

DIRECTORS' REPORT TO THE SHAREHOLDERS

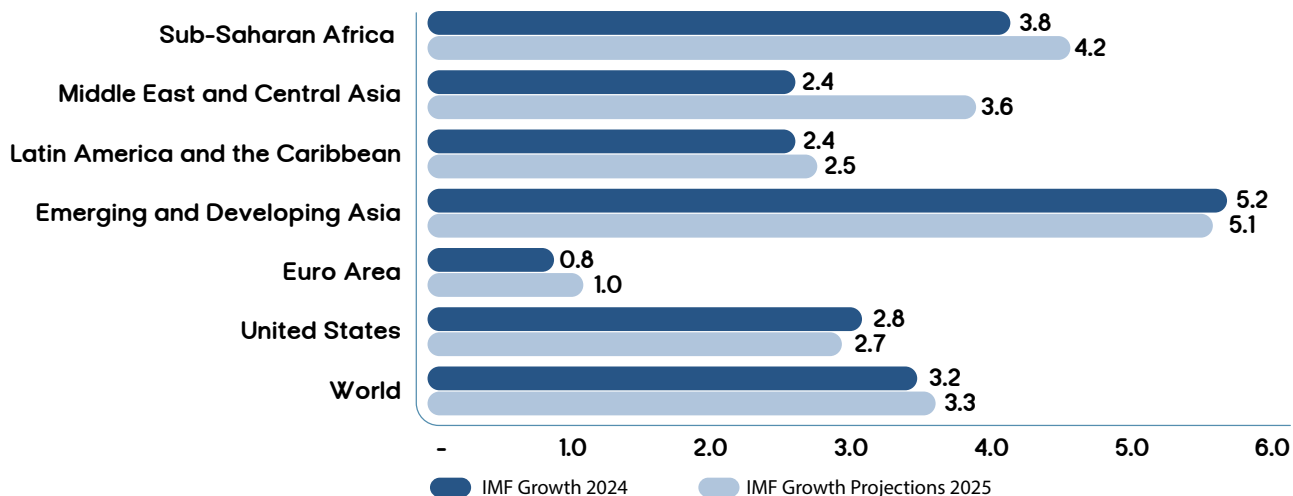
Dear Valued Shareholders,

On behalf of the Board of Directors, I take this opportunity to welcome you all to the 26th Annual General Meeting (AGM) of Mutual Trust Bank PLC. In line with the requirements of Section 184 of the Companies Act, 1994, stock exchange regulations and Bangladesh Securities and Exchange Commission Order no. BSEC/ CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018, I have the pleasure to place before you the Directors' Report for your consideration. The report briefly presents the overall performance of the bank in a year of very competitive and eventful banking industry environment.

Global Economy

The global economy showed notable resilience in 2024, with growth estimated at 3.3%, slightly below the historical average. However, recovery has been uneven across regions and sectors, reflecting ongoing vulnerabilities in the post-pandemic environment. Inflationary pressures, though easing with stabilizing commodity prices, remain above pre-pandemic levels in many economies, particularly in advanced countries.

Source: International Monetary Fund (IMF) World Economic Outlook Update, January 2025



Bangladesh Economy

In 2024, Bangladesh economy experienced a mix of challenges and gradual recovery, marked by inflationary pressures, a weakened currency, and liquidity challenges, exacerbated by global factors like the Russia-Ukraine conflict and pandemic effects. Despite this, Bangladesh continued to maintain its position as one of the fastest-growing economies in the Asia-Pacific region.

While the risk of a global recession has lessened, growth is expected to remain slow and uneven, driven by persistent challenges such as weak economic structures, supply chain disruptions, and rising political and policy uncertainties. Policymakers and businesses must stay agile, balancing efforts to control inflation while fostering economic growth in an increasingly unpredictable and fragmented global landscape.

Emerging and developing economies, many facing high debt burdens and low investment, have started to lower interest rates to stimulate economic activity. However, these regions continue to deal with challenges, including persistent inflationary pressures, fragile economic structures, and geopolitical tensions that hinder growth prospects.

Looking ahead, global growth is expected to maintain a steady pace of 3.3% through 2025 and 2026, slower than pre-pandemic trends. Key risks in the medium term include sustained inflationary pressures, rising government debt, geopolitical tensions, volatile trade conditions, and supply chain disruptions—factors that could constrain global stability and long-term growth.

The Gross Domestic Product (GDP) for FY 2024 reached BDT 50,027 billion with a real GDP growth of 4.22%, reflecting slower growth compared to previous years. The country's export sector, especially the garment industry, faced challenges due to global economic slowdowns. However, infrastructure and development projects continued, including the expansion of Hazrat Shahjalal International Airport and Matarbari Deep Sea port, which were expected to support trade and tourism.

Bangladesh's foreign trade faced several challenges in 2024, characterized by a decline in export performance and an increase in import bills, exacerbated by a weakening currency. Export (FoB) declined from USD 55,788 million in 2023 to USD 51,602 million in 2024, primarily due to softer demand in key markets and global economic slowdowns affecting major export sectors, particularly textiles and garments.

Conversely, imports (measured by fresh LC openings) rose from USD 66,391 million in 2023 to USD 70,054 million in 2024. This increase was largely driven by higher demand for essential raw materials, energy imports, and capital goods, amidst ongoing inflationary pressures and a growing domestic economy. Consequently, the trade deficit widened, posing challenges for the external sector.

However, the remittance inflow ensured a small relief to the external account. Remittance increased from USD 21,924 million in 2023 to USD 26,888 million in 2024, offering vital support to foreign exchange reserves. Despite this, Bangladesh's foreign exchange reserves experienced a decline, falling to USD 23.5 billion by December 2024, down from USD 27.1 billion in 2023. This drop was primarily attributed to interventions by Bangladesh Bank to stabilize the Taka amid pressure on the currency and ongoing external obligations.

The introduction of the crawling peg exchange rate system in May 2024 was a key policy shift aimed at minimizing currency volatility and restoring confidence in the Taka.

This strategy, coupled with improved remittance flows, is expected to offer gradual stabilization in the foreign exchange market in the medium term.

For FY 2025, Bangladesh's economic outlook is cautiously optimistic, with the Asian Development Bank (ADB) projecting a 3.9% GDP growth, followed by a stronger 5.1% growth in FY 2026. This growth is expected to be supported by export performance, particularly in the garment sector, and ongoing infrastructure development. However, inflation is projected to remain elevated, rising from 9.7% in FY 2024 to 10.2% in FY 2025 due to supply chain constraints, market inefficiencies, and currency depreciation. The government's continued focus on business reforms, governance improvement, and fostering private sector development will be critical to attracting foreign investment and ensuring the country's long-term economic stability.

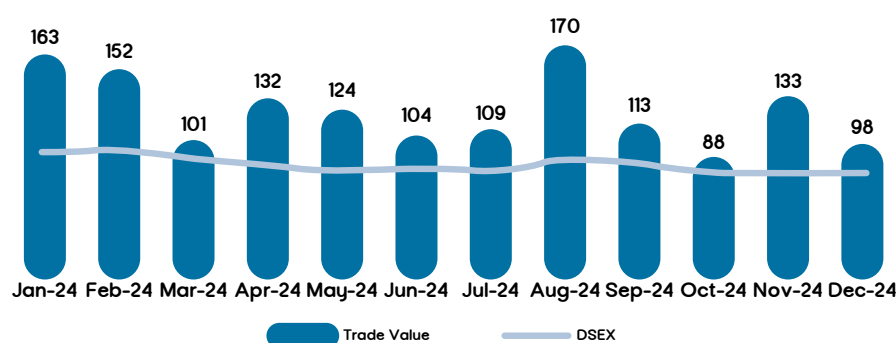
Looking further ahead, Bangladesh is set to graduate from the Least Developed Countries (LDCs) category by 2026. This transition presents both opportunities and challenges, requiring structural reforms to enhance competitiveness and ensure long-term growth.

Capital Market

The Bangladesh capital market had a tough year in 2024, driven by volatility and weakening investor sentiment due to macroeconomic challenges. The DSEX index dropped by 16.5%, closing at 5,216.44 points by December 2024, down from 6,246.50 in 2023. Market capitalization also contracted, falling from BDT 7.8 trillion to BDT 6.6 trillion.

The market experienced significant downturns throughout most of 2024, linked to concerns over macroeconomic stability and banking sector issues. Despite these challenges, trading activity increased, with average daily turnover rising by 5.15%. The highest trading volume was recorded in August 2024, suggesting short-term rebounds in investor confidence.

Movement of Trade Value and Index in 2024



In 2025, the capital market is expected to gradually stabilize, aided by regulatory reforms, improved liquidity mechanisms, and increased foreign investment. Key factors influencing the market recovery will include macroeconomic stability, the health of the banking sector, and the effectiveness of regulatory reforms.

Banking Sector

Bangladesh’s banking sector faced significant challenges in 2024, grappling with severe liquidity constraints, a sharp rise in non-performing loans (NPLs), and continued depreciation of the Taka. NPLs surged to BDT 3,457 billion (approximately 20.20% of total loans), nearly 2.3 times higher than the previous year. Despite these headwinds, the sector remained vital to the economy by supporting investment, business financing, and liquidity needs. Following the August 2024 protests, several banking scandals came to light, prompting regulatory reforms aimed at restoring public and investor confidence. As part of stabilization measures, several banks received government intervention, while others pursued recapitalization to strengthen their financial positions.

To combat inflation and stabilize the currency, Bangladesh Bank raised the policy rate to 10% in October 2024 and reinstated loan classification tenor to bringing transparency in assessing the asset quality. A new crawling peg exchange rate system was also introduced in May 2024 to stabilize the Taka.

Looking forward to 2025, while the banking sector will face continued challenges, there are signs of potential recovery. Regulatory measures, stronger governance, and strategic policy actions will play a crucial role in stabilizing the sector. The focus on attracting foreign direct investment (FDI) and stabilizing foreign exchange reserves offers hope for gradual improvement in 2025.

Key banking indicators for 2024:

- Deposits: Tk 17,767 billion (up 7.4% YoY)
- Advances: Tk 17,028 billion (up 6.9% YoY)
- Capital to Risk-Weighted Asset Ratio (CRAR): 10.9% (down from 11.2% in 2023)
- Foreign Exchange Reserves: USD 23.5 billion (down from USD 27.1 billion)
- SMART Rate: 8.5% (up from 7.72% in December 2023)

Liquidity Challenges

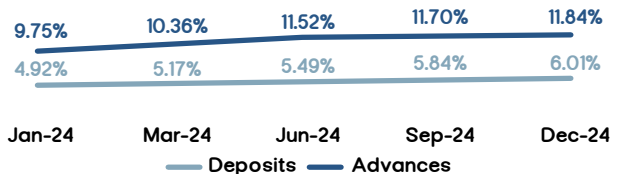
The money market in Bangladesh faced persistent pressures throughout 2024, characterized by tight liquidity conditions and heightened volatility. Inflationary concerns and foreign exchange market instability drove

the Bangladesh Bank to implement a series of stabilizing measures, including a policy rate hike to 10%. This tightening stance led to increased interbank stress, with the call money rate peaking at 7.2%, reflecting strained short-term funding conditions.

To address liquidity shortages, the central bank introduced enhanced monetary tools, such as short-term treasury bill issuances, which provided partial relief. However, market tightness persisted, exacerbated by rising government borrowing needs and fiscal deficits. Banks responded by adjusting their interest rate structures, pushing average lending rates to 12% by year-end. This upward trend in borrowing costs moderated credit growth, particularly in the private sector, as businesses faced higher financing expenses.

Looking forward to 2025, the money market is expected to stabilize gradually, supported by anticipated easing in inflation and continued efforts to restore confidence in the Taka. Effective liquidity management, interest rate adjustment, and foreign reserve rebuilding will remain key priorities to ensure sustained financial stability and support economic growth.

Movement of Weighted Average Interest Rates in 2024



MTB at a Glance

MTB, is a third-generation renowned commercial bank serving nationwide since October 1999. The Bank was listed with both the bourses of the country - Dhaka and Chittagong Stock Exchanges in 2003. The Authorized Capital of the bank is BDT 20 billion and Paid-up Capital as at date is BDT 9.83 billion.

In 2024, Mutual Trust Bank PLC achieved a strong growth, with 15.2% in loans and advances and 25.2% in customer deposits, while maintaining a solid Advances-to-Deposits (AD) ratio of 76.76% amid a challenging economic environment. The Bank expanded to 120 branches and 51 sub-branches, while agent banking centers slightly declined to 184. Usage of digital services -ATMs, POS terminals, internet banking, and SMS banking - continued to grow, reflecting MTB’s digital transformation. In its 25th year, MTB was ranked among the top ten sustainable banks by Bangladesh Bank and named ‘Best Digital Bank in Bangladesh’ by Euromoney. The Bank also continued to operate the country’s largest airport lounge network and strengthened its Islamic banking portfolio, building a robust Fund Under Management (FUM) since 2021.

Business Goal

MTB's reset vision, mission, core values, and strategic direction have been outlined at the beginning of the report. The bank aspires to be the "Most trusted bank that exceeds evolving customer expectations in all segments by delivering excellence through innovation and sustainable banking solutions." Guided by its mission "To elevate our customers' lives and livelihoods through innovative and sustainable solutions, powered by an engaged and effective workforce," MTB remains committed to upholding the highest standards of ethics and professionalism. The bank's core values - Commitment to Excellence, Customer Focused, Acting with Transparency and Accountability, and Agile to Adapt - serve as the foundation for achieving its long-term strategic objectives.

Strategic Priorities

1. Governance and Compliance

Ensure adherence to the highest governance standards and regulatory compliance, enhancing transparency with stakeholders and fostering ethical behavior across all operations.

2. Stakeholder Engagement

Strengthen relationships with shareholders, regulators, customers, and employees, focusing on transparency, fair treatment, and effective communication.

3. Digital Transformation and Innovation

Invest in automation and digital banking solutions, partner with fintech firms, and expand access to digital platforms for improved customer experience and financial inclusion.

4. Financial Management and Risk Control

Focus on optimal capital management, asset quality, liquidity, and proactive risk mitigation to maintain a robust financial standing and ensure regulatory compliance.

5. Employee Development and Well-being

Promote continuous learning, diversity, and a fair, inclusive work culture while recognizing and rewarding exceptional employee performance.

6. Data Security and Privacy

Strengthen cybersecurity measures and ensure compliance with data privacy regulations to protect sensitive customer and organizational information.

7. Social Responsibility and Sustainability

Drive community initiatives, integrate green banking practices, and reduce the environmental impact of operations while promoting sustainability.

8. Ethical Conduct and Accountability

Uphold ethical standards, with zero tolerance for fraud or illegal activities, ensuring accountability across all levels.

9. Business Expansion and Diversification

Launch innovative products and services, leveraging smart banking to extend customer reach and enhance MTB's competitive position.

10. Operational Efficiency

Optimize business processes and reduce costs, improving the cost-to-income ratio and adapting to evolving market conditions.

These priorities are focused on growth, operational efficiency, and sustainability, ensuring MTB's continued success and leadership in the banking sector.

Corporate Social Responsibility (CSR)

In alignment with its commitment to corporate sustainability, MTB has focused on key areas such as community support and environmental conservation. To drive these initiatives, the bank established the MTB Foundation, which allocates a portion of its profits to support various projects, with a particular emphasis on health and education. Beyond the Foundation's efforts, MTB has also engaged in several additional impactful CSR initiatives throughout 2024. Comprehensive details of these activities are outlined in the "Corporate Social Responsibility" section of this Annual Report. In total, MTB allocated BDT 56.80 million towards its CSR endeavors in 2024. Furthermore, as part of its ongoing dedication to national welfare, the bank contributed BDT 55.40 million from its Donation Fund to assist communities affected by floods and severe cold across the country, underscoring its commitment to social development and environmental stewardship.

Corporate Governance

MTB is committed to maintaining strong corporate governance practices and upholding the highest standards of business integrity across its operations. The bank ensures strict compliance with regulatory guidelines on corporate governance, consistently embedding these principles into its day-to-day activities. Further details on the bank's governance framework and practices can be found in the "Corporate Governance" section of this Annual Report.

Risk Management

The core objective of MTB's risk management framework is to effectively balance the trade-off between risk and

return. The bank consistently ensures optimal returns on its assets and equities while prudently managing a broad range of risks inherent in its daily operations. The bank's primary focus remains on managing risks in a manner that supports profitability, capital adequacy, and liquidity, while fostering sustainable growth.

Strategically, MTB's Board of Directors, in combination with the Board Risk Management Committee (BRMC) and senior management, establishes the bank's risk governance structure and underlying risk philosophy. The Board is also responsible for endorsing risk strategies and reviewing and approving policies, as well as defining the risk thresholds aligned with the bank's risk appetite. These limits are vigilantly monitored by a skilled risk management team and continuously overseen by the BRMC.

Money Laundering Risk Management

Money laundering and terrorist financing continue to be pressing global challenges, driven by increasingly sophisticated methods for moving illicit funds. In 2024, amidst a turbulent political landscape and economic challenges in Bangladesh, such as inflation, trade disruptions, and the lingering effects of the COVID-19 pandemic, new risks emerged, including sanctions, online gambling, digital onboarding, and illicit virtual transactions. These developments have raised significant concerns regarding money laundering and terrorist financing. In response, MTB has reinforced its commitment to a 'Zero Tolerance' policy against violations, intensifying its Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) compliance program. This program, aligned with international standards from the Financial Action Task Force (FATF) and regulatory directives from the Bangladesh Financial Intelligence Unit (BFIU), is continuously updated to address the evolving risks. MTB has a comprehensive framework in place, supported by clear directives, guidelines, and Standard Operating Procedures (SOPs), all in compliance with relevant laws, including the Money Laundering Prevention Act, 2012 (Amended 2015) and the Anti-Terrorism Act, 2009 (Amended 2013). To bolster this framework, the bank applies a risk-based approach to Customer Due Diligence (CDD), actively monitors business relationships, and investigates suspicious activities. A robust governance structure, including the Central Compliance Committee (CCC) and AML & CFT Division, supports these efforts, along with appointed compliance officers across branches and divisions. In 2024, MTB held 19 training sessions, conferences, and workshops, engaging over 2,600 participants, reinforcing its resilience against financial crimes, and ensuring its compliance with regulatory standards to uphold the integrity of Bangladesh's financial system.

Financial Statements Related Risk Mitigation

Financial statements are prepared to present a depiction of an organization's activities to its stakeholders. These statements are often used by both internal and external parties to evaluate performance and make financial decisions. There are risks that the presented financial statements may not be accurate and may contain material errors. Such risks can arise from various sources, such as: i) key processes within the organization not being defined; ii) finance staff (financial analysts) not having a clear understanding of the organization's functions; iii) financial activities not being well differentiated; iv) unclear and inadequate policies and formal processes; and v) a non-unified database with the use of manual or semi-manual systems.

To mitigate the risk of misrepresentation in the financial statements, MTB has clearly defined operational and financial policies to standardize activities. The people working in the finance department are skilled and well aware of the operations, and there is a well-defined segregation of responsibilities. The bank is committed to ensuring the system is well-integrated, customized, and automated, with monitoring access from the finance department.

Internal Control and Compliance (ICC) System

The MTB Board of Directors is responsible for establishing key policies to ensure compliance throughout the bank's operations. The Internal Control and Compliance (ICC) Division implements a robust internal control framework, with well-defined assignments, accountability, and delegated authority, promoting a strong compliance culture under the guidance of Senior Management and the Board. In line with the Bank Company Act, 1991 (amended 2013), the reporting structure and organizational setup of the ICC Division were revised to ensure the independence of the internal audit function, with audit reports now being submitted directly to the Board's Audit Committee. The ICC Department, led by the Head of ICC, consists of three essential units—Audit and Inspection, Compliance, and Monitoring—that collaborate to mitigate risks and improve operational efficiency through regular audits, compliance reviews, and continuous monitoring of high-risk areas. These revisions further strengthen the internal audit's independence, ensuring it reports directly to the Audit Committee, free from management influence.

Adequate Accounting Records

MTB ensures that all books of accounts and related records are meticulously maintained in compliance with the applicable laws and regulations, including the

Companies Act, 1994, Bank Companies Act, 1991 (as amended), income Tax Act, 2023, VAT Act, BSEC, DSE & CSE rules and regulations, as well as the guidelines set forth by Bangladesh Bank.

Accounting Policy and Implementation of IAS/IFRS

The Board of Directors is accountable for ensuring the highest standards of corporate governance within the Bank. It supervises the Management's process for preparing and fairly presenting the Bank's annual financial statements, including the Balance Sheet as of 31st December 2024, the Profit and Loss Account, the Statement of Cash Flows, and the Statement of Changes in Equity for the year, along with the accompanying notes to the financial statements. These are prepared in compliance with International Financial Reporting Standards (IFRS) and as per the requirements outlined in the Companies Act, 1994. The responsibilities of the Board also encompass overseeing the design, implementation, and maintenance of internal controls that ensure the preparation and fair presentation of financial statements free from material misstatements, whether due to fraud or error. Additionally, the Board is responsible for the selection and application of appropriate accounting policies and the making of reasonable accounting estimates in the given circumstances.

Standards of Reporting

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh, the Bank Companies Act, 1991 (as amended), the applicable provisions of the Companies Act, 1994, Bangladesh Securities and Exchange Commission (BSEC) rules and regulations, and Bangladesh Bank's BRPD Circular No. 14, dated June 25, 2003, along with relevant guidelines published periodically.

In compliance with BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the Directors of MTB confirm adherence to the financial reporting framework in the following areas:

- The financial statements, prepared by management, provide a fair representation of the bank's activities, operational details, results, cash flow information, and changes in equity structure.
- Proper books and accounts of the bank have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as

applicable and adopted in Bangladesh, have been consistently applied in the preparation of the financial statements. Any changes or deviations have been adequately disclosed.

- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed, effectively implemented, and continuously monitored.
- Minority shareholders' rights have been duly protected, with effective means of redress in place.
- There is no significant doubt regarding the bank's ability to continue as a going concern.
- A comparative analysis of significant deviations has been highlighted, and the reasons have been explained in the relevant sections above.

Going Concern

The going concern assumption is a fundamental principle in accounting, forming the basis for the preparation of financial statements. This assumption holds that a business entity will continue its operations for the foreseeable future, without any intention or need by management to liquidate the entity or significantly reduce its operations. As a result, it is assumed that the entity will be able to realize its assets and settle its liabilities in the normal course of business. It is the responsibility of management to assess whether the going concern assumption is appropriate when preparing the financial statements. MTB has prepared its financial statements based on the going concern assumption.

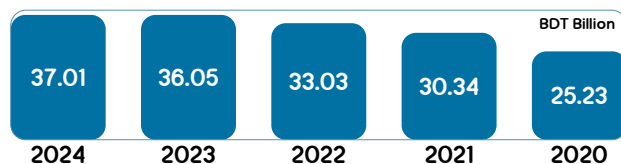
Control Environment

Control activities are the policies and procedures that ensure management directives are executed and necessary actions are taken to mitigate the risks of failing to meet objectives. These policies and procedures are systematically implemented across the bank and regularly reviewed for compliance, adequacy, and improvement. The Board of Directors plays a key role in fostering an effective control environment by conducting regular reviews of the processes used to identify, assess, and manage significant risks. Standard Operating Procedures (SOPs) are endorsed by department heads to ensure that these standards are communicated, understood, and adhered to. Top management establishes a strong control environment across all business functions, and every year, senior leadership conducts a self-assessment of key controls affecting the business, followed by the development of action plans to strengthen the internal control framework.

Capital Management

As per Bangladesh Bank's guidelines, at the end of 2024, all banks are required to maintain a minimum capital adequacy ratio (CAR) of 12.50% of their risk-weighted assets under the Basel III framework, which includes a Capital Conservation Buffer of 2.50%. A bank's regulatory capital is composed of two tiers: Tier-I and Tier-II. Tier-I capital, which must constitute at least 6% of the total capital, includes paid-up capital, share premium, statutory reserve, and retained earnings. Tier-II capital comprises general provisions on unclassified loans and advances, revaluation reserves, unsecured subordinated debt, and the exchange equalization account.

On a consolidated basis, MTB's total capital increased by BDT 962 million in 2024, reaching BDT 37.01 billion. Tier-I capital rose by BDT 876 million to BDT 24.68 billion. As a result, MTB's consolidated capital adequacy ratio stood at 13.62% of total risk-weighted assets. On a standalone basis, total capital amounted to BDT 36.39 billion, with Tier-I capital recorded at BDT 24.30 billion, representing a capital adequacy ratio of 13.60%. Further details on capital adequacy and capital management can be found in the "Market Discipline - Disclosures on Risk-Based Capital (Basel III)" chapter of this Annual Report.



Review of Financial Performance in 2024

This section presents the financial performance and position of the Bank for the year 2024. Explanations have been provided for any significant deviations from the previous year's operating results, which may have arisen due to internal or external factors. There have been no material changes in the financial performance or position compared to the quarterly disclosures. A comparative analysis of key financial indicators and positions for the current year, along with the preceding four years, is available under the "Stakeholders' Information" section (Page 325), with relevant explanations. Additionally, a comparative assessment with peer banks, key risks, future plans, and projections are discussed in detail in the Managing Director and CEO's Statement (Page 52).

Total Assets

The consolidated assets of the Bank stood at BDT 457.20 billion as of December 2024, compared to BDT 366.61 billion in 2023. On a standalone basis, Solo assets reached BDT 454.31 billion in 2024, up from BDT 364.09 billion in the previous year, reflecting a year-on-year growth of 24.78%.

MTB's Consolidated Funds under Management

BDT Billion

Particulars	2024	2023	Growth
Deposits	328.84	262.58	25.23%
Advances	300.78	261.02	15.23%
Funds Under Management (FUM)	629.62	523.61	20.25%

Cash and Balances with Bangladesh Bank and its Agent Bank(s)

MTB's consolidated cash and balances with Bangladesh Bank and its agents stood at BDT 23.19 billion as of December 2024, compared to BDT 16.87 billion in 2023. The increase is primarily attributable to higher balances in both cash-in-hand and deposits maintained in local and foreign currencies with Bangladesh Bank.

Balances with Other Banks and Financial Institutions

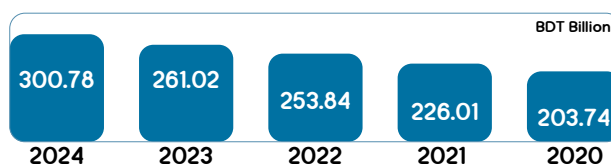
MTB's consolidated balance with other banks and financial institutions, including money at call and short notice, amounted to BDT 6.73 billion in 2024, compared to BDT 6.33 billion in 2023. On a standalone basis, Solo balance with other banks and financial institutions stood at BDT 6.58 billion in 2024, up from BDT 6.28 billion in 2023.

Investments

MTB's consolidated investments saw a significant increase during the year, rising by BDT 39.03 billion to reach BDT 107.68 billion. The bank acquired government treasury bills and bonds to meet the increased statutory liquidity requirements and to capitalize on the opportunities available in the government securities market. As a primary dealer bank, MTB participated in government securities auctions as mandated by Bangladesh Bank.

Loans and Advances

MTB's consolidated loans and advances amounted to BDT 300.78 billion in 2024. The outstanding loans and advances of the Offshore Banking Units (OBU) reached BDT 18.94 billion in 2024, up from BDT 13.58 billion in 2023. The yield on loans and advances increased to 9.34% in 2024, compared to 8.22% in 2023.



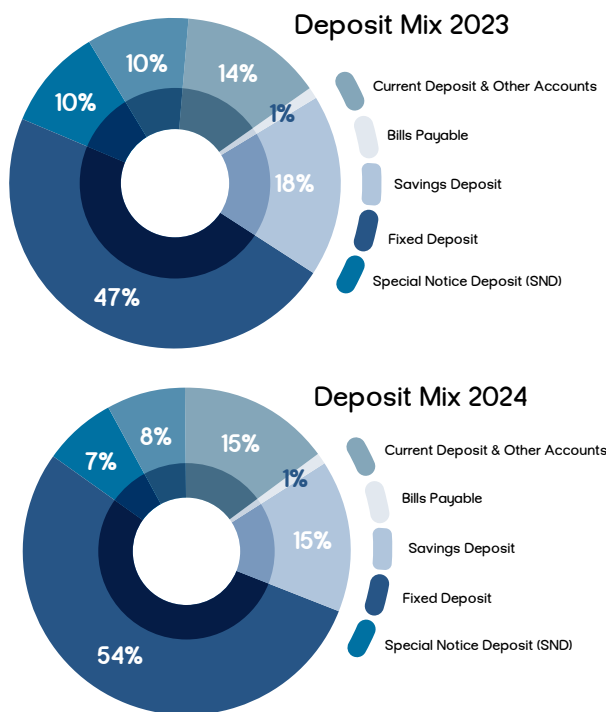
This improvement was driven by the introduction of a market-based interest rate regime in May 2024 and significant efforts in the bank's recovery drive. Detailed information on credit is provided in Note No. 7 of the Notes to the Accounts. The ratio of non-performing loans (NPL) stood at 6.95% (solo), significantly lower than the industry average of 20.2% in 2024.

Liabilities

The consolidated total liabilities of MTB amounted to BDT 431.70 billion in 2024, up from BDT 342.50 billion in 2023. On a standalone basis, MTB's total liabilities increased to BDT 429.25 billion in 2024, compared to BDT 340.50 billion in 2023, reflecting a growth of 26.07%. This rise in liabilities was primarily driven by the growth in deposits and borrowings.

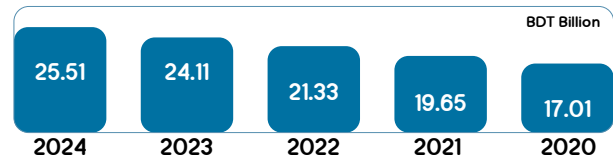
Deposits and Other Accounts

MTB's consolidated deposits grew by 25.23%, reaching BDT 328.84 billion in 2024. With a network of 120 branches, 51 sub-branches, and 341 ATMs, MTB achieved its highest-ever single-year deposit growth of BDT 66.25 billion. High-cost deposits constituted 61.21% of the total deposits. The cost of deposits rose to 5.50% in 2024, up from 4.39% in 2023.



Shareholders' Equity

MTB's consolidated shareholders' equity increased by 5.81% to BDT 25.51 billion in 2024. Statutory reserves increased by 13.23% to BDT 7.86 billion during the year.



Analysis of Consolidated Income Statement of MTB

BDT Million

SL	Particulars	2024	2023	Growth over 2023
1	Interest Income	25,666	20,728	23.82%
2	Interest Expenditure	18,968	13,474	40.77%
3	Net Interest Income (NII)	6,698	7,253	-7.65%
4	Income from Investment, Commission, Brokerage & Others	15,811	10,233	54.51%
5	Total Operating Income (Net Interest Income + Non-Interest Income)	22,509	17,486	28.72%
6	Operating Expenditure	10,711	9,276	15.47%
7	Profit Before Provision	11,798	8,210	43.70%
8	Profit after Tax	3,167	2,860	10.72%

Interest Income

Interest income increased by 23.82%, reaching BDT 25.66 billion in 2024. The gross yield on advances rose to 9.34% in 2024, compared to 8.22% in 2023, reflecting the bank's enhanced lending performance and market-based interest rate adjustments.

Interest Expense

Interest expenditure increased by 40.77%, reaching BDT 18.97 billion in 2024, primarily driven by higher deposit costs and the bank's efforts to support its growing deposit base.

Net Interest Income

Net Interest Income (NII) decreased by 7.65% to BDT 6.70 billion in 2024. Amid a significant growth in loans & advances, round the year in 2024, the bank has been focused in high yield govt. securities (T-Bills & Bonds) of which interest is recorded as investment income. Hence, due to significant growth in deposit base, interest expense has been increased higher than interest income.

However, this increased cost has been traded-off by the investment income strategically channeled into higher-yielding investments, such as government securities, which strengthened MTB's overall financial position. This approach not only optimized the use of available funds but also generated solid returns, reflecting the bank's ability to adapt to market conditions and maximize the value derived from its deposit base.

Income from Investment, Commission, Brokerage and Other Operating Activities

Income from investments, commission, brokerage, and other sources increased significantly to BDT 15.81 billion in 2024, up from BDT 10.23 billion in 2023. This growth highlights the bank's strategic efforts to diversify income streams and enhance profitability through various investment avenues and services.

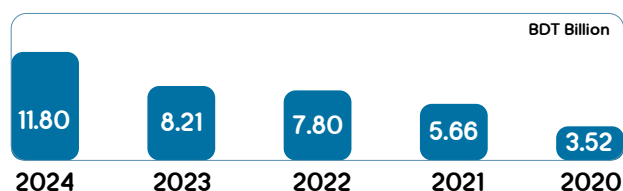
Total Operating Income

Total operating income increased by 28.72% to BDT 22.51 billion in 2024 compared to BDT 17.49 billion in 2023.

Total Operating Expenses

The 15.47% YoY growth in operating expenses reflects strategic investments in business expansion, employee rewards, including bonuses and new recruitments, as well as enhanced marketing and operational capabilities to drive future growth.

Total Operating Profit



Total operating profit increased by 43.70% to BDT 11.80 billion in 2024, compared to BDT 8.21 billion in 2023. This remarkable growth highlights the bank's enhanced operational efficiency, effective cost management, and strong revenue generation across key business areas.

Provision for Classified Loans

Total provision against classified loans and advances stood at BDT 10.56 billion in 2024 compared to BDT 8.51 billion in 2023. Provision increased against classified loans by BDT 2.06 billion in 2023. The non-performing loan ratio during the year is given below:

Year	2024	2023
NPL Ratio	6.95%	6.60%

Profit Before Tax

Profit before tax stood at BDT 4.78 billion in 2024 with a growth of 34.03% as against BDT 3.57 billion in 2023.

Tax Expenditure

Provision for current tax expenses stood at BDT 2.49 billion in 2024 compared to BDT 1.51 billion in 2023.

Profit After Tax

Profit after tax registered a growth of 10.72% to BDT 3.17 billion in 2024 compared to BDT 2.86 billion in 2023. Basic earnings per share (EPS) increased to BDT 3.22 in 2024 compared to BDT 2.91 in 2023.

Statutory Reserves

As per the Bank Company Act, 1991, (as amended up to date), 20% of profit before tax is required to be transferred to statutory reserve. As such, an amount of BDT 917.82 million was transferred to statutory reserve in 2024.

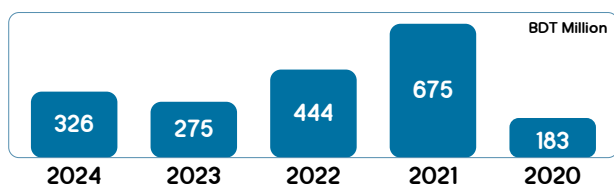
Dividends

Management of Mutual Trust Bank PLC has formulated a Dividend Distribution Policy to guide the decision-making process regarding the bank's dividend while ensuring compliance with prevailing regulatory requirements and considering both internal and external factors. This policy, adopted in alignment with the comprehensive directive issued by the Bangladesh Securities and Exchange Commission (BSEC) via directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021, was approved at the 260th meeting of the Board of Directors held on 29th April 2021. It is published in the annual report and on MTB's official website, allowing shareholders easy access to the policy.

In 2024, the Board has decided to recommend a 10 % stock dividend for the year. It is noteworthy that no interim dividend was declared by the Board during the year 2024.

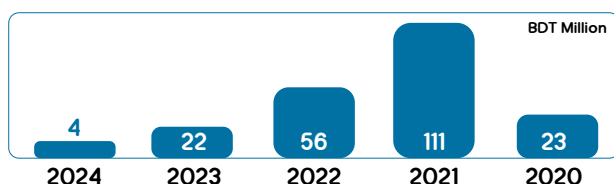
MTB Securities Limited

Mutual Trust Bank PLC began its brokerage operations in June 2006 as a division of the bank. In accordance with directives from Bangladesh Bank and the Bangladesh Securities and Exchange Commission, this division later evolved into MTB Securities Limited (MTBSL), a subsidiary of the bank. MTBSL currently operates 18 strategically located offices nationwide. In 2024, the company reported an operating profit of BDT 326 million, compared to BDT 275 million in 2023.



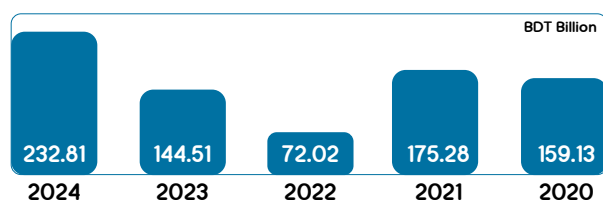
MTB Capital Limited

MTB Capital Limited (MTBCL), a wholly owned subsidiary of Mutual Trust Bank PLC, is a full-fledged merchant bank licensed by the Bangladesh Securities and Exchange Commission (BSEC) in December 2010. MTBCL was established to explore new markets and address the growing demand for merchant banking services. The company provides valuable support and services to its esteemed clients. In 2024, MTBCL reported an operating profit of BDT 4.26 million, compared to BDT 22 million in 2023.



Offshore Banking

MTB was permitted to operate an Offshore Banking Unit (OBU) by Bangladesh Bank in 2009. As of December 2024, the total loans and advances of the OBU stood at BDT 18.94 billion, reflecting a 39.43% growth from BDT 13.58 billion in December 2023. Consequently, the OBU registered an operating profit of BDT equivalent 232.81 million in 2024, up from BDT equivalent 144.51 million in 2023, indicating improved operational performance and efficiency.



MTB Islamic Banking

The Islamic Banking Wing of Mutual Trust Bank PLC, launched on May 12, 2021, is committed to delivering comprehensive Shari'ah-compliant banking solutions. As of December 2024, total investments under Islamic Banking stood at BDT 20,101 million, a significant increase from BDT 9,479 million in December 2023, reflecting strong and sustained growth. In 2024, the Wing reported an operating profit of BDT 449.97 million, up from BDT 196.13 million in 2023, demonstrating solid performance and growing customer confidence in MTB's Islamic banking offerings.

Management's Discussion and Analysis

Detailed analysis of the company's position and operation can be found in Managing Director & CEO's Statement (Page 52), Management Discussion & Analysis (Page 59-99) & Stakeholders' Information (Page 303-335)

Remuneration of Directors

As per the BRPD Circular No. 02 dated 11/02/2024, the Chairman of the bank may be provided a car, telephone, office and private secretary. However, MTB pays only fees to its Directors for attending the meetings of the Board of Directors, Executive Committee, Risk Management Committee and Audit Committee. Managing Director is paid a salary and allowances, as per approval of the bank's Board of Directors and Bangladesh Bank. The statement of 'remuneration paid to the directors including independent directors' is available at page 150 under 'Corporate Governance Report'

Shareholding Pattern

A report on the pattern of shareholding disclosing the aggregate number of shares' is available at page 137, 138, 141, 144 under 'Corporate Governance Report'. 'Details of Directors, Chief Executive Officer, and Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children' are available at page 149 of 'Corporate Governance Report' as well as under the 'Related Party Transaction'. Details of the executives are stated at page 150 under the same Report.

Election/Re-election of 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. Details of directors' retirement and eligible to be re-elected, are stated in the corporate governance report.

Board of Directors' Profile

Brief profile depicting the nature of expertise in specific functional areas of all the directors is available at page 32-42 under 'Board of Directors' Profile'. A statement detailing 'the name of companies in which the directors of the bank have interest' is available at page 416 under the segment 'Financial Statements' Declaration (certification) by the CEO and CFO has been published in the page 337 under corporate governance report.

Contribution to National Exchequer

MTB made a significant contribution to the government's revenue collection, which plays a vital role in the development of society and the country as a whole. In accordance with the prevailing laws, the bank, as a responsible corporate citizen, pays tax and VAT on its own income. Additionally, the bank collects tax, VAT, and excise duty at source from clients, deposits, and suppliers, with all amounts promptly deposited into the national exchequer. During the year 2024, the bank contributed BDT 8.34 billion to the national exchequer, as compared to BDT 6.81 billion in the previous year.

Related Party Transaction

The details of transactions of related parties of the company have been given in Note 49 of the Financial Statements.

Insider Trading

The members of the Board of MTB, its sub-committees, senior management, and their family members have strictly adhered to the regulations concerning insider trading. They have not engaged in any form of insider trading nor violated any provisions related to it, ensuring compliance with all relevant legal and regulatory requirements.

Shareholders' Value

MTB remains fully committed to delivering higher shareholder value, with a strong focus on maximizing profitability and long-term growth. The bank's high profitability track record continues to underpin the value derived by shareholders from investing in its shares. The consolidated Earnings Per Share (EPS) stood at BDT 3.22, and the Return on Average Equity (ROE) was 12.77% during 2024. As of December 31, 2024, MTB's market capitalization reached BDT 12.09 billion.

The bank remains vigilant in ensuring the protection of minority shareholders' interests, both directly and indirectly, against any potential adverse effects arising from the bank's actions. MTB encourages active participation from all shareholders in the Annual General Meetings (AGMs), providing them with a platform to raise concerns and protect their rights.

Meeting of the Board of Directors of MTB

Total number of meetings held, attended and the amount of remuneration received by board members are stated at page 136 under corporate governance report.

Appointment of Auditors

The Board of Directors' of the bank in its 25th Annual General Meeting held on June 03, 2024 appointed MABS & J Partners, Chartered Accountants as External Auditor of the bank for the year 2024.

Annual General Meeting


The Annual General Meeting (AGM) will be held on Wednesday, July 09, 2025 at 11.30 a.m. using digital platform. The financial statements were approved at 319th meeting of the Board of Directors of MTB, held on April 28, 2025 for presentation to the shareholders.

Compliance of Corporate Governance Checklist

MTB has complied with corporate governance conditions in line with the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB).

I would like to thank all our shareholders, board members, regulators, depositors, clients and the authorities for helping us in our journey.

Thank you
On behalf of the Board of Directors



Rashed Ahmed Chowdhury
Chairman (Acting)