly heartwarming. We are proud to have collaborated with JAAGO



Foundation for this impactful CSR project. By supporting this initiative, we reaffirmed our commitment to social responsibility and making a positive difference in the lives of those in need. We look forward to similar collaborations in the future.

MTB Partners with Valo Kajer Hotel for Iftar Program

MTB is committed to giving back to the communities we serve and fostering social inclusion. In 2023, we partnered with ভালো কাজের হোটেল (Meal for Good Mutual Trust Bank PLC Annual Report 2023 300 Work). Together, we organized an Iftar program for underprivileged individuals in Dhaka during Ramadan. MTB recognizes the importance of supporting initiatives that promote community well-being. Partnering with ভালো কাজের হোটেল reflects these values, as their mission aligns with our commitment to creating a more equitable and prosperous Bangladesh. Our financial contribution enabled ভালো কাজের হোটেল to not only provide meals and refreshments for the Iftar program but also showcase the skills and dedication of their team members, many of whom are underprivileged women. We are proud to have partnered with ভালো কাজের হোটেল for this impactful CSR project. By supporting this initiative, we reaffirmed our commitment to social responsibility and making a positive difference in the lives of those in need. We look forward to collaborating with inspiring organizations like ভালো কাজের হোটেল in the future.



MTB Supports Mastul Foundation with School Uniforms

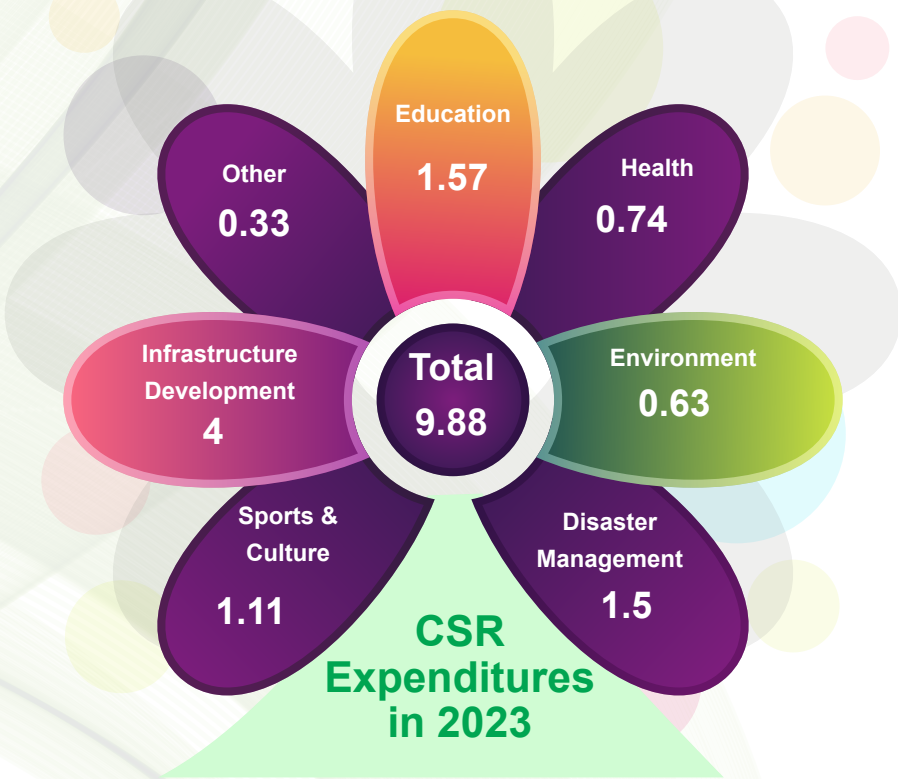
MTB recognizes education as a key to a brighter future. Aligning with UN SDG 4: Quality Education, we partnered with Mastul Foundation to provide school uniforms for 250 students. This initiative removes a barrier to education for underprivileged children. Uniforms foster a sense of belonging and reduce financial burdens on families, ultimately promoting better educational outcomes.

By supporting Mastul Foundation, we’re equipping 250 students for success. This aligns with our commitment to social responsibility and creating a more equitable society. We’re proud to partner with Mastul Foundation and look forward to collaborating on future initiatives that empower future generations.

MTB Empowers Tribal Communities through Education-Focused Microloans

We, at MTB, are committed to empowering underprivileged communities and fostering social mobility. We recently partnered with ASHROI, a Microfinance Institution (MFI) client of our Rajshahi branch, to provide a unique credit facility specifically for tribal families in the North Zone. This program goes beyond simply providing access to credit for income generation. We identified a critical challenge faced by these families: high school dropout rates due to financial constraints. Traditional MFIs often charge high-interest rates, leaving families with limited resources for their children’s education.

MTB’s concessional loan program offers significantly lower interest rates, easing the financial burden on tribal families. This allows them to allocate more funds towards their children’s education, promoting educational continuity and enhancing their prospects. One of the program’s core requirements is ensuring continuous education for family members. This initiative not only promotes immediate financial stability but also aims to equip future generations with the skills and knowledge needed to thrive in the formal employment sector. Complementing the loan program, MTB distributed school bags to 539 school-going students within the tribal community. This additional support signifies our commitment to investing in the educational journey of these young minds. The tribal community microloan program exemplifies MTB’s dedication to social responsibility. By providing access to affordable credit and educational resources, we empower families and create pathways for a brighter future for generations to come. This initiative aligns perfectly with the UN Sustainable Development Goals (SDGs), specifically SDG 4: Quality Education, by promoting inclusive and equitable access to education for all.



HIGHLIGHTING CSR ACTIVITIES OF MTB FOUNDATION IN 2023

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 is being provided to thirty-four (34) deserving students (16 female and 18 male) of the Faculty of Business Studies, University of Dhaka on a monthly basis.

Samson H. Chowdhury Memorial Scholarship Program

The Samson H. Chowdhury Memorial Scholarship is being provided to thirty-three (33) deserving students of Departments of Pharmacy, Chemistry and Biochemistry & Molecular Biology of Jahangirnagar University on a monthly basis.

Saifuddin Ahmed Chowdhury Memorial Scholarship Program

The Saifuddin Ahmed Memorial Scholarship is being provided to thirty-three deserving (33) students of twelve (12) different departments BUET on a monthly basis.



Celebration of 'International Day of Education (IDE) 2023'

To commemorate the 'International Day of Education (IDE) 2023', MTB Foundation celebrated the 2023 theme - 'To invest in people, prioritize education'. The event was organized at the UCEP-MTB Foundation Johara Samad Technical School premises at Tootpara, Khulna in the presence of Samia Chowdhury, Chief Executive Officer, MTB Foundation, G.M. Nazrul Islam, Branch Manager, MTB Khulna Branch and Niaz Fatema Siddiqua, Head of Technical School, UCEP-MTB Foundation Johara Samad Technical School, Khulna.



The program began with a rally attended by the students to emphasize the importance of the special day amongst the community. A quiz competition related to the theme for the year was arranged where the students participated with great enthusiasm. The students got the opportunity to showcase their multifarious talents at the cultural event organized at the school premises. A grand feast for the underprivileged meritorious students was arranged by MTB Foundation as part of the program.

Agreement with MEDHA

MTB Foundation signed an agreement with MEDHA (Medical, Education & Health Development Association) for the project titled, 'Financial Support for Education to Disadvantaged Meritorious Students of Kushtia'. Under this project MTB Foundation will support MEDHA for bearing the educational expenses of underprivileged meritorious students from Classes 6–10 and HSC. MTB Foundation, through this project, intends to help attain Sustainable Development Goal (SDG) 4 (Quality Education). The agreement was signed by Engineer Khondker Salahuddin, President, MEDHA and Samia Chowdhury, Chief Executive Officer, MTB Foundation in the presence of Syed Mahbubur Rahman, Managing Director & CEO of Mutual Trust Bank PLC (MTB) at a simple ceremony held at the Bank's Corporate Head Office, Gulshan 1, Dhaka 1212.

Agreement with Notre Dame College, Dhaka



MTB Foundation signed an agreement with Notre Dame College for the project titled, 'Funding Feeding Program of Literacy School at Notre Dame College'. Under this project, MTB Foundation will provide nutritious food at the Literacy School run by Notre Dame College for the underprivileged segment of the society. MTB Foundation, through this project, intends to help attain Sustainable Development Goals (SDG) 2 (Zero Hunger) and 4 (Quality Education). The agreement was signed by Dr. Fr. Hemanto Pius Rozario, CSC, Principal, Notre Dame College and Samia Chowdhury, Chief Executive Officer, MTB

Foundation in the presence of Syed Mahbubur Rahman, Managing Director & CEO of Mutual Trust Bank PLC (MTB) at a simple ceremony held at the Notre Dame College premises.

Agreement with Dishari School

MTB Foundation signed an agreement with Dishari School for the project titled, 'Providing Financial Support to the Children of Poor Working Mothers at Dishari School'. Under this project, MTB Foundation will provide financial support to the school for the education of the children of poor working mothers.

The agreement was signed by Salma Masud, Executive Director, Dishari School, and Samia Chowdhury, Chief Executive Officer, MTB Foundation in the presence of Syed Mahbubur Rahman, Managing Director & CEO of Mutual Trust Bank PLC (MTB) at a simple ceremony held at the Bank's Corporate Head Office, Gulshan 1, Dhaka 1212.



Observance of White Cane Safety Day 2023

MTB Foundation observed White Cane Safety Day 2023 on October 15, 2023 in partnership with Centre for Services and Information on Disability (CSID) for raising awareness about the importance of the white cane as a symbol of independence and mobility for individuals who are blind and visually impaired. The highlight of the event was the distribution of white canes to visually impaired students funded by MTB Foundation followed by a rally and session to create awareness about the rights of the people with visual disabilities and challenges faced by them with a view to promoting inclusion and accessibility in the society. The special event was attended by Samia Chowdhury, Chief Executive Officer and Golam Rabbani, Associate from MTB Foundation and Khandaker Jahurul Alam, Executive Director from Centre for Services and Information on Disability (CSID)

Healthcare

Agreement with Bangladesh Thalassaemia Hospital

MTB Foundation signed an agreement with Bangladesh Thalassaemia Hospital for the project titled, 'Providing Healthcare Support to Thalassaemia Patients of Bangladesh Thalassaemia Hospital'. Under this project MTB Foundation will support Bangladesh Thalassaemia Hospital for bearing the medical expenses of the underprivileged Thalassaemia patients.

The agreement was signed by Dr. A K M Ekramul Hossain Swapan, Executive Director, Bangladesh Thalassaemia Hospital and Samia Chowdhury, Chief Executive Officer, MTB Foundation in the presence of Syed Mahbubur Rahman, Managing Director & CEO, Chowdhury Akhtar Asif, Additional Managing Director & Group Chief Risk Officer (GCRO) and Rais Uddin Ahmad, Deputy Managing Director & CAMLCO of Mutual Trust Bank PLC (MTB) at a simple ceremony held at the Bank's Corporate Head Office, Gulshan 1, Dhaka 1212. Among others, Dr. M. A. Matin, President, Bangladesh Thalassaemia Samity and Md. Mujibur Rahman from Bangladesh Thalassaemia Hospital and other high officials of the Bank were also present during the event.

Observance of World Thalassaemia Day 2023



To observe the 'World Thalassaemia Day 2023', MTB Foundation, in partnership with Bangladesh Thalassaemia Hospital, celebrated 2023 year's theme – "Be Aware. Share. Care: Strengthening Education to Bridge the Thalassaemia Care Gap." The highlight of the event was a blood donation program organized by MTB Foundation at the Corporate Head Office of the Bank, where a significant number of MTBians participated with great enthusiasm. The blood donated by the MTBians will be used for blood transfusions of Thalassaemia patients who are being treated at

Bangladesh Thalassaemia Hospital. Simultaneously, an awareness session was held to create an understanding about the prevention, management and treatment of thalassaemia amongst all MTBians. The event was concluded with the participation of MTBians in a rally organized by Bangladesh Thalassaemia Hospital.

The Blood Donation Program and Awareness Session marking the 'World Thalassaemia Day 2023' was inaugurated by the Chief Guest, Syed Mahbubur Rahman, Managing Director & CEO, Mutual Trust Bank PLC (MTB). Dr. M. A. Matin, President, Bangladesh Thalassaemia Samity graced the occasion as the Special Guest while Mr. Syed Deedar Bakht, Advisor, Bangladesh Thalassaemia Samity and Dr. M. A. Khan (FCPS, FRCP), Hematologist were present as the Guest of Honour and Key Note Speaker respectively. Among others, Dr. A K M Ekramul Hossain Swapan, Executive Director, Bangladesh Thalassaemia Hospital, Md. Khalid Mahmood Khan, Deputy Managing Director & Chief Business Officer (CBO), Rais Uddin Ahmad, Deputy Managing Director & CAMLCO of Mutual Trust Bank PLC (MTB) and Samia Chowdhury, Chief Executive Officer, MTB Foundation and other high officials from the Bank were also present during the event.



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Observance of World Menstrual Hygiene Day 2023

To observe the 'World Menstrual Hygiene Day 2023', MTB Foundation, in partnership with Abinta Kabir Foundation School, recently celebrated 2023 year's theme – 'Making Menstruation a normal fact of life by 2030' at the latter's school premises. As part of the special day, MTB Foundation pledges to support adolescent female students of the school by providing them with sanitary napkins every month.

MTB Foundation believes, by raising awareness about the challenges regarding access to menstrual products, education about menstruation and period friendly sanitation facilities, it can break the taboos and end the stigma surrounding menstruation. MTB Foundation, through this partnership intends to help attain Sustainable Development Goals (SDGs) 3 (Good Health and Well-Being), 4 (Quality Education), 6 (Clean Water & Sanitation) and 10 (Reduced Inequalities).

Ispahani Islamia Eye Institute and Hospital for Community Health Partnership

MTB Foundation signed an agreement with Ispahani Islamia Eye Institute and Hospital (IIEI&H) for the project titled, 'Community Health Partnership, predominantly Eye Health'. The objective of the affiliation is to create access to basic healthcare and quality eye care services for the people of lower socio-economic and low income communities in Naogaon. The Community Health Partnership will cover patient screening, providing basic healthcare services including eye screening, medicine supply, distribution of spectacles and conducting surgeries like cataract, pterygium, Dacryocystorhinostomy (DCR) and Dual-clutch Transmission (DCT). MTB Foundation, through this project, intends to support Sustainable Development Goal (SDG) 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-Being) and SDG 8 (Decent Work & Economic Growth).

The agreement was signed by Brig General AKM Akhtaruzzaman, ndc, psc (Retd), Chief Executive Officer, Ispahani Islamia Eye Institute and Hospital, and Samia Chowdhury, Chief Executive Officer, MTB Foundation in the presence of Syed Mahbubur Rahman, Managing Director & CEO of Mutual Trust Bank PLC (MTB) at a simple ceremony held at the Bank's Corporate Head Office, Gulshan 1, Dhaka 1212.



Assets Grant for Vulnerable Fishing Communities

At the outset of the 65-day fishing ban at the Bay of Bengal, MTB Foundation, as a part of its project titled, 'Recover Livelihood Status of Vulnerable Fishing Communities through Income Generating Activities (IGAs) Support' organized the second phase of the livelihood assets grant amongst 200 Households (HH) of the vulnerable fishing community at Panjupara and Poschim Khajura of Kuakata.



As part of the project, MTB Foundation provided financial support to the fishing community for purchasing livestock & sewing machines and establishing small businesses. These Income Generating Activities (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.

Observance of World Environment Day 2023

MTB Foundation, with a view to commemorating the 50th anniversary of World Environment Day and celebrating this year's theme – 'Solutions to Plastic Pollution, recently distributed mango and guava trees to the coastal women group of Ayla Patakata in Barguna as a continuation of its project titled 'Alternative Livelihood through Environment-friendly Initiative for Coastal Women Group' in coordination with Association of Voluntary Actions for Society (AVAS). In alignment with this year's theme, the trees were handed over to the beneficiaries in exchange of plastic materials submitted by them. A special awareness session on discarding plastic and its usage was arranged simultaneously to commemorate the special day.

Inauguration of Community Water Point at Ayla Patakata, Barguna

As a part of MTB Foundation's commitment towards the Environment sector of the country and its pursuit to ensure sustainable access to Water, Sanitation and Hygiene (WASH), MTB Foundation inaugurated a Community Water Point at Ayla Patakata, Barguna in October 2023.

The Community Water Point will resolve the region's long-standing safe water crisis and will create access to safe water from a single water source via efficient water extraction. The Community Water Point will cater to a large underprivileged segment of Ayla Patakata. The program was inaugurated by Samia Chowdhury, Chief Executive Officer, MTB Foundation.

Assets Grant Distribution Program for Vulnerable Fishing Communities at Patharghata, Barguna

MTB Foundation, as a part of its project titled 'Creating Alternative Livelihood for Vulnerable Fishing Communities through Income Generating Activities (IGAs)', organized a program to distribute livelihood assets grant amongst 200 Households (HHs) of the vulnerable fishing communities at Patharghata Sadar and Charduani Union, Barguna District, Barishal Division.

Under this program, MTB Foundation distributed necessary materials for duck farming, homestead gardening, pond fish farming, crab culture, dry fish processing, small businesses and community food bank. These IGAs will be driven by the female partners of the fishermen during the fishing ban period who will take the activities forward with a view to creating an income source throughout the year.



OTHERS

13th MTB Foundation 'Bravery & Courage' Award

MTB Foundation presented its 13th Bravery and Courage Award to the families of Late Abdul Jabbar Sheikh and Rajib Sheikh for protesting against the sexual harassment of a female madrasa student. The incident took place on May 05, 2023 in Goranalua village of Bagerhat's Chitalmari Upazila where Abdul Jabbar Sheikh was stabbed to death and Rajib Sheikh was stabbed mercilessly. Special cheques and crests were handed over to the family members of Late Abdul Jabbar Sheikh and Rajib Sheikh through a simple ceremony at the Bank's Corporate Head Office, MTB Centre, Gulshan 1, Dhaka 1212 in the presence of Syed Manzur Elahi, Vice Chairman & Founding Chairman, Rashed Ahmed Chowdhury, Director, Md. Wakiluddin, Director, Anika Chowdhury, Director, Syed Mahbubur Rahman, Managing Director & CEO of Mutual Trust Bank PLC and Samia Chowdhury, Chief Executive Officer of MTB Foundation.

Blankets for Cadet College Club Limited (CCCL)

MTB Foundation, as part of its Corporate Social Responsibility (CSR) initiatives, handed over blankets to Cadet College Club Limited (CCCL) for distribution amongst the underprivileged cold-affected people of different regions of the country.

Rashed Ahmed Chowdhury, Vice Chairman of MTB Foundation, Director of Mutual Trust Bank PLC (MTB) and Chairman of MTB Board Risk Management Committee (BRMC) handed over the blankets to Shahadat Musharraf Khan (Mukul), President, Cadet College Club Limited (CCCL) at a simple ceremony, held at the CCCL premises in Purbachal, Dhaka.

Prof. Dr. Rashed Al Mahmud Titumir, Vice President & T M Shahidul Islam, Secretary General of Cadet College Club Limited (CCCL) and Rais Uddin Ahmad, Deputy Managing Director & CAMLCO of MTB and Samia Chowdhury, Chief Executive Officer of MTB Foundation along with other senior officials of both the organizations were also present at the occasion.



TCFD RECOMMENDATIONS AND SUPPORTING RECOMMENDED DISCLOSURES

Core Elements of Recommended Climate-Related Financial Disclosures-



1

MTB's governance around climate-related risks and opportunities

2

The actual and potential impacts of climate-related risks and opportunities on MTB's businesses, strategy, and financial planning

3

The processes used by MTB to identify, assess, and manage climate-related risks

4

The metrics and targets used to assess and manage relevant climate-related risks and opportunities



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-

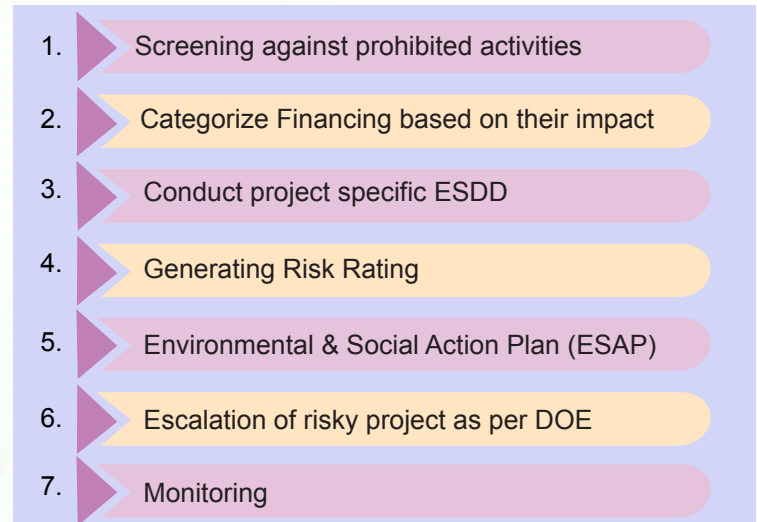


- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management.
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures.
- Ensuring construction of adequate organizational structure for managing 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.

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.



GOVERNANCE	
STRATEGY	
<p>a) Describe the climate-related risks and opportunities MTB has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate related risks and opportunities on MTB's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of MTB's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>For purposes of reporting on exposure to carbon-related assets, expanded the suggested definition of such assets to include all non-financial groups identified by the TCFD.</p> <p>Revised to more explicitly address disclosure of actual financial impacts on MTB as well as key information from MTB's plans for transitioning to a low carbon economy (transition plans).</p> <p>Revised to more explicitly address disclosure of potential financial impacts on MTB</p>
RISK MANAGEMENT:	
METRICS AND TARGETS	
<p>a) Disclose the metrics used by MTB to assess climate related risks and opportunities in line with its strategy and risk management process.</p>	<p>Revised to more explicitly address disclosure of metrics consistent with cross-industry, climate related metric categories for current, historical, and future periods, where appropriate.</p>



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



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



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.

Risk Management:	
Recommended Disclosure a) Describe MTB's processes for identifying and assessing climate related risks.	<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>
Recommended Disclosure b) Describe the MTB's processes for managing climate related risks	<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>
Recommended Disclosure c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the MTB's overall risk management.	<p>MTB should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.</p>

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.
- **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.

The impact of environmental degradation often stems from unsustainable consumption patterns deeply entrenched within our financial systems. Sustainable finance plays a pivotal role in reshaping this dynamic by encouraging consumers to adopt eco-friendlier choices. This approach not only promotes environmental safety but also addresses the urgent need to combat climate change. Sustainable finance channels capital towards projects supporting environmental conservation and renewable energy sources like wind, solar, and hydroelectric power. This investment fosters the development and deployment of technologies crucial for reducing greenhouse gas emissions. By directing capital towards environmentally friendly initiatives, sustainable finance encourages businesses and governments to embrace greener

practices. Investments in energy efficiency, waste reduction, and sustainable agriculture are pivotal in this transformation. A key aspect of sustainable finance is its emphasis on evaluating environmental risks when making financial decisions. This includes assessing how investments impact ecosystems, biodiversity, and climate resilience, fostering responsible investment practices. Furthermore, sustainable finance plays a critical role in funding projects that enhance community resilience to climate change impacts. This includes supporting infrastructure improvements, disaster preparedness, and ecosystem restoration efforts. The financial support for sustainable projects also drives innovation in green technologies and practices, leading to the development of solutions that benefit both the environment and the economy.

In a nutshell, sustainable finance directs resources towards initiatives that mitigate environmental harm, promote sustainability, and enhance resilience to climate change. By integrating environmental considerations into financial decision-making, we pave the way towards a more sustainable and resilient future. 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 unwavering 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: The leadership at MTB is committed to sustainability, creating a strong foundation for the bank's initiatives and aligning with long-term strategic goals. There is a robust governance structure like Sustainable Finance Committee & Board Risk Management Committee that ensure accountability, transparency, and adherence to best practices in sustainable finance. The bank is staffed with knowledgeable and experienced professionals, enabling effective implementation and management of sustainable finance projects. Well-defined policies, guidelines & checklist provide a clear framework for sustainable finance operations, ensuring consistency and alignment with regulatory standards.

Environmental Stewardship: Sustainable finance acknowledges the urgency of environmental preservation. It directs capital towards eco-friendly investments, RE & 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 robust pillars of sustainable finance. We are proud to consider the following key elements:

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.

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 2023



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