

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

Information Memorandum

Private placement of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 4,000,000,000 (Four Billion Taka)

Coupon Range: 6%*-10%

*subject to having available distributable profit

Issuer:

Mutual Trust Bank Limited



Address: MTB Centre, 26 Gulshan Avenue,
Dhaka, Bangladesh

Trustee to the Issue: EBL Investments Ltd.



Registrar, Paying Agent, Transfer Agent: EBL Investments Ltd



Type of Security: Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond

Face Value of each bond: BDT 1,000,000 (One Million Taka)

Total Issue Amount: BDT 4,000,000,000 (divided into 4,000 number of securities)

Issue Date of the IM:

Credit Rating Agency: Credit Rating Information and Services limited (CRISL)



Credit Rating status of the Bond: Long-term AA-

Validity Date: 21st May 2021

Arrangers:

City Bank Capital Resources Limited

&

MTB Capital Limited



Notice & Disclaimer

Mutual Trust Bank Limited (hereinafter referred as the “Bank” or the “MTB” or the “Issuer”) has **City Bank Capital Resources Limited (hereinafter referred as “CBCRL” or the “Lead Arranger”)** and **MTB Capital Limited (hereinafter referred as “MTBCL” or the “Co-Arranger”)**, to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the “Transaction”) and the bonds proposed to be issued in the Transaction (the “Bonds”)

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Issuer's Disclaimer

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Abbreviations

ALCO	ASSET LIABILITY MANAGEMENT COMMITTEE
ATM	Automated Teller Machine
BDT	Bangladeshi Taka
BRMC	Board Risk Management Committee
BSEC	Bangladesh Securities and Exchange Commission
CAGR	Compound Annual Growth Rate
CRAR	Capital to Risk-weighted Asset Ratio
CRM	Credit Risk Management
CRR	Cash Reserve Requirement
FBP	Foreign Bill Purchase
FDBP	Foreign Documentary Bills for Purchase
FDR	Fixed Deposit Receipts
IBP	Inland Bill Purchase
IC	Investment Committee
LATR	Loan Against Trust Receipt
MAT	Management Action Triggers
MCR	Minimum Capital Requirement
NFCD	Non-Resident Foreign Currency Deposit
NII	Net Interest Income
NIM	Net Interest Margin
NPA	Non-performing Assets
NPL	Non-performing Loan
OBU	Off-shore Banking Unit
OD	Over Draft
PCB	Private Commercial Bank
POS	Point of Sale
RFCD	Resident Foreign Current Deposit
RMU	Risk Management Unit
RWA	Risk Weighted Assets
SLR	Statutory Liquidity Ratio
SME	Small and Medium-sized Enterprises
SOD	Secured Over Draft
VAR	Value at Risk

Section 1: Report to the Eligible Investor

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

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

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

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

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

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

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

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

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

economic risk of the investment and are able to sustain a complete loss in connection with your investment.

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

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

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

Section 2: Risk Factors and Management Perception about Risk

Mutual Trust Bank Limited (The Issuer) operates in banking industry which is cyclical and hence is exposed to several risk factors arising from external as well as internal matters. Moreover, any investment in debt securities carries risks. Hence, different debt securities carry different risks an investment in debt securities has to be evaluated on its own merits. An investment in the Perpetual Bonds is in that respect no different. Potential investors in the Perpetual Bonds are strongly encouraged to carefully evaluate the all the information in the Information Memorandum, specially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision.

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

2.1 Interest Rate Risk

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

Management Perception

MTB conducts its lending and other business operations by taking appropriate and judicious care of the associated risks. Managing a varied and wide range of risks has always been the primary concern of the bank. In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MTB has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM). MTB ALM desk performs Money Market activities, manages liquidity and interest rate risk of the bank, and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

2.2 Exchange Rate Risk

Foreign Exchange risk for a bank is mainly to the change in earnings due to changes in Exchange Rate. This risk arises due to the banks' involvement in foreign currency transactions that include foreign currency exchange, placements, investments, leanings, borrowings and different contractual agreements. If the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur loss. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might lose.

Management's perception

MTB's policy regarding Foreign Exchange, in line with policy given by Bangladesh Bank, has well-defined internal approval procedures and position limits for each foreign currency transactions, as well as vigorous accounting and information systems and internal compliance control. In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department performs the foreign exchange dealing in an appropriate manner and manages risks of the organization's overall balance sheet as well as the capital of the Bank. MTB's internal audit system reports on foreign exchange risk management policy on a regular basis to the senior management. To minimize the potential losses due to foreign exchange risk the bank emphasizes on i) monitoring dealers' dealing limit ii) reconciliation of treasury front and back office positions iii) daily reconciliation of NOSTRO accounts iv) matching of open items and many more.

2.3 Non-repayment Risk

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

Management's perception

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

2.4 Prepayment, Call or Refunding Risk

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

Management's Perception

This bond is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features (4.1) section.

2.5 Security Risk

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

Management's Perception

MTB Perpetual bond is an unsecured bond. Specific Revenue sources or assets are not being pledged against issuance of the bonds. Investors will have the right on the Bank's Cash flow to get repaid but rank of a Perpetual bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

2.6 Liquidity Risk

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

Management's Perception

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

2.7 Management Risk

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

Management's Perception

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

2.8 Operational Risk

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

Management's Perception

MTB has restructured Internal Control and Compliance Division (ICC) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Division is comprised of three departments; Audit and Inspection Department, ICC Compliance Unit and ICC Monitoring Unit. The Bank has developed an Internal Control and Compliance Policy duly approved by the Board of Directors. As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank. The Compliance & Monitoring Units of this division ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures. The ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

2.9 Business Risk

Business risk refers to the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including interest spread, non-interest income, operating expenses, money & capital market volatility, competition,

government regulations and economic climate. Like all other companies MTB is also exposed to certain business risk factors.

Management's Perception

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

2.10 Industry Risk

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

Management's Perception

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

2.11 Market and Technology Related Risk

The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2013 has made the competitive atmosphere more intense. Strong marketing and brand management would be required to increase the bank's customer base.

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

Management's Perception

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

2.12 Risk Related to Potential or Existing Government Regulations

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

Management's Perception

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

2.13 Risk Related to Potential Changes in Global and National Policies

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

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

Management's Perception

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

2.14 Credit Risk

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

Management's Perception

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

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

The Bank follows a well-defined multi-layered discretionary power structure for sanction of loans. Credit Grid has been constituted at Plead office level for considering fresh/enhancements proposals. The Bank assesses various risk factors for new products prior to its introduction. Therefore, the Bank does every possible thing to minimize its credit risk.

2.15 Reputation Risk

Money Laundering risk of Financial Institutions lies with the involvement in any single transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities. So, it is a major threat to the banks and non-bank financial institutions. In place of the Money Laundering Prevention Act, 2002, the government re-enacted Money Laundering Prevention Ordinance, 2008 (ordinance 12 of 2008) on 13.04.08. The government enacted Anti-Terrorism Ordinance, 2008 on 09.06.2008 in order to combat terrorism and financing of terrorism. These two Ordinances entrust some duties and responsibilities with financial institutions. Bangladesh Bank, the regulatory authority, has issued 20 (twenty) circulars so far which includes, among others, KYC procedures, STR, CTR, Money Laundering Prevention Ordinance 2008, Anti-Terrorism Ordinance, 2008 and their implementation processes. There can be many other reasons for which an organization can suffer from reputational loss.

Management's Perception

MTB in line with the said ordinances, circulars and guidelines of Bangladesh Bank, has developed two separate guidelines on policies and procedures on prevention of Money Laundering and on Combating Financing of Terrorism. As per the provisions of these two ordinances the employees of the Bank have to carry out some duties and responsibilities under the supervision of Bangladesh Bank. In order to ensure the compliance of all the instructions given on different occasions by Bangladesh Bank, Central Compliance Unit (CCU) has been established and Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Branch Anti-Money Laundering Compliance Officers (BAMLCO) have been designated. Additionally, MTB, under the leadership of one of the strongest Board of Directors in the country as well as a professional top management, is continuously working to improve its standards and practices in order to keep pace with global best practice.

Section 3: Use of Proceeds

Purpose of Issuance of Mutual Trust Bank Perpetual Bond

Mutual Trust Bank has decided to raise Additional Tier-1 Capital through issuance of Mutual Trust Bank Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

Plan Regarding Use of Proceeds from Mutual Trust Bank Perpetual Bond

The proposed bond will qualify as part of MTB's Additional Tier-1 capital and will help maintain healthy capital adequacy ratios in the next few years. Besides, the BDT 4 billion fund will be used for undertaking general business activities of the bank including strengthening of the loan portfolio and other securities. The proceeds will primarily be used for:

- Growing the bank's loan portfolio in SME, Cards and Retail segments
- Investing in other high-yield instruments

Section 4: Features of Mutual Trust Bank Perpetual Bond

Mutual Trust Bank Perpetual Bond is an unsecured and contingent-convertible debt instrument.

The major features of the Mutual Trust Bank Perpetual Bond are presented below:

4.1 Basic Features of the Instrument

Finalization of all terms & conditions of this instrument (stipulated in the table below) are subject to approval from concerned regulatory authorities and may need to change as per regulatory instruction.

Table 1 Basic Features of Mutual Trust Bank Perpetual Bond

Name of the Instrument	Mutual Trust Bank Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Issuer	Mutual Trust Bank Limited
Nature of Instrument	Unsecured
Purpose and Objectives	<p>To raise Additional Tier-1 Capital through issuance of Mutual Trust Bank 1st Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III).</p> <p>The funds being raised by the Bank through the mentioned Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Security Exchange and Commission where applicable.</p>
Arrangers	City Bank Capital Resources Limited & MTB Capital Ltd.
Trustee	EBL Investments Ltd.
Paying Agent, Registrar, Transfer Agent	EBL Investments Ltd.
Rating Agency	Credit Rating Information and Services limited (CRISL)

Legal Advisor	Lex Juris- Barristers, Advocates & Consultants
Mode of Issue	Private Placement
Facility Size	BDT 4,000,000,000
No. of Bonds to be Issued	4,000
Face Value Per Lot	BDT 1,000,000
Bonds per lot/ Minimum Subscription	01
Tenure	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Investors	<p>The following class of investors are eligible to participate in the offer:</p> <ul style="list-style-type: none"> • Public Financial Institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations • Mutual Funds, Insurance Companies, Scheduled Commercial Banks, • Co -operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, • Societies authorized to invest in bonds/debentures, • Trusts authorized to invest in bonds/ debentures, • Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, • Any other not mentioned in the list but is eligible to subscribe as per regulations by Bangladesh Bank. <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document by a person shall not be construed as any representation by the Bank that such person is</p>

	authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)
Coupon Margin	2.00%
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined
Coupon Range	<ul style="list-style-type: none"> • Coupon Ceiling: 10.00% • Coupon Floor: 6.00% subject to having available distributable profit
Coupon Discretion	The bank will have full discretion at all times to cancel distributions/payments of the bondholder initiating from the Trigger Point Condition Date and shall be dealt as per the Payment Suspension Methodology.
Exercise of Coupon Discretion	Any coupon payment will be distributed subject to Issuer's consolidated CET-1 ratio remains above the regulatory requirement of 4.50%.
Coupon Payment Frequency	Semi-Annual but subject but subject to Issuer's Coupon Discretion.
Late Payment	Issuer shall pay a late payment penalty of 2.00% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless exercise of coupon discretion is not in effect. However, a holder of a Bond shall not be entitled to any late payment fee in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

Business Day Convention/Effect of Holidays	<ul style="list-style-type: none"> • If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day. • If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.
Put Date	<p>Not Applicable</p>
Put Price	<p>Not Applicable</p>
Call Option	<p>The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. However, option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.</p>
Call Option Eligibility	<ol style="list-style-type: none"> 1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, 2. Capital position is above the minimum requirements after the call option is exercised
Claim Settlement in the event of Liquidation or Wind-up	<p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> 1. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future. 2. Subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank. 3. Is neither secured nor covered by a guarantee of the issuer nor

	<p>related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</p>
Loss Absorption	<p>After the Trigger Point Condition Date, conversion of the outstanding principal of the Bonds to common shares at the Conversion Strike Price by such amount not exceeding the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of RWA.</p>
Loss Absorption Methodology	<p>CET-1 on Trigger Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.</p>
Trigger Point for Loss Absorption	<p>If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date). Once the trigger point has been reached and exercised, the cycle will start again.</p>
Conversion Strike Price	<p>Average of 180 business days market price prior to the 3rd quarter end date on which issuer's consolidated CET-1 falls below Bangladesh Bank requirement (currently of 4.5%) or Par Value (BDT 10) whichever is higher.</p>
Payment Suspension Methodology	<p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point Condition Date and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of use of Loss Absorption feature, the portion that will be required to be converted, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio</p>

	<p>remaining reaching 4.50% or above, and interest will be paid along with previous coupon for this portion.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payment was suspension.</p>
<p>Conversion Notice</p>	<p>Within 2 (two) Business Days of the end of the 2nd Quarter when CET-1 Ratio remains below 4.50%, Issuer shall notify the Trustee that in the event that the Trigger Point Condition is met, the Loss Absorption feature shall be exercised (“Conversion Indication Notice”). Within 2 (two) Business Days of the approval of the audited financials which confirms fulfilment of the Trigger Point Condition Date, the Issuer shall notify the Trustee of the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period (“Conversion Notice”) and shall prepare and send the draft notice for the Bondholders to be sent by the Trustee informing such conversion along with the Conversion Notice; The Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice. All notices are validly given if:</p> <ul style="list-style-type: none"> • Mailed to bondholders at their respective address in the register, • Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, and • Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid. <p>Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications</p>
<p>Events of Default</p>	<p>(i) <i>Non-Payment:</i> a default is made in the payment of any principal or in the payment of any interest due remain unpaid for thirty days from the due date in respect of the Bonds;</p> <p>(i) <i>Raising of Tier-II Capital:</i> Issuer raises Tier-II capital in the amount more than prescribed in the Capital Adequacy Guidelines without written permission of the Trustee and the Bondholders.</p>

	<p>(ii) <i>Payment of dividend during default:</i> any payment of dividend or other payments by the Issuer in breach of Condition 7 (G).</p> <p>(iii) <i>Default in payment:</i> Subject to the Trigger Point Consideration being met, and/or exercise of Loss Absorption Option, the Issuer defaults in the payment of any money owing in respect of the Bonds when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days.</p> <p>(iv) <i>Breach of Terms:</i> Breach of any covenant, warranty or other provision of the Trust Deed and such default continues for at least thirty (30) Business Days.</p> <p>It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.</p>
Consent Right of Bondholders	<p>Issuer needs to take prior consent from AT-1 (Mutual Trust Bank Perpetual Bond) bondholders to issue new Tier-II capital over maximum limit (4.0% of RWA or 88.89% of CET-1 Capital, whichever is higher) as set by Bangladesh Bank.</p>
Common Equity Holders' Dividend Stopper Clause	<p>During any non-payment of the interest of the Bonds by the Issuer, the Issuer shall not, (i) declare or pay any dividends or distributions or redeem, purchase, acquire or make a liquidation payment on any of the Issuer's capital stock or (ii) make any payment of principal of or interest or premium, if any, on, or repay, repurchase or redeem, any debt securities of the Issuer (including other junior subordinated debt securities or other junior subordinated debt) or (iii) make any guarantee payments on any guarantee by the Issuer of the debt securities of any of its Subsidiaries (including under other guarantees of junior subordinated debt securities or other junior subordinated debt).</p>
Listing	<p>The Bonds will be issued subject to consent of Bangladesh Securities and Exchange Commission (BSEC) and to be listed as per the prevailing rules and regulations by BSEC.</p>
Credit Rating	<p>Issuer Rating: Credit Rating Information and Services Ltd.</p>

	<table border="1"> <thead> <tr> <th>Credit Rating</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Long-term</td> <td>AA</td> </tr> <tr> <td>Short-term</td> <td>ST2</td> </tr> <tr> <td>Publishing Date</td> <td>July 15, 2020</td> </tr> <tr> <td>Validity Date</td> <td>July 14, 2021</td> </tr> </tbody> </table>	Credit Rating	Current	Long-term	AA	Short-term	ST2	Publishing Date	July 15, 2020	Validity Date	July 14, 2021
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Credit Rating	Current										
Long-term	AA-										
Publishing Date	November 22, 2020										
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Transferability/Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust.										
Governing Law	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.										

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

Coupon Range: 6.00%*-10.00% p.a. *subject to having available distributable profit.

4.3 Transferability/Liquidity

The bond is freely transferable in accordance with the provisions of the Trust Deed.

4.4 Prepayment, Call, Refunding, Conversion Feature

Perpetual bond is non-puttable, callable in Nature.

4.5 Tax Features

The Company and any income from the Bond for the investors will be according to the Laws of Bangladesh.

4.6 Enforcement of Charges over securities

The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the

liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

4.7 Repayment Schedule:

As per BASEL III guideline (Annex IV: Special Eligibility Criteria to qualify for additional Tier I Capital, a) this instrument is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features (4.1) section.

Section 5: Description of Collateral Security and Type of Charges to be created

Mutual Trust Bank Perpetual Bond is superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future and subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

Section 6: Rights and Obligations of the Issuer

6.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of the interest payment under the Bonds become due for payment or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds, the interest payments or the principal amount of the Bonds or any of them becoming due for payment, redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions *provided that*:

6.1.1 every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;

6.1.2 if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

6.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 6.3 (*Covenant to comply with Trust Deed, Conditions, Schedules, and Agency Agreement*) and Clause 6.4 (*Covenants by the Issuer*) on trust for the Bondholders.

6.2 Following an Event of Default

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

6.2.1 by notice in writing to the Issuer, the Paying Agent and the other Agents, require the Paying Agent and the other Agents or any of them, until notified by the Trustee to the contrary:

(a) to act thereafter as agents of the Trustee under the provisions of the Trust Deed on the terms provided in the Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability

under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Deed in relation to the Bonds on the terms of the Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Bond Certificates and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; and/or

(b) to deliver up all Bond Certificates and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any document or record which the relevant Agent is obliged not to release by any law or regulation; and

6.2.2 by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 6.1.1 of Clause 11.1 (*Covenant to Repay*) and (so far as it concerns payments by the Issuer) Clause **Error! Reference source not found.** (*Payment to Bondholders*) in the Trust Deed shall cease to have effect.

6.3 Covenant to comply with Trust Deed, conditions, Schedules, Agency Agreement and applicable law

6.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions (including, without limitation, Condition 5 (*Covenants*)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

6.3.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

6.3.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

6.4 Covenants by the Issuer

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

6.4.1 Books of account

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

6.4.2 Event of Default

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

6.4.3 Corporate Governance

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

6.4.4 Information

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

6.4.5 Execution of further Documents

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

6.4.6 Notices to Bondholders

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

6.4.7 Notification of non-payment

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

6.4.8 Notification of late payment

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

6.4.9 Notification of Call Exercise Date

Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

6.4.10 Obligations of Agents:

Observe and comply with its obligations and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations under the Agency Agreement; maintain the Register; and notify the

Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds;

6.4.11 Authorized Signatories

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

6.4.12 Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

Section 7: Rights and Obligation of the Trustee

It is expressly declared as follows:

7.1 Trustee's Rights

7.1.1 *Applicable Law:* Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012 together with all its amendment, modification or ratification thereof.

7.1.2 *Advice:* The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission. However, the trustee should also perform the standard due diligence process in case of receipt of any advice, whatever means the communication form either print or electronic, in relation to the issuance of the bond;

7.1.3 *Resolution or direction of Bondholders:* the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

7.1.4 *Trustee not responsible for investigations:* save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

7.1.5 *Entry on the Register:* The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct.

7.1.6 *Events of Default:* save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and

7.1.7 *Right to Deduct or Withhold:* notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability

to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall act to make such deduction or withholding as per the prevailing laws of the land.

7.1.8 *Liability:* Under no circumstance will the Trustee be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Trustee has been advised of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise. This Clause 7.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

7.1.9 *Force Majeure:* The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

7.1.10 *Immunities:* The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds.

7.1.11 *Professional charges:* any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person). In this connection prior approval from the Issuer should be obtained by the Trustee.

7.1.12 *Expenditure by the Trustee:* nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it, subject to prior approval from the Issuer; and

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

7.1.14 *Trustee Liability*: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.

7.1.15 *Right to Sue*: The Trustee may sue and may be sued on behalf of the Bondholders.

7.2 Trustee's powers and duties

7.2.1 *Applicable Law*: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012.

7.2.2 *Act for Bondholders*: Subject to applicable law and terms and conditions of this Trust Deed Trustee shall act on behalf and for the exclusive interest of the Bondholders;

7.2.3 *Monitoring*: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

7.2.4 *Report to BSEC*: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders. However, in case of any non-compliance of the Issuer, the trustee shall first provide a copy of the report to the Issuer with details of such non-compliance and then submit to the BSEC;

7.2.5 *Notification of call or repayment*: immediately upon receipt of notice from the Issuer regarding a Call Exercise Date in respect of any Bond, give to the respective Bondholders notice in writing of the amount of such redemption or purchase by the Issuer pursuant to the Conditions;

7.2.6 *Grievances of the Bondholders*: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

7.2.7 *Trustee's determination*: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

7.2.8 *Determination of questions*: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

7.2.9 *Trustee's discretion*: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

7.2.10 *Trustee's consent*: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

7.2.11 *Application of proceeds*: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificates to the Bondholders;

7.2.12 *Error of judgment*: the Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;

7.2.13 *Agents*: Subject to the provisions of the Trust Act 1882 and The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person *provided that* the Trustee had exercised reasonable care in the appointment of such person;

7.2.14 *Confidential information*: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

7.2.15 *Determination of Interest Rate*: the Trustee shall determine Applicable Interest Rate in accordance with Condition of the Bond.

7.3 Exercise of Discretion

7.3.1 Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than $66\frac{2}{3}$ percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders.

7.3.2 The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

Section 8: Rights and Obligation of the Eligible Investors

8.1 Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of this Trust Deed.

8.2 The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.

8.3 Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 Part B (*Terms and Conditions of the Bonds*).

8.4 Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 Part B (*Terms and Conditions of the Bonds*).

8.5 Each Bondholder has the right to receive interest on the Bond on the Interest Payment Date as set out in the Condition attached in Schedule 1 Part B (*Terms and Conditions of the Bonds*).

8.6 Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 (*Meetings of Bondholders, Modification, Waiver and Substitution*) in the Trust Deed.

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

Section 9: Description of Mutual Trust Bank Limited: The Issuer

Mutual Trust Bank Limited was incorporated on September 26, 1999 under the companies Act 1994 as a public limited company by shares for carrying out all kinds of banking activities.

Table 2 Basic Information of the Issuer

Registered name of the company	Mutual Trust Bank Limited
Company Registration No.	C38707 (665)/99
Bangladesh Bank Permission No.	BRPD (P) 744(78)/99-3081 on October 5, 1999
SWIFT Code	MTBL BD DH
Registered Office	MTB Centre 26 Gulshan Avenue, Gulshan 1 Dhaka 1212
Corporate Website	www.mutualtrustbank.com
Memberships	<ul style="list-style-type: none"> • The Institute of Bankers Bangladesh (IBB) • Bangladesh Association of Banks (BAB) • Bangladesh Foreign Exchange Dealers Association (BAFEDA) • Bangladesh Institute of Bank Management (BIBM) • Bangladesh Association of Publicly Listed Companies (BAPLC) • Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) • International Chamber of Commerce Bangladesh Limited (ICCB) • Dhaka Stock Exchange (DSE) • Dhaka Chamber of Commerce & Industry (DCCI) • American Chamber of Commerce in Bangladesh (AmCham) • Primary Dealers Bangladesh Limited (PDBL)

Over the past 15 years of operation, the Issuer has laid a strong foundation to create a strong brand image and strengthen its foothold in the highly regulated banking industry. MTB is equipped with strong delivery channels consisting of 118 branches, 302 ATM booths located in prime commercial, urban and rural areas of the country, 15 (fifteen) MTB Smart Banking Kiosks, 140 Agent Banking and 3,101 Point of Sales (PSO) machines. The Issuer offers fully integrated real-time Online Banking Services, a 24/7 modern Contact Centre and Internet and SMS banking to its growing customer base, through a dedicated team of experienced Relationship Managers and Alternative Delivery Channels (ADC).

9.1 Subsidiaries of Mutual Trust Bank Limited

Mutual Trust Bank Limited has three subsidiaries. These are;

9.1.1 MTB Securities Limited

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

9.1.2 MTB Capital Limited

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

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

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

9.1.3 MTB Exchange (UK) Limited

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

9.2 Capital Structure

Mutual Trust Bank Ltd. the Issuer of the Perpetual Bond, is a private commercial bank and like other commercial banks its capital structure comprises shareholder's equity, deposits and other liabilities

Table 3: Sources of Issuer's Capital Structure

Particulars	As of September 30, 2020	
	Amount) (BDT mn)	% of Total Shareholders' Equity & liability
LIABILITIES		
Tier-II subordinated bond	10,800.00	3.91%
Borrowings from other banks, FIs and agents	27,371.84	9.92%
Deposits and other accounts	194,907.17	70.62%
Other liabilities	25,671.10	9.30%
Total Liabilities	258,750.11	93.75%
CAPITAL/SHAREHOLDERS' EQUITY		
Paid-up Capital	7,386.32	2.68%
Statutory Reserve	5,056.82	1.83%
Share Premium	1,095.30	0.40%
Revaluation Reserve on Investment in Securities	478.11	0.17%
Foreign Currency Translation gain/(loss)	5.48	0.00%
General Reserve	786.78	0.29%
Retained Earnings	2,429.30	0.88%
Total Shareholders' Equity	17,238.12	6.25%
Minority Interest	0.13	0.00%
Total Liabilities and Shareholders' Equity	275,988.36	100.00%

The Issuer maintains appropriate capital adequacy, which enables it to confront various risk factors it may be exposed to.

Table 4: Description of Issuer's Total Capital

Particulars	As of September 30, 2020
	BDT mn
Tier - I (Core Capital)	15,344.45
Tier-2 (Supplementary Capital)	13,639.68
Total Eligible Capital	28,984.13
Total Risk Weighted Assets (RWA)	213,664.73
Capital to Risk-weighted Asset Ratio (CRAR)	13.57%

Core Capital to RWA	7.18%
Supplementary Capital to RWA	6.38%
Minimum Capital Requirement (MCR)	21,366.47
Surplus	7,617.66

Issuer's total paid up capital stood at BDT 7,386.32 million at the end of September 30, 2020 which was divided into 738,632,418 numbers of shares with a face value of BDT 10 per share.

Table 5: Shareholding Structure of the Issuer

Particulars	As on September 30, 2020	
	Share Value (BDT in mn)	% of Holding
Sponsors / Directors	2,776.46	37.59%
Institutions	2,227.63	30.16%
General	2,382.23	32.25%
Total	7,386.32	100.00%

9.3 Business

As envisaged in the Memorandum of Association and as licensed by Bangladesh Bank under the provisions of the Banking Companies Act 1991 (Amended up to 2013), the Company started its banking operation and entitled to carry out wholesale banking, retail banking, international trade financing, small and medium enterprises (SME) banking, NRB banking, privilege banking, card services, treasury operations etc.

Products & Services

9.3.1 Wholesale Banking

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

Wholesale banking products includes;

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

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

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

- Secured Over Draft (SOD)

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

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

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

MTB Offshore Banking: MTB Offshore Banking services specially tailored for 100% foreign owned company, joint venture and locally owned company in Export Processing Zones (EPZ). It offers term finance, working capital finance and trade finance services in different modes. It also provides term finance facility to locally owned industrial units outside EPZ under some special conditions.

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

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

MTB's product basket contains Long Term Financing along with full range of product mix for Short Term Financing of day to day operations and non-fund-based facilities. The bank always seeks to

understand unique needs of its customers' business and incessantly strive to meet and to exceed their expectations.

9.3.2 Retail Banking

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

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

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

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

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

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

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

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

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

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

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

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

MTB Kotipati: This product has been designed for the customers who want to have BDT 10 million after certain

period through monthly installments of a specified amount.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MTB FlexiPay: It allows the MTB credit card holders to convert any retail transaction with repayment on monthly equal installments. Any retail purchase transaction of BDT 3,000 or above can be converted to

FlexiPay without any enrollment fees.

9.3.3 Small and Medium Enterprise (SME) Loan

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

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

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

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

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

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

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

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

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

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

9.3.4 NRB Banking

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

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

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

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

9.3.5 Treasury Services

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

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

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

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

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

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

9.4 Business Analysis based on Consolidated Financials

i. Asset Size & Growth

MTB's total assets grew substantially during the last five years. At the end of September 2020, total consolidated assets of MTB stood at BDT 275,988.36 million. During the last five years MTB's average growth of the asset is 13.79%.

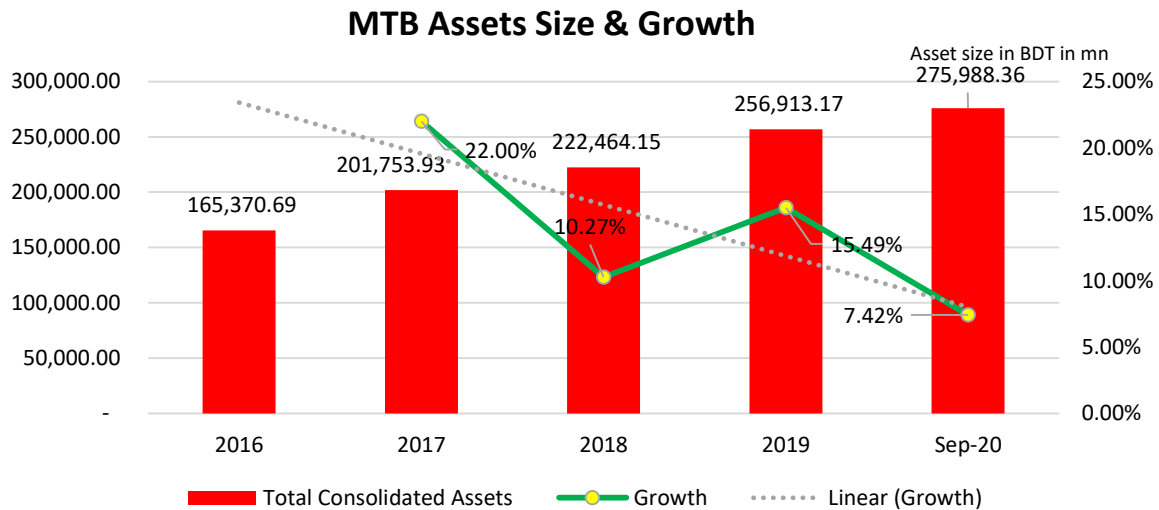


Figure 1: Issuer's Consolidated Total Assets Size & Growth

ii. Growth of Loan & Advances

At the end of September 2020, total loans and advances of the Bank stood at BDT 202,332.27 million. During the last five years MTB's average growth of the loans and advances is 15.57%.

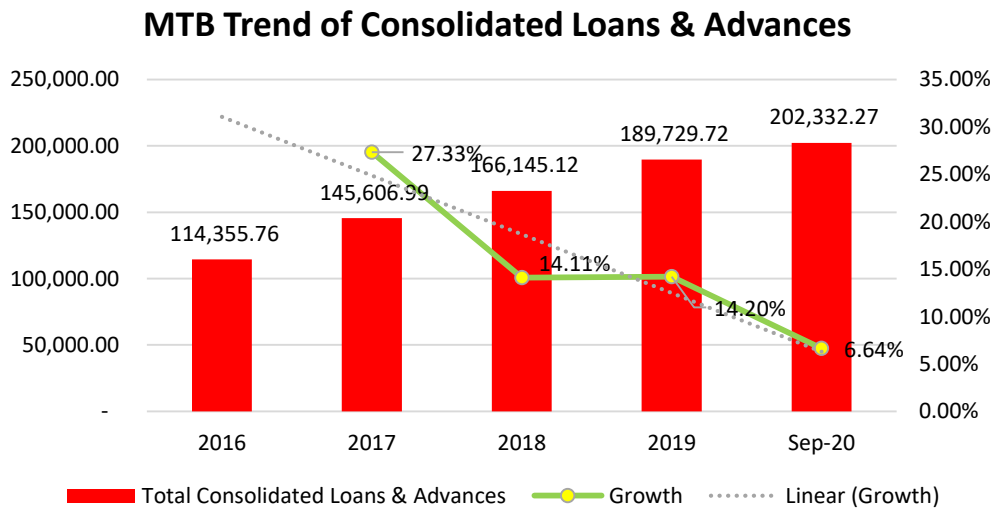


Figure 2: Issuer's Consolidated Loan and advances

iii. Issuer's Liability Mix

MTB's total liabilities stood at BDT 258,750.11 million at the end of September 30, 2020. In the preceding year 2019, it amounted to BDT 240,623.17 million. Deposits and other accounts occupied the lion's share of the pie with 75.33% share in MTB's total liabilities in September 2020. Out of the total deposit and other accounts, fixed deposit was BDT 83,446.55 million and followed by savings deposit with BDT 34,370.36 million.

Table 6: Issuer's Liability Mix

Particulars	FY 2019		September 30, 2020	
	BDT Mn	% of Total Liabilities	BDT Mn	% of Total Liabilities
Borrowing from other Banks, FIs & Agents	21,701.18	9.02%	27,371.84	10.58%
In Bangladesh	12,213.47		22,676.08	
Outside Bangladesh	10,294.26		8,344.65	
Less: Inter transaction with Offshore Banking Unit	-806.55		-3,648.89	
Deposits and Other Accounts	190,947.70	79.36%	194,907.17	75.33%
Current Deposit & Other Accounts	16,350.53		19,021.48	
Bills Payable	1,643.54		1,178.80	
Savings Deposit	29,884.51		34,370.36	
Special Notice Deposits	12,933.76		15,644.03	
Fixed Deposit	91,060.96		83,446.55	
Deposit Products	39,074.40		41,245.94	
Other Liabilities	21,174.29	8.80%	25,671.10	9.92%
Subordinated Debt	6,800.00	2.83%	10,800.00	4.17%
Total Liabilities	240,623.17	100%	258,750.11	100%

During the last five (5) years, the Issuer's total deposit grew at average rate of 10.52%.

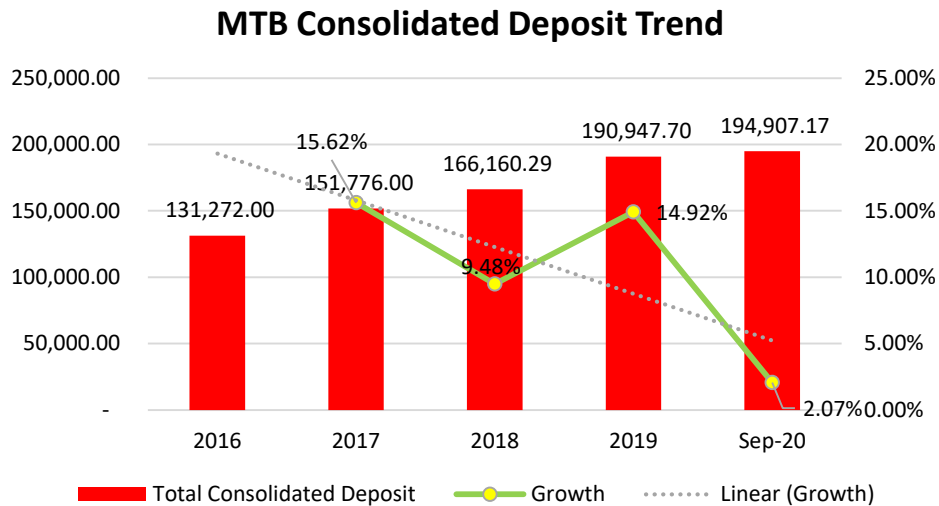


Figure 3: Issuer's Consolidated Deposit Size and Growth

iv. Liquidity Position:

The Bank has a specified liquidity and funding ratio to ensure and maintain financial flexibility to cope with unexpected future cash demands. The Assets and Liabilities Committee (ALCO) monitors the liquidity and funding ratio on an ongoing basis and ascertains liquidity requirements under various stress situations. In order to ensure liquidity against all commitments, the Bank reviews the behavior patterns of liquidity requirements. The Bank has an approved Liquidity Contingency Plan (LCP) which is reviewed and updated on an annual basis by the ALCO. All regulatory requirements including CRR, SLR and RWA are reviewed by ALCO.

MTB's liquidity policy is to carry a favorable mismatch in interest earning assets and interest-bearing liabilities in different buckets and fulfill the statutory requirements in relation to business as imposed by the regulator from time to time. Our liquidity remained at optimum level during the year. The Assets and Liabilities Committee (ALCO) of the Issuer monitors and maintains a satisfactory trade-off between liquidity and profitability.

Table 7: Maturity Profile of Issuer's Assets

Particulars	FY 2019	% of TA	September 2020	% of TA
	Amount (BDT mn)		Amount (BDT mn)	
up to 1 months	30,013.91	11.68%	35,284.34	12.78%
over 1 month but within 3 months	44,060.68	17.15%	45,416.69	16.46%
over 3 months but within 1 year	78,809.66	30.68%	69,713.62	25.26%
over 1 year but within 5 years	68,810.83	26.78%	60,711.65	22.00%

over 5 years	35,218.08	13.71%	64,862.06	23.50%
Total Assets (TA)	256,913.17		275,988.36	

At end of September 2020, 54.50% (BDT 150,414.64 million) of the Issuer's total assets belongs to first three maturity buckets (up to 12 months) which is highly liquid. Assets within 1-5 years' maturity bucket hold the pie with 22.00% share of the Issuer's total assets. Only 23.50% of Issuer's total assets or BDT 64,862.06 million fell within the bucket of over five years.

Table 8: Maturity Profile of Issuer's Liabilities

Particulars	FY 2019	% of TL	September 2020	% of TL
	Amount (BDT mn)		Amount (BDT mn)	
up to 1 months	28,575.52	11.88%	33,120.60	12.80%
over 1 month but within 3 months	42,299.49	17.58%	43,112.19	16.66%
over 3 months but within 1 year	81,495.30	33.87%	72,183.17	27.90%
over 1 year but within 5 years	72,078.09	29.95%	70,324.98	27.18%
over 5 years	16,174.76	6.72%	40,009.16	15.46%
Total Liabilities (TL)	240,623.17		258,750.11	

At the end of September 2020, 57.36% (BDT 148,415.97 million) of the Issuer's total liabilities belongs to first three maturity buckets (up to 12 months). Only 27.18% of Issuer's total liabilities or BDT 70,324.98 million fell within the bucket of 1-5 years. Liabilities within maturity bucket of over five years hold the lowest pie with 15.46% share.

Particulars	up to 1 months	over 1 month but within 3 months	over 3 months but within 1 year	over 1 year but within 5 years	over 5 years
Total Assets (TA)	35,284.34	45,416.69	69,713.62	60,711.65	64,862.06
Total Liabilities (TL)	33,120.60	43,112.19	72,183.17	70,324.98	40,009.16
Liquidity Gap	2,163.73	2,304.49	-2,469.55	-9,613.32	24,852.90
Cumulative Liquidity gap	2,163.73	4,468.23	1,998.68	-7,614.65	17,238.25
Gap as % of Total Assets (TA)	6.13%	5.07%	-3.54%	-15.83%	38.32%
Cumulative Liquidity Gap as % of Total Assets	6.13%	9.84%	2.87%	-12.54%	26.58%

Figure 4: Issuer's Asset and Liability Maturity Analysis

At the end of September 2020, no negative liquidity gap has been observed in the first two buckets of the maturity analysis.

The Issuer is vigilant in mobilizing the resources in the most cost-efficient manner and is cognizant of the need for prudent investment of funds for the improvement of profitability. MTB carefully analyses the lending propositions and makes sure follow up action is in place before disbursement of funds.

Table 9: Credit to Deposit Ratio

Particulars	FY 2019	As of September 30, 2020
a) Cash Reserve Requirement (CRR)	BDT mn	BDT mn
Required reserve	10,990.31	8,276.48
Actual reserve maintained	12,133.94	8,414.78
Surplus	1,143.63	138.30
b) Statutory Liquidity Ratio (SLR)		
Required reserve	25,977.09	27,485.14
Actual reserve maintained	34,250.13	35,393.18
Surplus	8,273.03	7,908.04

MTB maintained Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) above the regulatory requirement. The Issuer maintained CRR amounting to BDT 8,414.78 million as on September 2020 (BDT 12,133.94 million as on December 2019) against required BDT 8,276.48 million (BDT 10,990.31 million as on December 2019) on bi-weekly basis. On the other hand, MTB maintained SLR amounting BDT 35,393.18 million as on September 2020 (BDT 34,250.13 million as on December 2019) against required BDT 27,485.14 million (2019 required: BDT 25,977.09 million) on bi-weekly basis.

v. Capital Adequacy:

Mutual Trust Bank Limited Maintained Risk Weighted Capital Adequacy Ratio above the regulatory requirement. Capital to Risk-weighted Asset Ratio (CRAR) of the Issuer as on September 30, 2020 is:

Table 10: Capital Adequacy Ratio of the issuer

Particulars	FY 2019	September 2020
	BDT mn	BDT mn
Tier - I (Core Capital)	14,538.04	15,344.45
Tier-2 (Supplementary Capital)	9,650.29	13,639.68
Total Eligible Capital	24,188.33	28,984.13
Total Risk Weighted Assets (RWA)	187,357.50	213,664.73
Capital to Risk-weighted Asset Ratio (CRAR)	12.91%	13.57%
Core Capital to RWA	7.76%	7.18%
Supplementary Capital to RWA	5.15%	6.38%
Minimum Capital Requirement (MCR) Except Capital Conversion Buffer	18,735.75	21,366.47
Surplus	5,452.58	7,617.66

Minimum capital requirement (MCR) of the Bank at the end of September 2020 was BDT 21,366.47 million as against available Capital of BDT 28,984.13 million (BDT 15,344.45 million core capital and BDT 13,639.68 million supplementary capital) hence, thereby showing a surplus capital of BDT 7,617.66 million.

vi. Sources of Earnings:

Earnings determine the ability of a bank to increase capital (through retained earnings), absorb loan losses, support the future growth of assets, and provide a return to investors. The largest source of income for the Issuer is net interest income (interest income from lending activity less interest paid on deposits and debt). The second most important source is income from Commission, Exchange, and Brokerage. The Issuer also generates significant income from investment in government and corporate securities.

MTB generates revenue from diversified sources, which is reflected in the bellow table. The Issuer generates revenue from interest income on loan and advances, income on investments, interest on balance with other banks and financial institutions, income from commission, brokerage etc.

Despite the pandemic, the issuer has successfully generated a revenue of BDT 7,247.47 million during the period January to September 2020.

Table 11: Earning mix of the issuer

Particulars	September 2020		FY 2019	
	BDT mn	% of TR	BDT mn	% of TR
Interest Income	2,815.32	38.85%	5,429.71	48.45%
Income from Investments	2,730.21	37.67%	2,535.63	22.63%
Commission, Exchange and Brokerage	1,262.99	17.43%	2,629.78	23.47%
Other Operating Income	438.95	6.06%	612.06	5.46%
Total Revenue	7,247.47		11,207.18	

During the same tenure, 38.85% of the Issuer's total revenue came from its core business i.e. interest income on loans & advances and deposits kept with other banks & financial institutions. Interest income, as of September 30, 2020 stood at BDT 2,815.32 million whereas in FY 2019 interest income was BDT 5,429.71 million).

Income from investments stood at 2,730.21 million at September end of 2020 and contributed 37.67% to Issuer's total income. BDT 1,262.99 million income was generated from commission, exchange and brokerage. Other operating income increased to BDT 438.95 million compared to BDT 408.02 million during the same period in the preceding year.

vii. Operational Performance:

The Issuer's net interest income (NII) reached BDT 2,815.32 million for the period January to September 2020 against at BDT 4,095.70 million for the same period in the previous year. However, net profit after tax for this period in 2020 was higher (BDT 1,243.74 million) than that of the same period in 2019 (BDT 1,234.28 million).

Table 12: Issuer's Operational Performance

Particulars	September 2020	FY 2019
	BDT mn	BDT mn
Net Interest Income	2,815.32	5,429.71
Total Operating Income	7,247.47	11,207.18
Total Operating Expenses	4,562.05	5,967.33



Profit Before Provision	2,685.42	5,239.84
Total Provision	811.98	2,140.38
Profit Before Tax	1,873.44	3,099.46
Net Profit After Tax	1,243.74	1,337.79

viii. Diversification of Business:

MTB's credit portfolio comprises of different sectors like agriculture, RMG, textile, ship building, ship breaking, construction, SME, power, transport & communication, real estate and many more.

Table 13: Sector Wise Loans and Advances

Particulars	September 2020		FY 2019	
	BDT mn	% of total	BDT mn	% of total
Agriculture	2,237.44	1.11%	2,781.10	1.47%
RMG	37,769.32	18.75%	31,389.14	16.62%
Textile	18,223.19	9.05%	17,322.47	9.17%
Ship Building	2,207.30	1.10%	2,509.75	1.33%
Ship Breaking	3,993.71	1.98%	2,635.40	1.40%
Other Manufacturing industry	49,944.53	24.79%	32,512.75	17.22%
SME loans	19,122.99	9.49%	30,180.62	15.98%
Construction	8,325.85	4.13%	7,661.70	4.06%
Power, Gas	3,786.44	1.88%	2,537.43	1.34%
Transport, Storage and Communication	1,586.04	0.79%	1,244.66	0.66%
Trade Service	22,305.76	11.07%	29,532.78	15.64%
Commercial real estate financing	4,962.49	2.46%	3,822.49	2.02%
Residential real estate financing	1,099.24	0.55%	1,002.07	0.53%
Consumer credit	12,399.61	6.16%	12,385.85	6.56%
Capital Market	3,437.83	1.71%	3,044.15	1.61%
NBFIs	3,908.45	1.94%	3,955.43	2.09%
Others	6,131.86	3.04%	4,314.50	2.28%
Total Amount	201,442.05		188,832.28	

ix. Asset Quality:

MTB's total assets increased from BDT 256,913.17 million in December 2019 to BDT 275,988.36 million in September 2020 registering a significant growth over the last nine months. In 2020, loans & advances represent the highest part of total assets with 73.31% share, a slight decrease from the 73.85% share in FY 2019.

Table 14: Composition of Total Assets

Types of Assets	September 2020		FY 2019	
	BDT mn	% of TA	BDT mn	% of TA
Cash	12,691.40	4.60%	14,556.50	5.67%
Balance with Other Banks & FIs	4,301.60	1.56%	3,385.05	1.32%
Money at Call and Short Notice	2,890.00	1.05%	206.80	0.08%
Investments	35,464.02	12.85%	34,199.54	13.31%
Loans and Advances	202,332.27	73.31%	189,729.72	73.85%
Fixed Asset incl. Premises, Furniture & Fixture	4,925.60	1.78%	4,301.13	1.67%
Other Assets	13,383.47	4.85%	10,534.43	4.10%
Non-banking Assets	-	0.00%	-	0.00%
Total Assets	275,988.36		256,913.17	

Table 15: Nature of Secured Assets

Nature of Secured Assets	FY 2019		September 2020	
	BDT mn	% of Total	BDT mn	% of Total
Collateral of movable/immovable assets	112,773.66	59.44%	120,376.68	59.49%
Commodities and Export documents	19,364.44	10.21%	20,669.96	10.22%
Fixed Deposit Receipts (FDR)	10,735.33	5.66%	11,459.08	5.66%
Personal guarantee	27,326.77	14.40%	28,980.39	14.32%
Other securities	19,529.51	10.29%	20,846.16	10.30%
Total Loan & Advances (L&A)	189,729.72		202,332.27	

Significant part (59.49%) of Issuer's loan and advance in 2020 has been covered by collateral of movable or immovable assets. BDT 11,459.08 million or 5.66% of total loan and advances is backed by FDR. BDT 28,980.39 million is backed by personal guarantee.

Table 16: Classification of Loans and Advances

Particulars	September 2020		FY 2019	
	BDT mn	% of L & A	BDT mn	% of L & A
Standard including staff loan	186,019.48		171,958.46	
Special Mention Account (SMA)	6,513.35		7,544.04	
Unclassified Loans and Advances	192,532.83	95.16%	179,502.50	94.61%
Substandard	837.85		758.46	
Doubtful	339.3950		379.0768	



Bad & Loss	8,622.20		9,089.68	
Classified Loans & Advances	9,799.45	4.84%	10,227.22	5.39%
Total Loan & Advances (L & A)	202,332.27		189,729.72	

More than 95% of MTB's total loan and advances is categorized as unclassified in 2020.

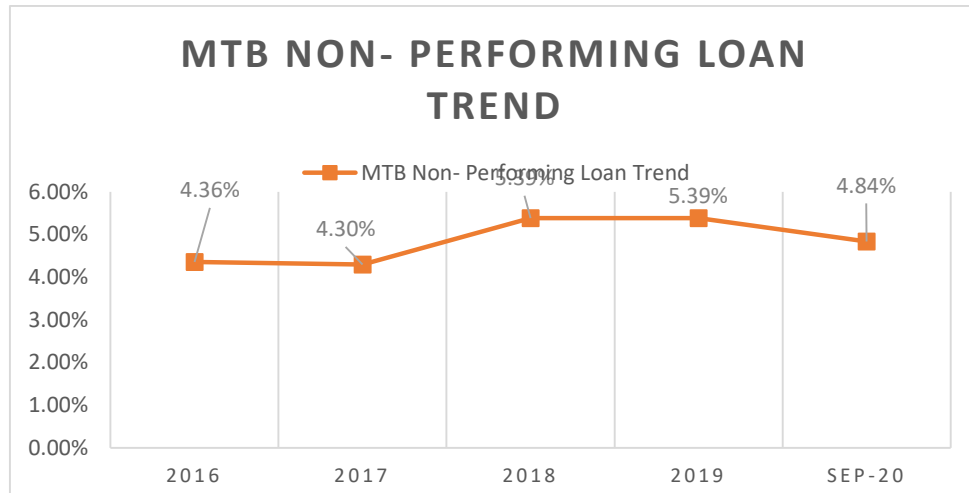


Figure 5: Trend of Non-Performing Loan

Over these period, MTB's highest NPL was 5.39% in 2018 & 2019. High NPLs in 2018 & 2019 are largely attributed to capital market turmoil, political unrest, slowdown in real estate sector and ship building industry and obviously the revised stringent loan provisioning rules of Bangladesh Bank. NPL has decreased in 2020.

x. Off-balance Sheet Exposure:

MTB's total off-balance sheet exposure increased from its preceding year and stood at BDT 98,218.15 million.

Table 17: Classification of Loans and Advances

Contingent Liabilities	September 2020		FY 2019	
	BDT mn	% of Total	BDT mn	% of Total
Acceptances and endorsements	30,237.47	30.79%	28,080.70	34.01%
Letters of guarantee	38,757.77	39.46%	30,336.49	36.74%
Irrevocable letters of credit	22,735.58	23.15%	22,398.09	27.13%
Bills for collection	6,487.33	6.61%	1,753.28	2.12%
Other contingent liabilities	0.00	0.00%	0.00	0.00%
Total Off-Balance Sheet Items	98,218.15		82,568.56	

MTB's off-balance sheet exposure comprises of acceptances and endorsements, letter of guarantee, irrevocable letter of credit, and bills for collections. All of them except letter of guarantee increased to a significant extent from previous year.

9.5 Profile of Directors

Mr. Md. Hedayetullah **Chairman**

Mr. Md. Hedayetullah is the Chairman of Mutual Trust Bank Ltd. (MTB). Prior to his new role, he was the Vice Chairman of the Board from February 26, 2016 to May 30, 2018. He was also the Chairman of the Executive Committee of the bank.

He is presently serving as the:

- Chairman of Hedayetullah Securities Ltd.
- Managing Director of FB Footwear Ltd.
- Managing Director of Footbed Footwear Ltd.
- Director of Apex Tannery Ltd.
- Director of Apex Property Development Ltd.

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

Mrs. Khwaja Nargis Hossain **Vice Chairman**

Mrs. Khwaja Nargis Hossain is the Vice Chairman of the Board of Mutual Trust Bank Limited (MTB). Mrs. Hossain received Master's Degree in Islamic History from the University of Dhaka.

She is also

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

Mr. Syed Manzur Elahi **Director & Founding Chairman**

Mr. Syed Manzur Elahi is the Founding Chairman of Mutual Trust Bank Ltd. (MTB) and Pioneer Insurance Company Limited and currently serving as the Chairman of the Executive Committee of the bank. Mr. Elahi is the Chairman of Apex Group, a leading business conglomerate in Bangladesh, and has won various awards for his contributions to trade and industry including "Business Executive of the Year 2000" by the

American Chamber of Commerce (AMCHAM), Bangladesh and “Business Person of the Year 2002” award, sponsored by the Daily Star and DHL Worldwide Express.

Besides being an eminent industrialist, he was also appointed Adviser to the Caretaker Government of Bangladesh, twice (1996 & 2001), for his leadership qualities, professionalism and non-partisanship. Mr. Elahi holds an M.A. (Econ.) from the University of Dhaka.

- Mr. Elahi is currently the Chairman of
- Apex Tannery Ltd.
- Apex Footwear Ltd.
- Apex Pharma Ltd.
- Blue Ocean Footwear Ltd.
- Apex Enterprises Ltd.
- Apex Investments Ltd.
- Grey Advertising (Bangladesh) Ltd.
- Quantum Market Research
- Manusher Jonno Foundation
- Holiday Publications
- Bangladesh Freedom Foundation

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

Previously, Mr. Elahi has served as Chairman of the Bangladesh Association of Banks (BAB), Chairman of the East West University Foundation (EWUF), Chairman of Central Depository Bangladesh Ltd. (CDBL), Vice Chairman of the Bangladesh Association of Publicly Listed Companies (BAPLC), Director on the Boards of Bangladesh Bank, Sonali Bank and Bangladesh Krishi Bank, Director of the Export Promotion Bureau, Bangladesh, President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), President, Bangladesh Employers Association (BEA), President of the Dhaka University Alumni Association (DUAA) and Honorary Consul for Belgium in Bangladesh.

Dr. Arif Dowla

Director

Dr. Arif Dowla has served as Chairman of Mutual Trust Bank Ltd. (MTB) from January 17, 2012 to February 26, 2014 and is now serving as the Chairman of the Board Risk Management Committee. Son of Mr. M. Anis Ud Dowla, a leading name in Bangladesh’s corporate business, trade and industry arena, Dr. Dowla is the Managing Director of the renowned conglomerate, Advanced Chemical Industries (ACI) Ltd. as well as its following subsidiaries:

- ACI Pure Flour Limited
- ACI Foods Limited
- ACI Motors Limited
- ACI Logistics Limited
- ACI Agrolink Limited
- Premiaflex Plastics Limited
- Stochastic Logic Limited

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

- ACI Formulations Limited
- ACI Salt Limited
- ACI Biotech Limited
- ACI Edible Oils Limited
- ACI Godrej Agrovet (Pvt.) Limited
- Creative Communication Limited
- Consolidated Chemicals Limited
- ACI Healthcare Limited – Vice Chairman
- ACI Healthcare USA Inc.
- ACI Chemicals Limited
- Infolytx Bangladesh Limited
- Bangladesh Business Publications Limited publishing company of the bi-monthly business magazine
- Member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).

Dr. Dowla obtained PhD degree in Mathematics from the University of California, San Diego, USA. He is a member of the American Mathematical Society and a Young Global Leader Honoree 2009 bestowed by World Economic Forum. He is also the Honorary Consul of the Kingdom of Belgium in Bangladesh.

Mr. Rashed Ahmed Chowdhury

Director

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

Mr. Chowdhury is the:

- Chairman of Banga Garments Ltd.
- Chairman of ABC Building Products Ltd.
- Founder Trustee and Chairman of the Board of Trustees of Independent University, Bangladesh (IUB)
- President and founding member of Cadet College Club Limited
- Director (former Chairman) of 'Bangladesh Business Publications Limited', a publishing company of the bi-monthly 'business' magazine.
- Senior Vice President of Bangladesh Squash Rackets Federation.

He is also

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

He has served as

- Senior Vice President of Bangladesh Terry Towel Manufacturers and Exporters Association

- President of the Rotary Club of Dhaka Central
- Assistant Governor of Rotary District-3280

Mr. Chowdhury obtained Higher National Diploma in Business Studies from West London College, UK and a Post Graduate Degree in Business Management from Kingston University of the United Kingdom. He is a member of the Chartered Management Institute, UK.

Mr. M. A. Rouf, JP (Former Chairman)

Director

Mr. M. A. Rouf, JP is the Director of Mutual Trust Bank Limited (MTB). Prior to this role, he served as the Chairman of the bank and its three subsidiary companies, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, from February 26, 2016 to May 31, 2018.

He is the Chairman of Britannia Group, a British-Bangla Joint Venture Real Estate Company. Besides, he is also a Director of Tiger Tours Ltd. (Bangladesh).

Mr. Rouf is a renowned personality and holds several prestigious positions at home and abroad. He was a Justice of Peace (JP) for Scotland over 10 years. Besides, he was serving as the elected Regional President for the British Bangladesh Chamber of Commerce in the UK for Scotland for the last sixteen years. He was also appointed as a Delegate for the Department of British Trade Mission of Bangladesh. He is a Senior Vice President of UKBCCI (UK Bangladesh Catalysts of Commerce & Industry). Mr. Rouf was the Financial Director for Scottish Cancer Research Centre for over 8 years.

Presently Mr. Rouf is serving as the chairman of following foreign company:

Diamond Properties, UK- One of the buildings the company has built, received the Civic Trust Award from the Scottish Building Authority. This was the first time an enterprise with a South Asian background was received this accolade.

He is a lifetime member of the University of St. Andrews and also a member of St. Andrews Golf Club, which is the 2nd oldest golf club in the world. He is also a member of Army Golf Club Dhaka. He has also held the post of Honorary Vice Chairman of St. Andrews University Union Debating Society for the last 17 years, which is the oldest debating society in the world and last 20 years he has been the President of St. Andrews University Cricket Club. The Cricket Team came to Bangladesh & played six matches, they had a wonderful time in 1999.

Mr. Md. Abdul Malek

Director

Mr. Md. Abdul Malek, Director of Mutual Trust Bank Ltd. (MTB), obtained B.Sc. Engineering (Civil) from BUET, a renowned engineering institution of the country. He has vast experience and special skills and expertise in structuring and developing, calamity and devastation resilient and green buildings along with a glorious tradition in construction of multi-storeyed buildings.

He was the Chairman of Sheltech Consultants (Pvt.) Ltd. (SCPL), a major practitioner in Urban Planning, Architectural, Engineering Design, and Tourism Development. SCPL has successfully completed many projects, for major International Development Funding Agencies, which includes the Asian Development Bank (ADB), The World Bank, United Nations Development Program (UNDP), European Economic Community (EEC), Swiss Agency for Development and Cooperation (SDC), Finnish International Development Agency (FINNIDA), United States Agency for International Development (USAID), United Nations Children's Fund (UNICEF), Department for International Development (DFID), Directorate-General

for International Cooperation (DGIS) and Royal Netherlands Embassy (RNE), on behalf for Govt. of Netherlands. SCPL has earned a good recognition both locally and internationally. He has also vast experience in the Garments sector.

Mr. Md. Wakiluddin

Director

Mr. Md. Wakiluddin, Director of Mutual Trust Bank Limited (MTB) is the Chairman of Baridhara Corporation Ltd.

He is also

- Managing Director of Swadesh Properties Ltd.
- Director of HARDCO International School.
- Managing Director of Swadesh Global Media Ltd.

Ms Anika Chowdhury

Director

Ms. Anika Chowdhury is a Director of Mutual Trust Bank Limited (MTB), grand daughter of the iconic and legendary MTB Chairman, late Mr. Samson H Chowdhury and daughter of Mr. Tapan Chowdhury, Managing Director of Square Pharmaceuticals Ltd. and former Adviser to the Caretaker Government of Bangladesh in 2007.

She received Master's Degree in Business Administration from the University of Columbia, New York.

She is also a Managing Director of Square Health Limited, Director of Square Fashions Ltd. and Management Coordinator of Square Group the leading business conglomerate in Bangladesh.

Mr. Md. Manirul Islam

Director

Md. Manirul Islam, Director of Mutual Trust Bank Ltd. (MTB), completed B.Com (Hons), M.Com (Accounting) from Dhaka University in 1976 and passed BIA Diploma from Bangladesh Insurance Academy in the year 1985. During his service in Shadharon Bima Corporation, he worked in various departments such as underwriting, Claims, Accounts, Re-insurance, Finance & Investments etc. and gathered extensive knowledge and experience. He worked as General Manager Finance, Re-Insurance, Underwriting, Claims and Dhaka Zonal office and retired voluntarily on 30.09.2012 and joined Pragati Insurance Company Ltd. on 1st October, 2012.

During the service period he attended many insurance related seminars, symposium and workshops. He participated in various professional training courses at home and abroad. Mr. Islam is now a renowned insurance personality.

Apart from insurance industry, Mr. Manirul Islam is well associated with various social organisations. He was a councillor of Bangladesh Football Federation (BFF). He was also a councillor and former member of the Finance Committee of Bangladesh Cricket Board (BCB).

Mr. Islam was member (nominated) of the Board of Directors:

- National Housing Finance & Investment Ltd.
- IDFC Ltd.

- IDFC Securities Ltd.
- KAY & QUE (Bangladesh) Ltd.

Former Member

- Central Rating Committee – IDRA
- Fire Rating Sub-Committee – IDRA

Member

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

Ms Nasreen Sattar
Independent Director

Ms. Nasreen Sattar is an Independent Director of Mutual Trust Bank Limited (MTB). Prior to joining MTB, she was an Independent Director and Member of Executive Committee & Audit Committee of IPDC Finance Limited – IPDC is a Non-Banking Financial Institution with foreign and local Institutional investors including Government of Bangladesh.

Ms. Sattar began her banking career with ANZ Grindlays Bank, Bangladesh as a Management Trainee Officer, in 1986, where she served for 6 years in various roles, including the Head of Institutional Banking. In the year 2007, she joined Standard Chartered Bank, where she took various important roles, including the Regional Head for Development Organizations for South Asia.

Prior to joining CONSUMARK, a niche service provider in the areas of Human Resource Management, and Outsourced Services, she was the Chief Executive Officer of Standard Chartered Bank, Afghanistan.

During her service in Standard Chartered Bank, Afghanistan as a Chief Executive Officer, she managed challenges of security, volatility in nascent financial markets, with limited options for revenue generation and developed local staff, created retention culture. She, in line with Standard Chartered Bank Group Policy, also developed local resources to replace senior level expatriate jobs. She, as a member of Afghanistan Bank Association (ABA), assisted Central Bank (DAB) with anti-money laundering issues and other financial sector issues. During her service in Standard Chartered Bank, Afghanistan, she successively attained Camel Rating 1 for two years by Central Bank Audit Inspection.

In 2012 Standard Chartered Bank sold its business in Afghanistan to a leading local bank – Afghanistan International Bank (AIB). She was invited by Afghanistan International Bank (AIB) to join a team of International Consultants on a short-term assignment for three months to help integration/transition of business from Standard Chartered to AIB and in skills development for the latter institution.

Mr. Herbert Ludwig Jaeger
Director

Herbert Ludwig Jaeger has over 36 years of experience in corporate finance and accounting, export financing, controlling, IT, and development finance. Mr. Jaeger has work experience in Advans MFI Myanmar Company Limited, Mandalay, Myanmar and, presently, is a member of the Board of Directors

and its Audit Committee since 2018. He serves as Investment Director, Financial Institutions of Norfund – The Norwegian Investment Fund for Developing Countries at the Norfund Bangkok Office.

He has served as Investment Director of DEG – The German Investment and Development Company, Thailand Representative Office. He contributed in that role in business development of financial institutions in Bangladesh, Myanmar, Cambodia, Vietnam and Laos, financial engineering, project development, due diligence, portfolio management and cooperating with other developmental financial institutions and commercial banks.

He worked as a Vice President / Senior Investment Manager of DEG – The German Investment and Development Company, Köln, Germany and Senior Investment Manager of Apatar Radolfzell GmbH, Radolfzell, Germany (packaging industry, subsidiary of Apatar Inc., NYSE listed). As the Vice President of DEG in Köln, Germany, he was responsible for debt financing of financial institutions in Asia, financial engineering, project development, due diligence, portfolio management, cooperating with other developmental financing institutions and commercial banks and represented DEG at government level. Mr. Jaeger began his career as Credit Manager, Export Financing in 1985, where he served for 5 years from 1985 to 1989 and took part in International Business Trainee Programme, worked in subsidiaries and partner banks in London and Luxembourg, where he took the role of Credit Manager for export financing.

During his service with Landesbank Rheinland-Pfalz GmbH, Germany (Central Bank of saving banks) as Head of Accounting & IT from 1993 to 1995 and member of the management board, he took a number of important roles in developing the complete IT infrastructure and complete internal organization structure and process organization, developing controlling tools for bank reporting and internal control systems.

After that, he started working for ISB – Investitions- und Strukturbank Rheinland-Pfalz GmbH, Germany (Development Finance Institution) as Chief Financial Controller and member of the Management Board from 1995 and served till 1998. Here, he contributed in various responsibilities like re-organization of cost controlling department, development of controlling tools for consolidation, reporting, budgeting, reporting to European headquarters in Paris, benchmarking of European production sites and planning and implementation of SAP software.

Mr. Jaeger obtained his MBA in International Financial Management from the University of Trier, Germany and completed his Bachelor of Economics from the University of Konstanz, Germany. He is a Graduate member of the Thai Institute of Directors and has completed Bank Training at Volksbank eG, Überlingen, Germany.

Mr. Jaeger possesses core competencies and wealth of experience in corporate finance, project development, including creating and evaluating business plans, financial projections, business development, due diligence, team leadership, intercultural management, negotiations and has a strong entrepreneurial attitude.

Mr. M. Mokammel Haque
Independent Director

Mr. M. Mokammel Haque, a retired Secretary of the People’s Republic of Bangladesh Government, is an Independent Director of Mutual Trust Bank Limited (MTB). He also serves as Chairman of Kabi Mozammel Haque Foundation and Member of Underprivileged Children Program (UCEP). Prior to joining MTB, he was an Independent Director of Pioneer Insurance Company Limited.

Mr. Mokammel began his career as Lecturer, Political Science Department of the University of Dhaka. After 2 years in 1960, he joined Government of Pakistan as Assistant Commissioner under Training and

worked till 1966 as SDO, Bagerhat, Govt. of East Pakistan and Senior Scale Section Officer, Establishment Division-GOP-respectively.

He joined Government of Bangladesh in 1968 as Deputy Commissioner of undivided Sylhet, Mymensing, Chattogram and Dhaka District. He served Government of Bangladesh till 1975 as Director General, Integrated Rural Development Program (IRDP).

Mr. Mokammel worked as Vice-Chairman, World Trade Centre and Member of the Executive Board, UNICEF from 1977 to 1980. He also served Rupali Bank Limited as a Director from 1977 to 1980. Mr. Mokammel started serving Government of Bangladesh in 1980 again as Director, Commonwealth Secretariat, London, UK and served there till 1986.

He served various important Ministries of the People's Republic of Bangladesh:

- Secretary, Ministry of Education, Government of Bangladesh (1974-75)
- Secretary, Ministry of Land, Government of Bangladesh (1986-89)
- Secretary, Ministry of Commerce, Government of Bangladesh (1990)
- Secretary, Ministry of Health, Government of Bangladesh (1991-92)

Mr. Mokammel also served different Government Agencies:

- Vice Chairman, Export Promotion Bureau (EPB), Government of Bangladesh (1977-80)
- Member, Programming and Socio Economic Infrastructure Division, Planning Commission, Government of Bangladesh (1992-94)
- Executive Chairman, Board of Investment (BOI), Government of Bangladesh (1994-95)
- Minister-Executive Chairman, Board of Investment (BOI), Government of Bangladesh (1999-2001)

Mr. Mokammel obtained his M. A. in Political Science from the University of Dhaka in 1957 and completed his Bachelor of Honours (BA) in Political Science from the University of Dhaka in 1956. He completed his CFS exam in 1959 and Diploma in Development Administration, London School of Economics, London, UK.

Mr. Syed Mahbubur Rahman

Managing Director & CEO

Mr. Syed Mahbubur Rahman has recently been appointed as Managing Director & CEO of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited. Before joining Dhaka Bank Limited, he served BRAC Bank Limited as Managing Director & CEO and Deputy Managing Director (DMD). He also served Prime Bank Limited as Deputy Managing Director. He is the Immediate Past Chairman of the Association of Bankers, Bangladesh Limited (ABB).

He was accorded with 'The Asian Banker Leadership Achievement Award' for Bangladesh for his achievement in the period from 2011 to 2013. After completing Master of Business Administration (MBA) from Institute of Business Administration of the University of Dhaka, he started his career with Saudi-Bangladesh Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer (Officer in Charge of Monitoring) in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking from 1996 to 1998 and Standard Chartered Bank as Relationship Manager, Corporate Banking from 1998 to 2000. In 2002, he joined Citibank N.A. as Resident Vice President and left the bank in 2008 when he was a Director of the bank and was serving as the Head of Financial Institutions Group.

Mr. Mahbub has attended various local and overseas training courses and workshops, and frequently delivers lectures in the field of finance, banking and management. He has a happy family with his wife and two lovely daughters.

9.5.1 Management Profile

MTB's Top Management consists of the following officials:

Sl.	Name	Designation	As
1	Mr. Syed Mahbubur Rahman	Managing Director & CEO	Chairman
2	Mr. Syed Rafiqul Haq	AMD & CBO	Member
3	Mr. Chowdhury Akhter Asif	AMD & GCRO	Member
4	Mr. Goutam Prosad Das	Deputy Managing Director & GHoICC	Member
5	Mr. Tarek Reaz Khan	DMD, COO & CAMLCO	Member
6	Mr. Syed Rafiqul Hossain	SEVP & HoMTB Dhaka Division Branches	Member
7	Mr. Sayed Abul Hashem	SEVP & GCFO	Member
8	Mr. Md. Shah Alam Patwary	SEVP & GCIO	Member
9	Mr. Md. Bakhteyer Hossain	SEVP & HO Transaction Banking	Member
10	Mr. Md. Shamsul Islam	SEVP & GHoT	Member
11	Mr. Malik Muntasir Reza	SEVP & GCS	Member
12	Mr. Shyamol Boran Das	SEVP & Chief Digital Officer	Member
13	Mr. Usman Rashed Muyeem	SEVP & HoCRM	Member
14	Mr. Marcus C. Gomes	EVP & GHoHR	Member
15	Mr. Azam Khan	SVP & GCCO	Member

9.6 Description of Encumbered and Unencumbered Assets with Value thereof

i. Encumbered Assets

As at September 30, 2020 there was no encumbered asset of Mutual Trust Bank Ltd.

ii. Unencumbered Assets

As of September 30, 2020, total unencumbered asset of Mutual Trust Bank Ltd. is BDT 32,135,107,263.

9.7 Description of Assets and Liabilities (Consolidated)

i. Description of Assets

Since Mutual Trust Bank Limited is a commercial bank, most of its assets are financial assets like loans & advances, bills discounted, government treasury securities, debt and equity securities issued by corporates, etc. while loans & advances comprises the lion-share of the bank's total assets. Details breakdown of total assets are given below:

Table 18: Description of Assets

Types of Assets	September 2020
	BDT mn
Cash	12,691.40
Balance with Other Banks & FIs	4,301.60
Money at Call and Short Notice	2,890.00
Investments	35,464.02
Loans and Advances	202,332.27
Fixed Asset incl. Premises, Furniture & Fixture	4,925.60
Other Assets	13,383.47
Non-banking Assets	-
Total Assets	275,988.36

ii. *Cash:*

MTB's Cash & Cash equivalents as of September 30, 2020 stood at BDT 12,691.40 million. Out of total, BDT 9,714.78 million was kept with Bangladesh Bank and its agent banks.

Table 19: Description of Cash

Particulars	Amount in BDT Mn as September 30, 2020
Mutual Trust Bank Limited	2,953.00
MTB Securities Limited	10.25
MTB Capital Limited	0.01
MTB Exchange (UK) Limited	13.36
Total Amount	2,976.62
Balance with Bangladesh Bank and its agent bank(s)	
Mutual Trust Bank Limited	9,714.78
Total Amount (including foreign currency)	12,691.40

iii. *Balance with Other Banks & Financial Institutions:*

MTB's total Balance with other banks and financial institutions stood at BDT 4,460.92 million as of September 30, 2020.

Table 21: Description of Balance with other Banks & FIs

Particulars	Amount in BDT Mn as on September 30, 2020
In Bangladesh	
Mutual Trust Bank Limited	1,075.38
MTB Securities Limited	697.13



MTB Capital Limited	7.57
MTB Exchange (UK) Limited	0.00
Less: Intragroup Deposit	-564.43
Total in Bangladesh	1,215.65
Outside Bangladesh	
Mutual Trust Bank Limited	3,244.49
MTB Exchange (UK) Limited	0.78
Total outside Bangladesh	3,245.26
Grand total	4,460.92

iv. *Money at Call on Short Notice*

Particulars	Amount in BDT Mn as on September 30, 2020
National Bank Limited	550.00
Jamuna Bank Limited	350.00
Trust Bank Limited	600.00
Standard Bank Limited	240.00
National Credit & Commerce Bank Limited	300.00
Midland Bank Limited	200.00
Lanka Bangla Finance Limited	150.00
Delta Brac Housing Finance Corporation Limited	300.00
IDLC Finance Limited	200.00
Grand Total	2,890.00

Table 20: Description of Investments

Particulars	Amount in BDT Mn as on September 30, 2020
Government securities	
Mutual Trust Bank Limited	32,136.67
Total Amount	32,136.67
Others Investments	
Mutual Trust Bank Limited	2,084.42
MTB Securities Limited	980.08
MTB Capital Limited	262.85
MTB Exchange (UK) Limited	0.00
Total Amount	3,327.35
Grand Total	35,464.02



v. *Loans and Advances*

Particulars	Amount in BDT Mn as on September 30, 2020
Consolidated loans, advances and lease	
Mutual Trust Bank Limited	197,390.18
MTB Securities Limited	2,996.48
MTB Capital Limited	288.90
MTB Exchange (UK) Limited	0.00
Intercompany loan	-313.35
Total Amount	200,362.21
Consolidated bills purchased and discounted	
Mutual Trust Bank Limited	1,970.06
Total Amount	1,970.06
Grand Total	202,332.27

Table 21: Description of Loans/investment, cash credits, overdrafts

As of September 30, 2020, total loans and advances of the Issuer stood at BDT 202,332.27 million; the breakdown is given above.

vi. *Fixed Assets*

MTB's fixed assets include land, buildings, machineries & equipment and furniture and fixtures among others. As of September 30, 2020, MTB's total net fixed assets stood at BDT 4,925.60 million.

Table 22: Description of Fixed Assets

Particulars	Amount in BDT Mn as on September 30, 2020
Mutual Trust Bank Limited	4,856.50
MTB Securities Limited	63.90
MTB Capital Limited	3.86
MTB Exchange (UK) Limited	1.34
Consolidated net book value at the end of the year	4,925.60

vii. *Other Assets*

Particulars	Amount in BDT Mn as on September 30, 2020
Mutual Trust Bank Limited	16,708.91
Less: Investment in subsidiary	-3,528.40
MTB Securities Limited	181.54
MTB Capital Limited	60.93

MTB Exchange (UK) Limited	1.17
Less: Intragroup receivable & payable	-40.68
Total Other Assets	13,383.47

MTB's other assets include investments in subsidiary companies, interest/profit receivables, security deposit, suspense account among others. Total other assets of the Bank as of September 30, 2020 stood at BDT 13,383.47 million on consolidated basis.

viii. Description of Liabilities

As of September 30, 2020, consolidated total liabilities of Mutual Trust Bank Limited stood at BDT 258,750.11 million. Details breakdown of total liabilities are given below:

Table 27: Description of Liabilities

Particulars	September 2020
	BDT in million
Borrowings from other banks, financial institutions and agents	27,371.84
Deposits and other accounts	194,907.17
Tier-II subordinated bond	10,800.00
Other liabilities	25,671.10
Total Liabilities	258,750.11

ix. Borrowing from other Banks, Financial Institutions & Agents

MTB's borrowing from other banks, financial institutions & agents stood at BDT 27,371.84 million as of September 30, 2020.

Table 28: Description of Borrowings from other banks, FIs and Agents

Particulars	September 2020
	BDT in million
In Bangladesh	
Mutual Trust Bank Limited	16,627.09
Offshore Banking Unit	6,048.99
Outside Bangladesh	
Mutual Trust Bank Limited	-
Offshore Banking Unit	8,344.65
Less: Inter transaction with Offshore Banking Unit	-3,648.89
Consolidated borrowings from other banks, FIs and agents	27,371.84

x. Deposits and Other Accounts

Given the nature of its business, MTB's major liabilities come in the form deposits and other accounts. As of September 2020, MTB's total deposits & other accounts stood at BDT 194,907.17 million.

Table 23: Description of Deposits and Other Accounts

Particulars	September 2020
Current Deposit & Other Accounts:	
Current Deposit	11,555.93
Foreign Currency Deposit	4,443.17
Sundry Deposit	3,016.84
Offshore Banking Unit	5.62
Less: Intragroup Deposit	-0.07
Total Current Deposit and Other Accounts	19,021.48
Bills Payable:	
Payment Order Issued	1,174.19
Pay Slip Issued	0.95
Demand Draft Payable	3.67
T.T Payable	-
Total Bills Payable	1,178.80
Savings Deposit	34,370.36
Special Noticed Deposits	15,644.03
Fixed Deposits:	
Mutual Trust Bank limited	83,524.46
Offshore Banking Unit	22.09
Less: Intragroup Deposit	-100.00
Total Fixed Deposit	83,446.55
Deposit-Products:	
Brick by Brick	12,412.67
MTB Double Saver Plan	9,144.72
MTB Monthly Benefit Plan	9,321.63
MTB Millionaire Plan	5,009.25
MTB Kotipati	4,622.37
MTB Education Plan	375.75
MTB Triple Saver Plan	9.55
NRB Deposit Pension Scheme	142.46
Children Education Deposit Scheme	19.08
MTB Gift Cheque	18.95
Festival Savings Plan	0.79
Best invest Deposit	0.70
Save Everyday Deposit	0.52

MTB Quarterly Benefit Plan	167.50
Unique Savings Plan	-
Total Deposit Products	41,245.94
Total Deposit Amount	194,907.17

xi. Other Liabilities

MTB's other liabilities include various provisions including provision for classified and unclassified loans & advances, provision for off-balance sheet exposure, provision for income tax and others.

Table 24: Description of Other Liabilities

Particulars	September 2020
	BDT in million
Provision for Loans and Advances	7,449.10
Provision for Off Balance Sheet Items	865.45
Provision against Shares in quoted companies	70.50
Provision for Other Asset	65.10
Provision for Income Tax	9,304.29
Provision for Gratuity	112.50
Provision for Good Borrower	5.77
Interest Suspense	3,165.70
Bonus Payable	66.08
Contribution to MTB Foundation	0.00
Contribution to MTB Employees Welfare Fund	0.00
Blocked Interest Receivable BB Subsidy	33.92
Accrued Expenses	1,104.57
Interest Payable on Subordinated debt	181.97
Interest Payable on Borrowing	64.57
Lease Liabilities	1,062.78
Liabilities Under Finance Lease	0.69
Offshore Banking Unit	940.38
Less: Inter transaction with Offshore Banking Unit	-120.02
MTB Securities Limited	1,155.39
MTB Capital Limited	144.85
MTB Exchange (UK) Limited	38.20
Less: Intragroup receivable & payable	-40.68
Total Amount	25,671.10

9.8 Description of Previously Issued Debt or Equity Securities

SL	Type of Issue	Year of Issue	Brief Description of the Issue
1	IPO	2003	MTB Issued 4,000,000 shares of BDT 100 each through Initial Public Offering at 25% premium (@ BDT 125 each) in 2003. MTB collected BDT 600 million in cash as IPO proceedings and Paid-up capital was increased by BDT 400 million.
2	Right Share	2008	In the year 2008 MTB issued Right share at 5:1 ratio (20%) without any premium to enhance the capital of the Bank. Just before the right issue the paid-up capital was BDT 1,247.4 million and the amount of right issue was BDT 249.48 million. The offer was duly subscribed. The number of right shares issued was 24,948,000.
3	Bond Issue (MTB 1 st Subordinated Bond)	2010	In 2010, MTB issued its 1st Subordinated Bond of BDT 2,500 million with an option of 20% conversion. The coupon rate for the bond was 12% and interest on the Bonds is payable semi-annually in arrear basis. The maturity of the Bond was 7 years and it will be redeemed in 2017. The issue manager of the bond was Citi NA and the bond was subscribed by 22 (Twenty two) different banks and corporate houses.
4	Bond Issue (MTB 2 nd Subordinated Bond)	2015	Mutual Trust Bank Limited issued 300 (Three Hundred) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (one crore) each totaling BDT 3000,000,000 (Three Hundred Crore) through private placement on 20 October 2015. The tenor of the bond was 7 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS/-29/412 dated August 24, 2015 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2015-11985 dated September 27, 2015 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 3000,000,000 (Three Hundred Crore) from 08 institutional investors on 20 October 2015.



5	Bond Issue (MTB 3 rd Subordinated Bond)	2017	Mutual Trust Bank Limited issued 500 (Five hundred) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (One Crore) each totaling BDT 5000,000,000 (Five Hundred Crore) through private placement on 16 February 2017. The tenor of the bond was 7 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS/-29/2015/670 dated November 22, 2016 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2016-8316 dated December 20, 2016 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 5000,000,000 (Five Hundred Crore) from 11 institutional investors on 16 February 2017.
6	Bond Issue (MTB 4th Subordinated Bond)	2020	Mutual Trust Bank Limited issued 500 (Five hundred) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (One Crore) each totaling BDT 5000,000,000 (Five Hundred Crore) through private placement in 2020. The tenor of the bond was 7 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS/-29/2015/549 dated December 31, 2019 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2019-10070 dated December 05, 2019 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 5000,000,000 (Five Hundred Crore) from 10 institutional investors through multiple tranches and completed the subscription on 14 September 2020.



Section 10: Auditors' Report along with Audited Financial Statements of MTB

Mutual Trust Bank Limited and its subsidiaries
Consolidated Balance Sheet
As at 30 September 2020

Property and Assets	Notes	30 September 2020	31 December 2019
		BDT	BDT
Cash	3.00	12,691,404,418	14,556,500,624
In Hand (Including Foreign Currency)		2,976,622,990	2,886,876,110
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)		9,714,781,429	11,669,624,514
Balance with Other Banks & Financial Institutions	4.00	4,301,597,423	3,385,050,274
In Bangladesh		1,056,332,777	647,783,394
Outside Bangladesh		3,245,264,645	2,737,266,881
Money at Call and Short Notice	5.a	2,890,000,000	206,800,000
Investments	6.00	35,464,015,248	34,199,538,201
Government		32,136,668,263	31,064,307,864
Others		3,327,346,985	3,135,230,337
Loans and Advances	7.00	202,332,273,111	189,729,715,862
Loans, Cash Credits, Overdrafts, etc.		200,362,213,501	186,991,247,910
Bills Purchased and Discounted		1,970,059,611	2,738,467,951
Fixed Assets including Premises, Furniture & Fixtures	8.00	4,925,603,818	4,301,132,697
Other Assets	9.00	13,383,466,095	10,534,428,577
Non-Banking Assets		-	-
Total Property and Assets		275,988,360,114	256,913,166,235
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions &	10.00	27,371,838,977	21,701,177,487
Deposits and Other Accounts	11.00	194,907,167,647	190,947,704,349
Current Deposits & Other Accounts		19,021,483,338	16,350,528,300
Bills Payable		1,178,802,713	1,643,542,846
Savings Bank Deposits		34,370,359,950	29,884,510,508
Special Notice Deposits		15,644,030,154	12,933,757,149
Fixed Deposits		83,446,548,442	91,060,961,747
Deposit Products		41,245,943,051	39,074,403,799
Other Liabilities	12.00	25,671,100,979	21,174,287,503
Subordinated Debts	13.a	10,800,000,000	6,800,000,000
Total Liabilities		258,750,107,603	240,623,169,339
Capital/Shareholders' Equity			
Paid-up Capital	14.a	7,386,324,180	7,034,594,460
Statutory Reserve	15.a	5,056,819,980	4,691,953,779
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment	17.00	478,114,092	421,956,410
Foreign Currency Translation gain/(loss)		5,480,556	5,392,239
General Reserve	18.a	786,777,324	786,777,324
Retained Earnings	19.00	2,429,301,113	2,253,888,061
Total Shareholders' Equity		17,238,122,023	16,289,867,051
Minority Interest	20.00	130,488	129,845
Total Liabilities and Shareholders' Equity		275,988,360,114	256,913,166,235
Net Asset Value (NAV) per share (2019 Restated)		23.34	22.05





Mutual Trust Bank Limited and its subsidiaries
Consolidated Balance Sheet
As at 30 September 2020

	Notes	30 September'2020	31 December'2019
		BDT	BDT
Off-Balance Sheet Items			
Contingent Liabilities	21.a		
Acceptances and endorsements		30,237,471,164	28,080,703,195
Letters of guarantee		38,757,772,490	30,336,492,151
Irrevocable letters of credit		22,735,581,403	22,398,091,176
Bills for collection		6,487,329,919	1,753,276,921
Other contingent liabilities		-	-
Total Off Balance Sheet Items		98,218,154,976	82,568,563,443
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		98,218,154,976	82,568,563,443

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka
November 25, 2020

Shafiq Basak & Co.
Chartered Accountants





Mutual Trust Bank Limited and its subsidiaries
Consolidated Profit and Loss Account
For the period ended 30 September 2020

Particulars	Notes	01 January to	01 January to	01 July to	01 July to
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		BDT	BDT	BDT	BDT
Interest Income	23.00	12,033,804,772	13,590,472,044	3,582,726,525	4,799,822,236
Less: Interest Paid on Deposits and Borrowings, etc.	24.00	9,218,485,009	9,494,767,227	2,812,725,604	3,537,023,665
Net Interest Income		2,815,319,763	4,095,704,817	770,000,922	1,262,798,571
Investment Income	25.00	2,730,206,569	1,615,936,922	838,385,259	646,495,731
Commission, Exchange and Brokerage	26.00	1,262,989,745	1,972,129,663	482,098,976	688,470,092
Other Operating Income	27.00	438,950,963	408,017,197	144,428,237	138,568,491
Total Operating Income		4,432,147,276	3,996,083,781	1,464,912,473	1,473,534,315
Total Operating Income		7,247,467,039	8,091,788,598	2,234,913,394	2,736,332,887
Less: Operating Expenses:					
Salary and Allowances	28.00	2,627,355,106	2,148,427,233	866,337,569	853,304,730
Rent, Tax, Insurance and Electricity etc.	29.00	462,102,406	603,953,617	157,908,507	208,581,352
Legal Expenses	30.00	1,437,985	2,793,027	738,774	1,060,167
Postage, Stamps and Telecommunication etc.	31.00	11,214,285	11,623,230	3,693,920	4,102,884
Stationery, Printing and Advertisements etc.	32.00	40,226,818	93,444,238	15,474,562	29,969,124
Managing Director's Remuneration	28.a.1	16,740,725	15,511,333	5,106,825	4,884,000
Directors' Fees	33.00	1,307,949	2,093,200	604,400	577,600
Auditors' Fees	34.00	217,729	324,124	-	127,554
Depreciation and Repair of Bank's Properties	35.00	564,886,767	368,726,772	196,946,692	135,305,843
Other Expenses	36.00	836,560,494	873,043,526	304,592,177	262,761,959
Total Operating Expenses		4,562,050,266	4,119,940,301	1,551,303,426	1,500,675,212
Profit Before Provision		2,685,416,772	3,971,848,298	683,609,968	1,235,657,674
Less: Provision for Loans, Investment & Other	37.00				
Specific Provision for Loans & Advances		302,753,587	1,535,899,850	(63,887,178)	645,423,200
General Provision for Loans & Advances		335,448,658	225,788,000	265,809,073	19,824,000
Provision for Off Balance Sheet Items		113,775,524	126,451,950	78,681,903	39,604,000
Provision for Margin Loan & Investment in Shares		60,000,000	59,300,000	26,000,000	16,300,000
Provision for Other Asset		-	30,000,000	-	20,000,000
Total Provision		811,977,769	1,977,439,800	306,603,798	741,151,200
Profit Before Tax		1,873,439,003	1,994,408,498	377,006,170	494,506,474
Less: Income Tax Expenses		629,699,666	760,132,203	221,673,543	160,805,662
Current Tax Expenses	38.00	738,645,811	1,330,210,501	197,840,382	411,457,699
Deferred Tax Expenses/(Income)	38.01	(108,946,145)	(570,078,298)	23,833,161	(250,652,037)
Net Profit After Tax		1,243,739,337	1,234,276,294	155,332,628	333,700,813
Shareholders' of the Bank		1,243,738,695	1,234,274,267	155,332,180	333,700,397
Minority Interest		643	2,028	448	416
Retained Surplus Brought Forward		1,243,739,337	1,234,276,294	155,332,628	333,700,813
		2,253,888,061	2,175,943,964	2,253,888,061	2,175,943,964
Appropriations:		3,497,626,756	3,410,218,231	2,409,220,241	2,509,644,361
Bonus Share Issued during the period		351,729,720	663,894,040	351,729,720	-
Cash Dividend Paid during the period		351,729,722	-	351,729,722	-
Transferred to Statutory Reserve		364,866,201	378,796,899	68,203,577	94,625,848
Transferred to General Reserve		-	-	-	-
		1,068,325,643	1,042,690,939	771,663,029	94,625,848
Retained Surplus, Carried Forward		2,429,301,113	2,367,527,291	1,637,557,212	2,415,018,513
Earnings Per Share (EPS) (2019 Restated)	39.00	1.68	1.67	0.21	0.45

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka
November 25, 2020

Shafiq Basak & Co.
Chartered Accountants





Mutual Trust Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 30 September 2020

Particulars	Amount in BDT									
	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2020	7,034,694,460	4,691,963,779	1,096,304,778	421,996,410	5,392,239	786,777,324	2,253,888,061	16,289,867,051	129,845	16,289,996,896
Bonus Share Issued during the period	351,729,720	-	-	-	-	-	(351,729,720)	-	-	-
Cash Dividend Paid during the period	-	-	-	-	-	-	(351,729,722)	(351,729,722)	-	(351,729,722)
Currency Translation differences Transferred to Provision	-	-	-	88,317	88,317	-	-	88,317	-	88,317
Revaluation Reserve transferred during the period	-	-	-	56,157,682	-	-	-	-	-	-
Net Profit for the period after Tax	-	-	-	-	-	-	1,243,738,605	1,243,738,605	643	1,243,739,337
Appropriation made during the period	-	364,866,201	-	-	-	-	(364,866,201)	-	-	-
Balance as at 30 September, 2020	7,386,324,180	5,056,819,980	1,095,304,778	478,114,092	5,480,556	786,777,324	2,429,301,112	17,238,122,023	130,488	17,238,252,511
Balance as at 30 September, 2019	6,699,394,440	4,474,801,257	518,826,578	403,663,802	8,501,958	786,777,324	2,367,527,292	15,259,394,652	130,478	15,259,525,130

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


Chairman


Director


Director


Managing Director & CEO





Mutual Trust Bank Limited and its subsidiaries
Consolidated Statement of Cash Flow
For the period ended 30 September 2020

	Notes	01 January to 30 September' 2020 BDT	01 January to 30 September' 2019 BDT
A) Cash Flows from Operating Activities:			
Interest Received		12,450,827,738	14,852,328,964
Interest Paid on Deposits, Borrowings, etc.		(8,923,987,939)	(7,797,936,968)
Dividend Income		12,669,442	19,754,304
Fees & Commission Income		1,262,989,745	1,972,129,663
Recoveries of Loans previously written off		16,416,395	42,710,800
Cash Paid to Employees as Salaries and Allowances		(2,644,095,831)	(2,163,938,566)
Cash Paid to Suppliers		(40,226,818)	(93,444,238)
Advance Income Tax Paid		(973,218,216)	(703,165,393)
Cash Received from Other Operational Income	40.00	1,304,392,130	523,440,726
Cash Paid for Other Operational Expenses	41.00	(1,379,282,615)	(1,594,349,777)
Cash Flows from Operating Activities before Changes in Net Current Assets :		1,086,484,029	5,057,529,515
Loans & Advances		(11,313,281,183)	(15,411,662,080)
Other Assets		(1,655,363,158)	(949,473,027)
Bank Deposit		(5,499,850,000)	(10,899,675,000)
Customers' Deposits		9,212,840,630	26,328,517,167
Borrowing from Other Banks, Financial Institutions & Agents		5,670,661,490	4,295,175,874
Other Liabilities		2,990,695,245	800,908,505
Net Cash Flows from Operating Activities		492,187,053	9,221,320,954
B) Cash Flows from Investing Activities:			
Investments in T. Bills, T. Bonds and other Investments in Shares & Bonds		(1,091,209,551)	(7,737,569,326)
Purchase of Premises & Fixed Asset (net)		(192,134,131)	(165,182,109)
Net Cash Flows from Investing Activities		(2,406,259,805)	(8,445,242,949)
C) Cash Flows from Financing Activities:			
Issue of new share with premium		-	820,598,598
Subordinated debt		4,000,000,000	-
Dividend Paid		(351,729,722)	-
Net Cash Flows from Financing Activities		3,648,270,278	820,598,598
D) Net Increase in Cash and Cash Equivalents		1,734,197,527	1,596,676,602
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		88,317	2,358,692
F) Opening Cash and Cash Equivalents		18,150,276,998	17,059,496,243
Closing Cash and Cash Equivalents (D+E+F)		19,884,562,841	18,658,531,538
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,976,622,990	3,383,749,866
Balance with Bangladesh Bank and its Agent Bank		9,714,781,429	10,801,450,813
Balance with Other Banks & Financial Institutions		4,301,597,423	4,471,487,459
Money at Call and Short Notice		2,890,000,000	-
Prize Bond		1,561,000	1,843,400
		19,884,562,841	18,658,531,538
Net Operating Cash Flows Per Share (2019 Restated)		0.67	12.48

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

 Chairman
 Director
 Director
 Managing Director & CEO





Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Liquidity Statement

As at 30 September 2020

Particulars	Amount in BDT					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
ASSETS :						
Cash	4,414,923,418	-	-	-	8,276,481,000	12,691,404,418
Balance with other Banks and Financial Institutions	3,039,425,499	902,933,615	359,238,308	-	-	4,301,597,423
Money at Call & Short notice	2,890,000,000	-	-	-	-	2,890,000,000
Investments	2,569,210,976	2,635,100,315	4,405,376,447	9,029,806,820	16,804,520,690	35,464,015,248
Loans and Advances	20,181,352,710	40,802,010,725	62,549,534,919	40,924,108,788	37,875,166,969	202,332,273,111
Premises and Fixed Assets	54,063,314	108,126,628	486,569,826	2,595,039,072	1,681,804,978	4,925,603,818
Other Assets	2,115,361,356	968,504,915	1,912,800,828	8,162,609,867	224,089,128	13,383,466,095
Non-Banking Assets	-	-	-	-	-	-
Total Assets	35,284,337,275	45,416,685,198	69,713,620,329	60,711,654,548	64,862,062,765	275,988,360,114
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,448,655,025	4,445,152,689	12,282,966,282	5,140,626,176	3,054,438,805	27,371,838,977
Deposit and Other Account	29,579,924,170	38,094,008,073	55,632,501,733	51,674,305,235	19,826,428,436	194,907,167,647
Provision & Other Liabilities	492,023,681	573,031,336	3,267,704,108	5,310,045,073	16,028,296,781	25,671,100,979
Subordinated Debts	600,000,000	-	1,000,000,000	8,200,000,000	1,000,000,000	10,800,000,000
Total Liabilities	33,120,602,876	43,112,192,099	72,183,172,122	70,324,976,484	40,009,164,023	258,750,107,603
Net Liquidities	2,163,734,399	2,304,493,099	(2,469,551,793)	(9,613,321,936)	24,852,898,742	17,238,252,511

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

Chairman

Director

Managing Director & CEO





Mutual Trust Bank Limited
Balance Sheet
As at 30 September 2020

Property and Assets	Notes	30 September' 2020	31 December' 2019
		BDT	BDT
Cash	3.a	12,667,782,441	14,544,242,195
In Hand (Including Foreign Currency)		2,953,001,012	2,874,617,681
With Bangladesh Bank and its agent Bank (s) (including foreign currency)		9,714,781,429	11,669,624,514
Balance with other Banks & Financial Institutions	4.a	4,160,547,187	3,238,932,109
In Bangladesh		916,061,948	501,983,663
Outside Bangladesh		3,244,485,239	2,736,948,447
Money at Call and Short Notice	5.a	2,890,000,000	206,800,000
Investments	6.a	34,221,088,514	33,194,745,597
Government		32,136,668,263	31,064,307,864
Others		2,084,420,251	2,130,437,734
Loans and Advances	7.a	199,360,240,374	186,768,615,074
Loans, Cash Credits, Overdrafts, etc.		197,390,180,763	184,030,147,123
Bills Purchased and Discounted		1,970,059,611	2,738,467,951
Fixed Asset including Premises, Furniture & Fixtures	8.a	4,856,500,408	4,228,351,649
Other Assets	9.a	16,708,908,716	13,874,313,597
Non-Banking Assets			
Total Property and Assets		274,865,067,640	256,056,000,222
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.a	27,371,838,977	21,701,177,487
Deposits and Other Accounts	11.a	195,471,595,314	191,369,293,195
Current Deposits & Other Accounts		19,021,556,274	16,351,289,150
Bills Payable		1,178,802,713	1,643,542,846
Savings Bank Deposits		34,370,359,950	29,884,510,508
Special Notice Deposits		16,108,384,885	13,254,585,144
Fixed Deposits		83,546,548,442	91,160,961,747
Deposit Products		41,245,943,051	39,074,403,799
Other Liabilities	12.a	24,373,342,619	20,264,557,270
Subordinated Debts	13.a	10,800,000,000	6,800,000,000
Total Liabilities		258,016,776,910	240,135,027,952
Capital/Shareholders' Equity			
Paid-up Capital	14.a	7,386,324,180	7,034,594,460
Statutory Reserve	15.a	5,056,819,980	4,691,953,779
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	17.a	430,000,802	373,843,120
Foreign Currency Translation gain/(loss)		437,802	603,742
General Reserve	18.a	786,777,324	786,777,324
Retained Earnings	19.a	2,092,625,864	1,937,895,067
Total Shareholders' Equity		16,848,290,730	15,920,972,270
Total Liabilities and Shareholders' Equity		274,865,067,640	256,056,000,222
Net Asset Value (NAV) per share (2019 Restated)		22.81	21.55





Mutual Trust Bank Limited
Balance Sheet
As at 30 September 2020

	Notes	30 September' 2020	31 December' 2019
		BDT	BDT
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and endorsements		30,237,471,164	28,080,703,195
Letter of guarantee		38,757,772,490	30,336,492,151
Irrevocable letters of credit		22,735,581,403	22,398,091,176
Bills for collection		6,487,329,919	1,753,276,921
Other contingent liabilities		-	-
Total Off-Balance Sheet Items		98,218,154,976	82,568,563,443
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		98,218,154,976	82,568,563,443

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka
November 25, 2020

Shafiq Basak & Co.
Chartered Accountants





Mutual Trust Bank Limited
Profit and Loss Account
For the period ended 30 September 2020

Particulars	Notes	01 January to	01 January to	01 July to	01 July to
		30 September' 2020	30 September' 2019	30 September' 2020	30 September' 2019
		BDT	BDT	BDT	BDT
Interest Income	23.a	11,969,051,949	13,609,191,372	3,560,006,224	4,770,249,574
Less: Interest Paid on Deposits and Borrowings, etc	24.a	9,225,154,232	9,507,525,874	2,813,155,271	3,540,023,665
Net Interest Income		2,743,897,717	4,001,665,498	746,850,953	1,230,225,909
Investment Income	25.a	2,698,174,081	1,577,450,876	826,100,152	640,112,800
Commission, Exchange and Brokerage	26.a	1,154,557,589	1,844,109,458	422,933,500	658,006,165
Other Operating Income	27.a	428,924,326	384,478,775	139,724,606	125,698,091
Total Operating Income		4,281,655,996	3,806,039,109	1,388,758,259	1,423,817,057
		7,025,553,713	7,807,704,607	2,135,609,211	2,654,042,966
Less: Operating Expenses:					
Salary and Allowances	28.a	2,564,862,118	2,081,095,600	844,331,277	828,463,308
Rent, Taxes, Insurance and Electricity etc.	29.a	434,239,880	575,692,465	149,770,115	193,109,914
Legal Expenses	30.a	1,437,985	2,793,027	738,774	1,060,167
Postage, Stamps and Telecommunication etc.	31.a	10,860,750	10,635,978	3,613,181	3,806,511
Stationery, Printing and Advertisements etc.	32.a	39,633,053	91,898,583	15,163,035	29,532,825
Managing Director's Remuneration	28.a.1	16,740,725	15,511,333	5,106,825	4,884,000
Directors' Fees	33.a	492,949	1,260,400	114,400	312,800
Auditors' Fees	34.a	-	34,500	-	34,500
Depreciation and Repair of Bank's Properties	35.a	569,226,420	362,610,954	195,157,852	133,265,907
Other Expenses	36.a	821,751,050	854,047,470	299,992,019	255,602,596
Total Operating Expenses		4,439,244,940	3,995,580,311	1,513,987,478	1,456,062,527
Profit Before Provision		2,586,308,773	3,812,124,296	621,621,733	1,197,980,438
Less: Provision for Loans, Investment & Other	37.a				
Specific Provision for Loans & Advances		302,753,587	1,535,899,850	(63,887,178)	645,423,200
General Provision for Loans & Advances		335,448,658	225,788,000	265,809,073	19,824,000
Provision for Off Balance Sheet Items		113,775,524	126,451,950	78,681,903	39,604,000
Provision for Investment in Shares		10,000,000	-	-	-
Provision for Other Asset		30,000,000	-	-	20,000,000
Total Provision		761,977,769	1,918,139,800	280,603,798	724,851,200
Profit Before Tax		1,824,331,004	1,893,984,496	341,017,935	473,129,238
Less: Income Tax Expenses		601,274,564	750,410,742	203,330,404	158,353,588
Current Tax Expenses	38.a	709,897,708	1,320,584,156	179,507,877	409,070,787
Deferred Tax Expenses/(Income)	38.a.1	(108,623,143)	(570,173,414)	23,822,527	(250,717,199)
Net Profit After Tax		1,223,056,440	1,143,573,754	137,687,531	314,775,650
Retained Surplus Brought Forward		1,937,895,057	1,934,032,472	1,937,895,057	1,934,032,472
		3,160,951,507	3,077,606,226	2,075,582,598	2,248,808,122
Appropriations:					
Bonus Shares Issued during the period		351,729,720	663,894,040	351,729,720	-
Cash Dividend Paid during the period		351,729,720	-	-	-
Transferred to Statutory Reserve		364,866,201	378,796,899	68,203,587	94,625,848
Transferred to General Reserve		-	-	-	-
		1,068,325,643	1,042,690,939	419,933,307	94,625,848
Retained Surplus, Carried Forward		2,092,625,864	2,034,915,287	1,655,649,291	2,154,182,274
Earnings Per Share (EPS) (2019 Restated)	39.a	1.66	1.55	0.19	0.43

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

Chairman

Director

Director

Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka
November 25, 2020

Shafiq Basak & Co.
Chartered Accountants





মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

Mutual Trust Bank Ltd.

you can bank on us

Draft Information Memorandum
Perpetual Bonds of BDT 4,000 Million

Mutual Trust Bank Limited
Statement of Changes in Equity
For the period ended 30 September 2020

Particulars	Amount in BDT							
	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total
Balance as at 01 January 2020	7,034,594,460	4,691,953,779	1,095,304,778	373,843,120	603,742,000	786,777,324	1,937,895,067	15,920,972,270
Bonus Share Issued during the period	351,729,720	-	-	-	-	-	(351,729,720)	-
Cash Dividend Paid during the period	-	-	-	-	-	-	(351,729,722)	(351,729,722)
Currency Translation differences	-	-	-	-	(165,940)	-	-	(165,940)
Revaluation Reserve transferred during the period	-	-	-	56,157,682	-	-	-	56,157,682
Net Profit for the year after tax	-	-	-	-	-	-	1,223,056,440	1,223,056,440
Appropriation made during the period	-	364,866,201	-	-	-	-	(364,866,201)	-
Balance as at 30 September 2020	7,386,324,180	5,056,819,980	1,095,304,778	430,000,802	437,802	786,777,324	2,092,625,864	16,848,290,730
Balance as at 30 September 2019	6,699,294,440	4,474,901,257	518,828,578	403,663,802	134,492	786,777,324	2,034,915,287	14,918,415,180

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

Chairman

Director

Director

Managing Director & CEO





Mutual Trust Bank Limited
Statement of Cash Flow
For the period ended 30 September 2020

Notes	01 January to	01 January to
	30 September' 2020	30 September' 2019
	BDT	BDT
A) Cash Flows From Operating Activities:		
Interest Received	12,386,074,915	14,771,048,293
Interest Paid on Deposits, Borrowings, etc.	(8,930,657,162)	(7,810,695,615)
Dividend Income	3,764,932	4,638,080
Fees & Commission Income	1,154,557,589	1,844,109,458
Recoveries of Loans & Other advances previously written off	16,416,395	42,710,800
Cash Paid to Employees as Salaries and Allowances	(2,571,602,843)	(2,096,606,933)
Cash Paid to Suppliers	(39,633,053)	(91,898,583)
Advance Income Tax Paid	(950,740,190)	(672,699,093)
Cash Received from Other Operational Income	40.a 1,271,237,515	476,532,483
Cash Paid for Other Operational Expenses	41.a (1,334,641,216)	(1,544,363,602)
Cash Flow from Operating Activities before Changes in Net Current Assets:	1,004,776,882	4,922,775,288
Loans & Advances	(11,302,349,233)	(15,297,489,695)
Other Assets	(1,663,398,785)	(420,891,320)
Bank Deposits	(5,499,850,000)	(10,899,675,000)
Customers' Deposits	9,355,679,451	26,249,580,324
Borrowing from Other Banks, Financial Institutions & Agents	5,670,661,490	4,295,175,874
Other Liabilities	2,681,092,218	268,099,769
	(758,164,859)	4,194,799,952
Net Cash Flows from Operating Activities	246,612,023	9,117,575,240
B) Cash Flow from Investing Activities:		
Investments in T. Bills, T. Bonds and other	(1,091,209,551)	(7,737,569,326)
Investments in Shares & Bonds	46,000,000	(6,500,000)
Purchase of Fixed Assets (Net)	(1,121,516,587)	(542,144,538)
Net Cash Flow from Investing Activities	(2,166,726,138)	(8,286,213,864)
C) Cash Flow from Financing Activities:		
Issue of new share with premium	-	820,598,598
Subordinated debts	4,000,000,000	-
Dividend Paid	(351,729,722)	-
Net Cash Flow from Financing Activities	3,648,270,278	820,598,598
D) Net Increase in Cash and Cash Equivalents	1,728,156,163	1,651,959,974
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	(165,940)	(240,788)
F) Opening Cash and Cash Equivalents	17,991,900,404	16,839,051,617
Closing Cash and Cash Equivalents (D+E+F)	19,719,890,627	18,490,770,803
The above closing Cash and Cash Equivalents include:		
Cash in Hand	2,953,001,012	3,363,293,751
Balance with Bangladesh Bank and its Agent Bank	9,714,781,429	10,801,450,813
Balance with Other Banks & Financial Institutions	4,160,547,187	4,324,182,839
Money at Call and Short Notice	2,890,000,000	-
Prize Bond	1,561,000	1,843,400
	19,719,890,628	18,490,770,803
Net Operating Cash Flows Per Share (2019 Restated)	0.33	12.34


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



Chairman



Director



Director



Managing Director & CEO





Mutual Trust Bank Limited
Liquidity Statement
As at 30 September 2020

Particulars	Amount in BDT					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
ASSETS :						
Cash	4,381,301,441	-	-	-	8,276,481,000	12,667,782,441
Balance with other Banks and Financial Institutions	3,013,170,188	859,174,763	288,202,237	-	-	4,160,547,187
Money at Call & Short notice	2,880,000,000	-	-	-	-	2,880,000,000
Investments	2,402,771,966	2,200,075,958	3,908,205,753	8,905,514,147	16,804,520,600	34,221,088,514
Loans and Advances	20,036,927,314	40,754,151,708	62,441,796,832	39,808,023,083	36,319,341,436	199,360,240,374
Premises and Fixed Assets	54,472,914	108,945,828	490,256,228	2,614,699,883	1,588,125,555	4,856,500,408
Other Assets	2,083,036,507	923,855,216	1,776,922,199	8,162,009,887	3,752,484,928	16,708,908,716
Non-Banking Assets						
Total Assets	34,881,680,330	44,846,203,473	68,905,383,249	59,490,846,980	66,740,953,608	274,865,067,640
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,448,655,025	4,445,152,689	12,282,966,282	5,140,626,176	3,054,438,805	27,371,838,977
Deposit and Other Account	29,579,997,106	38,194,008,073	56,096,856,463	51,674,305,235	19,926,428,436	195,471,595,314
Provision & Other Liabilities	376,484,774	532,352,229	2,400,696,889	5,266,589,758	15,797,218,968	24,373,342,619
Subordinated Debts	600,000,000	-	1,000,000,000	8,200,000,000	1,000,000,000	10,800,000,000
Total Liabilities	33,005,136,905	43,171,512,992	71,780,519,634	70,281,521,169	39,778,086,210	258,016,776,910
Net Liabilities	1,876,543,425	1,674,690,481	(2,875,136,385)	(10,790,674,189)	26,962,867,398	16,848,290,730

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



Chairman



Director



Director



Managing Director & CEO



Section 11: Comparative Financial Statements of MTB for Last 5 Years

11.1 Consolidated Balance Sheet of Mutual Trust Bank Limited & Its Subsidiaries

Table 25: MTB's Comparative Balance Sheet (Consolidated)

Mutual Trust Bank Limited					
Consolidated Balance Sheet					
Amount in BDT					
	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
PROPERTY & ASSETS					
Cash	12,691,404,418	14,556,500,624	12,300,993,770	13,077,123,517	11,263,046,577
In hand (Including Foreign Currency)	2,976,622,990	2,886,876,110	2,520,514,712	2,191,164,252	1,987,478,022
With Bangladesh Bank and its agent Bank (including Foreign Currency)	9,714,781,429	11,669,624,514	9,780,479,058	10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions	4,301,597,423	3,385,050,275	3,176,657,573	2,798,256,664	8,148,416,411
In Bangladesh	1,056,332,777	647,783,394	861,661,189	1,030,004,295	7,286,894,739
Outside Bangladesh	3,245,264,645	2,737,266,881	2,314,996,384	1,768,252,369	861,521,672
Money at Call and Short Notice	2,890,000,000	206,800,000	1,580,000,000	4,690,000,000	990,000,000
Investments	35,464,015,248	34,199,538,201	27,407,647,948	25,105,802,134	21,962,058,934
Government	32,136,668,263	31,064,307,864	24,421,226,713	22,703,494,533	19,627,418,568
Others	3,327,346,985	3,135,230,337	2,986,421,235	2,402,307,601	2,334,640,366
Loans and Advances	202,332,273,111	189,729,715,861	166,145,119,129	145,606,993,782	114,355,762,842
Loans, Cash Credit, Overdraft, etc	200,362,213,501	186,991,247,910	163,394,332,234	143,429,214,788	112,071,881,968
Bills Purchased and Discounted	1,970,059,611	2,738,467,951	2,750,786,895	2,177,778,994	2,283,880,874
Fixed Asset including Premises, Furniture & Fixture	4,925,603,818	4,301,132,697	3,128,176,262	3,211,265,364	3,140,971,243
Other Assets	13,383,466,095	10,534,428,577	8,725,556,034	7,264,492,733	5,510,430,863
Non-Banking Asset	-	-	-	-	-
Goodwill	-	-	-	-	-
TOTAL PROPERTY & ASSETS	<u>275,988,360,114</u>	<u>256,913,166,235</u>	<u>222,464,150,716</u>	<u>201,753,934,194</u>	<u>165,370,686,870</u>
LIABILITIES AND CAPITAL					
Borrowing from other Banks, Financial Institutions & Agents	27,371,838,977	21,701,177,487	19,640,823,048	16,417,678,099	8,711,409,523

Deposit and Other Accounts	194,907,167,647	190,947,704,349	166,160,290,425	151,776,694,600	131,272,330,274
Current Deposit & Other Accounts	19,021,483,338	16,350,528,300	14,090,900,316	14,652,729,608	12,301,476,077
Bills payable	1,178,802,713	1,643,542,846	1,703,433,803	2,100,804,374	1,751,051,731
Foreign Currency Deposit					
Savings Deposit	34,370,359,950	29,884,510,508	28,239,575,869	27,479,479,774	23,710,184,165
Special Notice Deposit (SND)	15,644,030,154	12,933,757,149	12,863,186,737	11,721,963,726	11,645,986,993
Deposit Products	41,245,943,051	39,074,403,799	32,220,158,580	28,707,775,033	26,060,165,864
Fixed Deposit	83,446,548,442	91,060,961,747	77,043,035,120	67,113,942,085	55,803,465,444
Other Deposits	-	-	-	-	-
Other Liabilities	25,671,100,979	21,174,287,503	15,935,967,530	13,797,474,740	11,318,564,906
Subordinated Debt	10,800,000,000	6,800,000,000	7,400,000,000	8,000,000,000	4,250,000,000
Borrowing from Bangladesh bank	-	-	-	-	-
Money at call and on short notice	-	-	-	-	-
Deferred Tax Liabilities/(Assets)	-	-	-	-	-
TOTAL LIABILITIES	258,750,107,603	240,623,169,339	209,137,081,003	189,991,847,439	155,552,304,703
EQUITY					
Paid up Capital	7,386,324,180	7,034,594,460	5,733,630,380	5,096,560,340	4,431,791,600
Statutory Reserve	5,056,819,980	4,691,953,779	4,096,004,358	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities	478,114,092	421,956,410	528,441,970	696,384,694	731,782,030
Foreign Currency Translation gain/(loss)	5,480,556	5,392,239	6,143,266	7,667,134	8,903,016
Share Premium	1,095,304,778	1,095,304,778	-	-	-
Other Reserve					
General Reserve	786,777,324	786,777,324	786,777,324	616,777,324	616,777,324
Retained Earnings	2,429,301,113	2,253,888,060	2,175,943,964	1,722,348,545	841,239,233
Revaluation Reserve	-	-	-	-	-
Share Money Deposit	-	-	-	-	-
Reserve against non-banking asset	-	-	-	-	-
Dividend equalization reserve	-	-	-	-	-
Excess of reserve over pre take over-loss BCCI	-	-	-	-	-
TOTAL EQUITY	17,238,122,023	16,289,867,050	13,326,941,262	11,761,962,068	9,818,260,028
Minority Interest	130,488	129,845	128,451	124,686	122,139
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>275,988,360,114</u>	<u>256,913,166,234</u>	<u>222,464,150,716</u>	<u>201,753,934,193</u>	<u>165,370,686,870</u>
Net Asset Value (NAV) Per Share	23.34	22.05 (Restated)	18.94	20.51	22.15

11.2 Consolidated Income Statement of Mutual Trust Bank Limited & Its Subsidiaries

Mutual Trust Bank Limited					
Consolidated Profit and Loss Statement					
	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Items	BDT				
Interest Income	12,033,804,772	18,394,013,962	15,687,277,155	12,160,542,962	11,381,372,890
Interest Paid on Deposits & Borrowing etc.	9,218,485,009	12,964,301,101	10,436,062,969	7,852,867,671	7,503,094,801
Net Interest Income	2,815,319,763	5,429,712,861	5,251,214,186	4,307,675,291	3,878,278,089
Income from Investment	2,730,206,569	2,535,625,925	2,343,167,734	2,127,213,334	2,010,544,355
Commission, Exchange Gain & Brokerage	1,262,989,745	2,629,783,073	1,682,805,559	1,578,009,117	1,228,154,940
Other Operating Income	438,950,963	612,055,850	551,932,140	474,165,978	397,902,578
Total Other Income	4,432,147,276	5,777,464,848	4,577,905,433	4,179,388,429	3,636,601,873
Total Operating Income	7,247,467,039	11,207,177,709	9,829,119,619	8,487,063,720	7,514,879,962
Salary & Allowances	2,627,355,106	3,276,437,927	2,711,522,726	2,402,684,185	2,256,194,529
Rent, Tax, Insurance, Electricity etc.	462,102,406	671,277,258	696,453,008	664,468,164	608,223,014
Legal Expenses	1,437,985	4,723,622	3,369,120	3,535,580	3,385,938
Postage, Stamps, Telegram & Telephone	11,214,285	17,071,946	14,635,616	11,333,596	8,951,331
Printing & Stationery & Advertisement	40,226,818	135,711,109	124,717,809	108,968,276	83,175,269
Managing Director's Remuneration	16,740,725	23,266,806	19,235,333	18,275,334	17,315,333
Directors' fees	1,307,949	2,979,633	3,340,700	3,441,200	3,031,033
Audit Fee	217,729	2,469,799	1,838,605	1,776,066	2,580,355
Depreciation on & repairs to Bank's property	564,886,767	632,918,334	464,743,611	429,753,440	390,901,907
Other Expenditures	836,560,494	1,200,477,023	904,935,144	927,108,227	733,008,817
Impairment of Goodwill				-	-
Charges on Loan Losses				-	-
Sariah Supervisory Committee's fees & expenses				-	-
Zakat Expenses				-	-
Total Operating Expenses	4,562,050,266	5,967,333,457	4,944,791,672	4,571,344,068	4,106,767,526
Share on profit of Investment in Joint Ventures					
Profit Before Provision (PBP)	2,685,416,772	5,239,844,252	4,884,327,947	3,915,719,652	3,408,112,436
Specific Provision for Loans and advances	302,753,587	178,272,083	2,223,526,000	444,645,646	864,534,528
General Provision for Loans and advances	335,448,658	1,681,603,942	591,000	908,809,835	
Provision for Margin Loan & Investment in Shares	60,000,000	972,323,333	103,000,000	155,492,999	71,100,000
Provision for off Balance Sheet Items	113,775,524	157,028,766	5,342,050	137,300,000	
Provision for Other Assets	-	26,246,000	10,000,000	10,000,000	11,000,000
Provision for Off-Shore Banking unit				-	-
Total Provision	811,977,769	2,140,383,124	2,342,459,050	1,656,248,480	946,634,528
Contribution to Foundation					
Profit before Tax	1,873,439,003	3,099,461,128	2,541,868,897	2,259,471,172	2,461,477,908
Less: Provision for tax	629,699,666	1,761,672,176	807,419,347	279,133,367	997,884,480



Current tax	738,645,811	1,659,743,356	1,047,932,817	1,180,006,962	961,277,823
Deferred tax	(108,946,145)	101,928,820	(240,513,470)	(900,873,595)	36,606,657
Net Profit After Tax	1,243,739,337	1,337,788,952	1,734,449,550	1,980,337,805	1,463,593,428
Shareholders' of the Bank	1,243,738,695	1,337,787,557	1,734,445,786	1,980,335,258	1,463,590,966
Minority Interest	643	1,395	3,765	2,547	2,461
Retained Surplus Brought Forward	1,243,739,337	1,337,788,952	1,734,449,551	1,980,337,805	1,463,593,427
	2,253,888,061	2,175,943,964	1,722,348,545	841,239,233	752,903,276
	3,497,626,756	3,513,731,521	3,456,794,331	2,821,574,491	2,216,494,242
Bonus Share issued during the year	351,729,720	663,894,040	637,070,040	664,768,740	738,631,930
Cash dividend paid during the year	351,729,722				
Transferred to statutory Reserve	364,866,201	595,949,421	473,780,327	434,457,206	466,623,080
Transferred to General Reserve	-		170,000,000		170,000,000
	1,068,325,643	1,259,843,461	1,280,850,367	1,099,225,946	1,375,255,010
Retained Surplus Carried forward	2,429,301,113	2,253,888,060	2,175,943,964	1,722,348,545	841,239,223
Earnings per share (EPS)	1.68	1.81 (Restated)	2.73	3.45	3.30

11.3 Consolidated Cash Flow Statement of Mutual Trust Bank Limited & Its Subsidiaries

Mutual Trust Bank Limited					
Consolidated Cash Flow Statement					
Amount in BDT					
Particulars	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
A) Cash Flows from Operating Activities:					
Interest Received	12,450,827,738	20,554,495,659	17,846,615,060	13,897,831,077	13,302,673,011
Interest Paid on Deposits, Borrowings, etc.	(8,923,987,939)	(12,074,187,817)	(9,890,149,671)	(7,757,573,822)	(7,896,093,791)
Dividend Income	12,669,442	66,713,331	83,522,850	172,759,484	66,092,791
Fees & Commission Income	1,262,989,745	2,629,783,073	1,682,805,559	1,578,009,117	1,228,154,940
Recoveries of Loans previously written off	16,416,395	44,570,800	964,000	1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances	(2,644,095,831)	(3,299,704,733)	(2,730,758,059)	(2,420,959,519)	(2,273,509,862)
Cash Paid to Suppliers	(40,226,818)	(135,711,109)	(124,717,809)	(101,173,252)	(83,175,269)
Advance Income Tax Paid	(973,218,216)	(1,082,227,232)	(1,012,393,682)	(1,056,691,254)	(731,203,379)
Cash Received from Other Operational Income	1,304,392,130	986,873,688	1,071,612,505	515,097,313	443,892,270
Cash Paid for Other Operational Expenses	(1,379,282,615)	(1,995,623,190)	(1,730,034,697)	(1,697,753,189)	(1,411,952,975)
Cash Flows from Operating Activities before Changes in Net Current Assets	1,086,484,029	5,694,982,469	5,197,466,057	3,130,784,655	2,645,777,736
Changes in Net Current Assets:					
Investment in Treasury Bond					
Loans & Advances	(11,313,281,183)	(23,562,878,428)	(20,560,108,373)	(31,224,446,230)	(16,756,679,343)
Other Assets	(1,655,363,158)	(485,750,630)	(512,496,899)	(535,691,098)	(187,328,178)
Subordinated Debt					
Bank Deposit	(5,499,850,000)	(5,399,825,000)	750,050,000	10,149,625,000	
Customers' Deposits	9,212,840,630	29,288,120,261	13,074,550,980	10,371,673,913	13,311,346,537
Borrowing from Other Banks, Financial Institutions & Agents	5,670,661,490	2,060,354,439	3,223,144,949	7,711,218,649	3,624,640,657
Other Liabilities	2,990,695,245	1,280,699,252	(1,014,268,060)	425,110,779	559,812,119
	(594,296,976)	3,180,719,895	(5,039,127,402)	(3,102,508,987)	551,791,792
Net Cash Flows from Operating Activities	492,187,053	8,875,702,363	158,338,655	28,275,666	3,197,569,528
B) Cash Flows from Investing Activities:					
Investments in T. Bills, T. Bonds and other	(1,091,209,551)	(7,078,485,436)	(2,219,169,285)	(3,111,093,401)	3,334,098,710
Investments in Shares & Bonds	(192,134,131)	(148,809,103)	(584,113,634)	(87,667,236)	369,838,523
Purchase of Fixed Assets (Net)	(1,122,916,123)	(1,689,250,861)	(261,192,006)	(413,982,057)	(297,270,816)
Net Cash Flows from Investing Activities	(2,406,259,805)	(8,916,545,400)	(3,064,474,924)	(3,612,742,694)	3,406,666,417
C) Cash Flows from Financing Activities:					
Issue of new share with premium	-	1,732,374,818			



Subordinated debts	4,000,000,000	(600,000,000)	(600,000,000)	3,750,000,000	(625,000,000)
Dividend paid	(351,729,722)	-			
Net Cash Flows from Financing Activities	3,648,270,278	1,132,374,818	(600,000,000)	3,750,000,000	(625,000,000)
D) Net Increase in Cash and Cash Equivalents	1,734,197,527	1,091,531,781	(3,506,136,269)	165,532,973	5,979,235,944
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	88,317	(751,026)	(1,523,868)	(1,235,880)	5,536,428
F) Opening Cash and Cash Equivalents	18,150,276,998	17,059,496,243	20,567,156,381	20,402,859,288	14,418,086,916
Closing Cash and Cash Equivalents (D+E+F)	19,884,562,841	18,150,276,998	17,059,496,243	20,567,156,381	20,402,859,288
The above closing Cash and Cash Equivalents include:					
Cash in Hand	2,976,622,990	2,886,876,110	2,520,514,712	2,191,164,252	1,987,478,022
Balance with Bangladesh Bank and its Agent Bank	9,714,781,429	11,669,624,514	9,780,479,058	10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions	4,301,597,423	3,385,050,274	3,176,657,573	2,798,256,664	8,148,416,411
Money at Call and Short Notice	2,890,000,000	206,800,000	1,580,000,000	4,690,000,000	990,000,000
Treasury Bill					
Prize Bond	1,561,000	1,926,100	1,844,900	1,776,200	1,396,300
	19,884,562,841	18,150,276,998	17,059,496,243	20,567,156,381	20,402,859,288
Net Operating Cash Flows Per Share	0.67	12.62	0.23	0.06	6.27

11.4 Balance Sheet of Mutual Trust Bank Ltd.

Mutual Trust Bank Limited					
Balance Sheet					
Particulars	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
BDT					
Property and Assets					
Cash	12,667,782,441	14,544,242,195	12,293,419,939	13,065,276,389	11,247,541,472
In hand (Including Foreign Currency)	2,953,001,012	2,874,617,681	2,512,940,881	2,179,317,124	1,971,972,917
With Bangladesh Bank and its agent Bank (including Foreign Currency)	9,714,781,429	11,669,624,514	9,780,479,058	10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions	4,160,547,187	3,238,932,109	2,963,786,778	2,355,053,788	8,019,623,030
In Bangladesh	916,061,948	501,983,663	648,882,818	586,801,419	7,158,101,358
Outside Bangladesh	3,244,485,239	2,736,948,447	2,314,903,960	1,768,252,369	861,521,672
Money at Call and Short Notice	2,890,000,000	206,800,000	1,580,000,000	4,690,000,000	990,000,000
Investments	34,221,088,514	33,194,745,597	26,589,503,566	24,578,379,684	21,422,839,836
Government	32,136,668,263	31,064,307,864	24,421,226,713	22,703,494,533	19,627,418,568
Others	2,084,420,251	2,130,437,734	2,168,276,853	1,874,885,151	1,795,421,268
Loans and Advances	199,360,240,374	186,768,615,074	163,281,709,826	142,819,502,800	110,834,548,495
Loans, Cash Credit, Overdraft, etc	197,390,180,763	184,030,147,123	160,530,922,931	140,641,723,806	108,550,667,621
Bills Purchased and Discounted	1,970,059,611	2,738,467,951	2,750,786,895	2,177,778,994	2,283,880,874
Fixed Asset including Premises, Furniture & Fixture	4,856,500,408	4,228,351,649	3,049,683,712	3,127,669,387	3,042,051,609
Other Assets	16,708,908,716	13,874,313,597	12,069,478,300	10,641,640,356	8,923,815,634
Non-Banking Asset					
Goodwill					
TOTAL PROPERTY & ASSETS	274,865,067,640	256,056,000,222	221,827,582,120	201,277,522,404	164,480,420,074
LIABILITIES AND CAPITAL					
Borrowing from other Banks, Financial Institutions & Agents	27,371,838,977	21,701,177,487	19,640,823,048	16,417,678,099	8,636,409,523
Deposit and Other Accounts	195,471,595,314	191,369,293,195	166,700,989,966	152,237,789,659	131,593,607,612
Current Deposit & Other Accounts	19,021,556,274	16,351,289,150	14,092,056,274	14,652,730,381	12,302,356,822
Bills payable	1,178,802,713	1,643,542,846	1,703,433,803	2,100,804,374	1,751,051,731
Foreign Currency Deposit					

Savings Deposit	34,370,359,950	29,884,510,508	28,239,575,869	27,479,479,774	23,710,184,165
Special Notice Deposit (SND)	16,108,384,885	13,254,585,144	13,302,730,320	12,183,058,012	11,966,383,586
Deposit Products	41,245,943,051	39,074,403,799	32,220,158,580	28,707,775,033	26,060,165,864
Fixed Deposit	83,546,548,442	91,160,961,747	77,143,035,120	67,113,942,085	55,803,465,444
Other Deposits					
Other Liabilities	24,373,342,619	20,264,557,270	15,054,620,612	12,954,514,527	10,216,696,047
Subordinated Debt	10,800,000,000	6,800,000,000	7,400,000,000	8,000,000,000	4,250,000,000
Borrowing from Bangladesh bank					
Money at call and on short notice					
Deferred Tax Liabilities/(Assets)					
TOTAL LIABILITIES	258,016,776,910	240,135,027,952	208,796,433,626	189,609,982,285	154,696,713,182
EQUITY					
Paid up Capital	7,386,324,180	7,034,594,460	5,733,630,380	5,096,560,340	4,431,791,600
Statutory Reserve	5,056,819,980	4,691,953,779	4,096,004,358	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities	430,000,802	373,843,120	480,328,680	696,384,694	731,782,030
Foreign Currency Translation gain/(loss)	437,802	603,742	375,279	3,111,876	104,902
Share Premium	1,095,304,778	1,095,304,778			
Other Reserve					
General Reserve	786,777,324	786,777,324	786,777,324	616,777,324	616,777,324
Retained Earnings	2,092,625,864	1,937,895,067	1,934,032,472	1,632,481,854	815,484,211
Revaluation Reserve					
Share Money Deposit					
Reserve against non-banking asset					
Dividend equalization reserve					
Excess of reserve over pre take over-loss BCCI					
TOTAL EQUITY	16,848,290,730	15,920,972,270	13,031,148,493	11,667,540,119	9,783,706,892
Minority Interest					
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	274,865,067,640	256,056,000,222	221,827,582,119	201,277,522,404	164,480,420,074
Net Asset Value (NAV) Per Share	22.81	21.55 (Restated)	18.52	20.35	22.08

11.5 Income Statement of Mutual Trust Bank Ltd.

Mutual Trust Bank Limited					
Income Statement					
Particulars	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
BDT					
Interest Income	11,969,051,949	18,275,209,756	15,542,079,435	12,102,826,598	11,250,560,341
Interest Paid on Deposits & Borrowing etc.	9,225,154,232	12,990,077,845	10,451,237,159	7,856,055,015	7,506,266,934
Net Interest Income	2,743,897,717	5,285,131,911	5,090,842,276	4,246,771,583	3,744,293,407
Income from Investment	2,698,174,081	2,480,613,492	2,239,089,134	2,056,350,696	1,974,265,630
Commission, Exchange Gain & Brokerage	1,154,557,589	2,470,700,371	1,548,324,674	1,342,690,897	1,066,776,213
Other Operating Income	428,924,326	584,488,448	512,611,672	426,679,745	360,578,643
Total Other Income	4,281,655,996	5,535,802,311	4,300,025,480	3,825,721,338	3,401,620,486
Total Operating Income	7,025,553,713	10,820,934,222	9,390,867,756	8,072,492,921	7,145,913,893
Salary & Allowances	2,554,862,118	3,177,470,280	2,621,504,314	2,314,039,862	2,168,780,701
Rent, Tax, Insurance, Electricity etc.	434,239,880	633,255,964	659,362,862	624,713,881	559,033,357
Legal Expenses	1,437,985	4,723,622	3,369,120	3,535,580	3,077,953
Postage, Stamps, Telegram & Telephone	10,860,750	15,857,195	13,658,948	10,285,798	8,610,456
Printing & Stationery & Advertisement	39,633,053	133,856,048	123,118,858	107,113,138	81,849,885
Managing Director's Remuneration	16,740,725	23,266,806	19,235,333	18,275,334	17,315,333
Directors' fees	492,949	1,766,400	1,996,400	1,876,800	1,775,600
Audit Fee	-	1,943,500	1,334,000	1,341,500	1,889,500
Depreciation on & repairs to Bank's property	559,226,420	624,703,789	455,800,221	420,129,234	379,031,532
Other Expenditures	821,751,060	1,175,960,389	883,127,014	898,140,284	715,899,651
Impairment of Goodwill					
Charges on Loan Losses					
Sariah Supervisory Committee's fees & expenses					
Zakat Expenses					
Total Operating Expenses	4,439,244,940	5,792,803,992	4,782,507,070	4,399,451,411	3,937,263,968
Share on profit of Investment in Joint Ventures					
Profit Before Provision (PBP)	2,586,308,773	5,028,130,229	4,608,360,686	3,673,041,510	3,208,649,925
Provision against Loans & Advances					
Specific Provision for Loans and advances	302,753,587	178,272,083	2,223,526,000	444,645,646	864,534,528
General Provision against loans and advances	335,448,658	168,160,394	591,000	908,809,835	
Provision for off Balance Sheet Items	113,775,524	157,028,766	5,342,050	137,300,000	
Provision for Investment in Shares	10,000,000	5,232,333	10,000,000	10,000,000	



Provision for Other Assets	-	26,246,000			11,000,000
Total Provision	761,977,769	2,048,383,124	2,239,459,050	1,500,755,481	875,534,528
Contribution to Foundation					
Profit before Tax	1,824,331,004	2,979,747,105	2,368,901,636	2,172,286,029	2,333,115,397
Less: Provision for tax	601,274,564	1,716,041,049	786,500,651	256,062,440	929,329,695
Current tax	709,897,708	1,614,341,025	1,027,312,331	1,157,322,844	897,030,119
Deferred tax	(108,623,143)	101,700,024	(240,811,680)	(901,260,404)	32,299,576
Previous year's Tax					
Net Profit After Tax	1,223,056,440	1,263,706,056	1,582,400,985	1,916,223,589	1,403,785,702
Shareholders' of the Bank					
Minority Interest					
Retained Surplus Brought Forward	1,937,895,067	1,934,032,472	1,632,481,854	815,484,211	786,953,518
Appropriations	1,068,325,643	1,259,843,461	1,280,850,367	1,099,225,946	1,375,255,010
Bonus Share issued during the year	351,729,720	663,894,040	637,070,040	664,768,740	738,631,930
Cash dividend paid during the year	351,729,722				
Transferred to statutory Reserve	364,866,201	595,949,421	473,780,327	434,457,206	466,623,080
Transferred to General Reserve	-	-	170,000,000		170,000,000
Retained Surplus Carried forward	2,092,625,864	1,937,895,067	1,934,032,472	1,632,481,854	815,484,211
Earnings per share (EPS)	1.66	1.71 (Restated)	2.49	3.34	3.17

11.6 Cash Flow Statement of Mutual Trust Bank Ltd.

Mutual Trust Bank Limited					
Cash Flow Statement					
	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
Particulars	BDT				
A) Cash Flows from Operating Activities					
Interest Received	12,386,074,915	20,435,691,452	17,701,417,340	13,840,114,713	13,171,860,462
Interest Paid on Deposits, Borrowings, etc.	(8,930,657,162)	(12,099,964,561)	-9,905,323,861	-7,751,879,794	-7,899,265,924
Dividend Income	3,764,932	39,182,275	60,799,645	155,943,572	54,132,093
Fees & Commission Income	1,154,557,589	2,470,700,371	1,548,324,674	1,342,690,897	1,066,776,213
Recoveries of Loans previously written off	16,416,395	44,570,800	964,000	1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances	(2,571,602,843)	(3,200,737,086)	-2,640,739,647	-2,332,315,196	-2,186,096,034
Cash Paid to Suppliers	(39,633,053)	(133,856,048)	-123,118,858	-107,113,138	-81,849,885
Advance Income Tax Paid	(950,740,190)	(1,041,656,123)	-962,335,238	-983,243,898	-688,616,696
Cash Received from Other Operational Income	1,271,237,515	931,824,908	950,936,642	421,334,526	382,250,308
Cash Paid for Other Operational Expenses	(1,334,641,216)	(1,929,367,172)	-1,667,487,722	-1,627,287,680	-1,342,310,026
Cash Flows from Operating Activities before Changes in Net Current Assets	1,004,776,882	5,516,388,817	4,963,436,974	2,959,482,702	2,477,780,511
Changes in Net Current Assets:					
Loans & Advances	(11,302,349,233)	(23,465,186,944)	-20,484,190,051	-31,958,169,596	-14,607,516,613
Other Assets	(1,663,398,785)	(522,284,494)	-529,329,986	128,425,385	-2,180,656,687
Bank Deposit	(5,499,850,000)	(5,399,825,000)	750,050,000	10,149,625,000	
Customers' Deposits	9,355,679,451	29,169,009,566	13,154,155,463	10,512,123,733	13,350,622,954
Borrowing from Other Banks, Financial Institutions & Agents	5,670,661,490				
Other Liabilities	2,681,092,218	1,389,947,064	-928,736,069	131,743,187	401,742,855
	(758,164,859)	3,232,014,631	-4,814,905,694	-3,250,033,642	518,783,238
Net Cash Flows from Operating Activities	246,612,023	8,748,403,448	148,531,280	-290,550,940	2,996,563,749
B) Cash Flows from Investing Activities:					
Investments in T. Bills, T. Bonds and other	(1,091,209,551)	(7,078,485,436)	-2,267,282,575	-3,111,093,401	3,334,098,711
Investments in Shares & Bonds	46,000,000	37,839,119	-293,391,702	-79,463,883	455,230,513
Purchase of Fixed Assets (Net)	(1,121,516,587)	(1,687,511,624)	-258,175,167	-418,353,175	-298,536,361
Net Cash Flows from Investing Activities	(2,166,726,138)	-8,728,157,941	-2,818,849,444	-3,608,910,459	3,490,792,863
C) Cash Flows from Financing Activities:					
Issue of new share with premium	-	1,732,374,818			



Subordinated debts	4,000,000,000				
Dividend paid during the year	(351,729,722)				
Net Cash Flows from Financing Activities	3,648,270,278	1,132,374,818	-600,000,000	-3,750,000,000	-625,000,000
D) Net Increase in Cash and Cash Equivalents	1,728,156,163	1,152,620,325	-3,270,318,164	-149,461,399	5,862,356,611
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	(165,940)	228,463	-2,736,597	3,006,974	104,902
F) Opening Cash and Cash Equivalents	17,991,900,404	16,839,051,617	20,112,106,377	20,258,560,803	14,396,099,290
Closing Cash and Cash Equivalents (D+E+F)	19,719,890,627	17,991,900,404	16,839,051,617	20,112,106,378	20,258,560,803
The above closing Cash and Cash Equivalents include:					
Cash in Hand	2,953,001,012	2,874,617,681	2,512,940,881	2,179,317,124	1,971,972,917
Balance with Bangladesh Bank and its Agent Bank	9,714,781,429	11,669,624,514	9,780,479,058	10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions	4,160,547,187	3,238,932,109	2,963,786,778	2,355,053,788	8,019,623,030
Money at Call and Short Notice	2,890,000,000	206,800,000	1,580,000,000	4,690,000,000	990,000,000
Prize Bond	1,561,000	1,926,100	1,844,900	1,776,200	1,396,300
	19,719,890,628	17,991,900,404	16,839,051,617	20,112,106,377	20,258,560,802
Net Operating Cash Flows Per Share	0.33	12.44	0.21	-0.51	6.76



Section 12: Comparative Financial Ratios for Last 5 Years

Sl.	Particulars	Metric	Sep-2020	Dec-2019	Dec-2018	Dec-2017	Dec-2016
1	Current Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
2	Quick Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
3	Times Interest Earned Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
4	Break-Even Point*	N/A	N/A	N/A	N/A	N/A	N/A
5	Debt to Equity Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
6	Debt to Total Asset Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
7	Accounts Receivable Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
8	Inventory Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
9	Asset Turnover Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
10	Debt Service Coverage Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
11	Gross Margin Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
12	Operating Income Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
13	Net Income Ratio*	N/A	N/A	N/A	N/A	N/A	N/A
14	Net Interest Margin (NIM)	%	1.95%	3.02%	3.34%	3.09%	3.55%
15	Loan Deposit Ratio	%	82.75%	83.38%	82.83%	83.45%	77.69%
16	Cost Income Ratio	%	62.95%	53.25%	50.31%	53.82%	54.65%
17	Return on Avg. Investments (ROI)	%	10.45%	8.23%	8.92%	9.04%	8.34%
18	Return Avg. Assets	%	0.62%	0.56%	0.82%	1.08%	0.94%
19	Capital Adequacy Ratio	%	13.57%	12.91%	12.86%	13.76%	11.29%
20	Non-performing Loan Ratio	%	4.84%	5.39%	5.39%	4.30%	4.36%
21	Return on Avg. Equity	%	9.89%	9.03%	13.83%	18.35%	15.61%
22	Earnings Per Share (Previous years re-stated)	BDT	1.68	1.81	2.73	3.01	2.22
23	NAV per Share (Previous years re-stated)	BDT	23.34	22.05	18.94	16.72	13.96



Section 13: Credit Rating Report of the Issue



Setting global standard at national level

Credit Rating Information and Services Limited

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

**CREDIT RATING REPORT
ON
MUTUAL TRUST BANK PERPETUAL BOND**

REPORT: RR/39113/20

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating for project is valid for 6 months. After the following period final rating will be provided.
CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

	Long Term
Issue Rating (Unsecured Perpetual Bond)	AA- (Indicative)
Date of Rating Declaration	November 22, 2020
Rating Validity	Six Month

Address:

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Issue Rating:

AA- (Indicative)

**MUTUAL TRUST
BANK PERPETUAL
BOND**

Issuance Amount:
TK 4,000.00 million

Trustee:
EBL Investments
Limited

Coupon:
6.00%-10.00%

Placement Process:
Private Placement

Listing:
Non-listed

1.0 ISSUE RATING RATIONALE

CRISL has assigned the Long term rating AA- (Indicative) (pronounced as "double A minus indicative") to "Mutual Trust Bank Perpetual Bond" of Mutual Trust Bank Ltd. The above rating has been assigned on the basis of the fundamentals of the issue as well as of the issuer that include attractive coupon rate, average financial performance of the issuer, sound credit profile and diversified business mix of the issuer, issuer's cash flow supporting regular as well as interest payment, trustee being a renowned merchant bank with sound background etc. However, the above factors are constrained, to some extent, by the feature of the bond which inter alia includes nature of the bond being unsecured debt instrument, subordination to depositors and other bank liabilities, ensuring effective utilization of bond fund and earning higher interest compared to interest rate, market risk due to restriction on reciprocal holdings etc.

Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

2.0 ISSUE SUMMARY: PERPETUAL DEBT

Mutual Trust Bank Ltd. (MTB) a third-generation Private Commercial Bank (PCB), issued Mutual Trust Bank Perpetual Bond (hereinafter referred to as "Bond" or "the issue") worth TK. 4,000 million (4000 shares of TK. 1 million each lot). The bank issued the bond through private placement to potential investors like insurance companies, banks, financial institutions, mutual funds and others to raise Additional Tier-I capital to meet capital requirements as per Bangladesh Bank directive (Revised regulatory capital framework in line with Base III). The issue has the feature of unsecured in nature and contingent-convertible. The coupon rate of the bond is reference rate (latest available rate of 20 years Treasury-Bond rate as published by Bangladesh Bank website on the Quotation Day) plus margin of 2.00% per annum, where the range will be between 6.00%-10.00%. Coupon Payment of the bond is payable semi-annually of each year. The issuer can exercise call option (redeemed the bond) only after ten years of issuance with approval of Bangladesh Bank. If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date). The CET-1 on Trigger date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. The conversion strike price will be an average of 180 business days market price prior to the 3rd quarter end date on which issuer's consolidated CET-1 falls below Bangladesh Bank requirement (currently of 4.5%) or Par Value (TK. 10) whichever is higher. City Bank Capital Resources Limited will act as a Mandated Lead Arranger and MTB Capital Limited will act as a Co-Arranger as well as EBL Investments Limited will act as a Trustee to the Issue.

For President & CEO
Syed A. Mamun, PhD, FCMA, CSRS
Deputy CEO
Credit Rating Information and Services Ltd.



CREDIT RATING REPORT ON MUTUAL TRUST BANK PERPETUAL BOND

3.0 PURPOSE TO ISSUE PERPETUAL BOND

Mutual Trust Bank Limited is going to raise Additional Tier-1 Capital through issuance Mutual Trust Bank Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's guidelines on risk capital adequacy. The bank shall utilize the proceeds of the issue for its regular business activities. The bank shall not utilize proceeds of the issue for any purpose which may be in contravention of the regulations/guidelines/norms issued by Bangladesh Bank and Bangladesh Security Exchange and Commission where applicable.

4.0 ISSUER SUMMARY –MUTUAL TRUST BANK LIMITED

Mutual Trust Bank Limited (MTB) is a third-generation Private Commercial Bank (PCB), which was incorporated on September 29, 1999 as a Public Limited Company under the Companies Act, 1994 and commenced its business under the Banking Companies Act, 1991. The Bank has been sponsored by different business Groups having exposure in trading, manufacturing and services covering various economic sectors of the national economy. MTB's services include Corporate Banking, Institutional Banking, Offshore Banking, Merchant Banking and Internet Banking etc. Moreover, the Bank has three fully owned subsidiary companies namely MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited aimed at further diversifying its business portfolio. The Bank has increased its service coverage over the years, through setting up of new branches, SME branches/Krishi branches and ATM booths at different strategically important areas of the country. MTB has been operating as a primary dealer in country's money market. MTB went into public offering in 2003 and since then its shares are listed with both the bourses (DSE and CSE) of the country as "A category" issue. The Bank has been operating its business throughout the country with a network of 118 branches, including 14 SME branches/centers along with 2340 human resource base. The Bank has more than 154 agent banking centers, 302 ATMs booths and 3101 POS centers in operation at various locations in the country in YE2019. The authorized and the paid-up capital of the Bank stood at Tk. 10,000.00 million and TK. 7,386.32 million respectively as on December 31, 2019. Mr. Md. Hedayetullah is the Chairman of the Board while Mr. Syed Mahbubur Rahman is leading the management team as Managing Director & CEO. The Corporate head office of the Bank is located at 26, Gulshan Avenue, Plot 5, Block SE (D), Gulshan-1, Dhaka-1212, Bangladesh.

5.0 ISSUER CREDIT RATING

CRISL has reaffirmed the Long Term Rating to 'AA' (pronounced as double A) and the Short Term Rating to 'ST-2' of Mutual Trust Bank Limited (MTB) through an in-depth analysis of the operational and financial performance of the bank along with all its relevant quantitative and qualitative factors. The basis of its evaluation was financials of the bank up to December 31, 2019 and other prevailing factors up to the date of rating.

Issuer Rating AA

Overall financial performance of MTB has been found average in 2019. The earnings per share (EPS) of the Bank deteriorated to Tk. 2.03 in YE2019 from Tk. 2.73 at YE2018. Operating profit of the bank improved and out of total operating income in 2019, 48.45% income generated from net interest income, 23.47% from commission, exchange & brokerage income, 22.63% from investment in share and securities and rest 5.46% from other operating income. After accommodating the increase in expenditure, the net profit after tax stood at Tk. 1,337.79 million in YE2019 against Tk. 1,734.45 million in YE2018.

The overall asset quality of the bank has been found moderate. As on December 31, 2019, the consolidated asset of the Bank has grown by 15.49%. Gross non-performing loan (NPL) has remained stable to 5.48% in 2019 due to equal growth of the loan and advances and the classified loan. However, stressed asset ratio of the bank (including stay order & rescheduled loan as classified) stood at 7.31% at 2019.

The overall liquidity of MTB with all its indicators has been found average during 2019. The loans and advance to deposit ratio stood at 97.60% (with regulatory adjustment ADR was 83.38%) as on December 31, 2019 against 97.95% as on December 31, 2018. The Liquidity



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Coverage Ratio and Net Stable Funding Ratio of the Bank stood at 107.24% and 102.48% respectively on December 31, 2019, which was found to be satisfactory considering regulatory standard. However, after the outbreak of corona virus, there are indications that financial and banking industries might have to face remarkable instability in the coming months though BB has taken some positive initiatives.

Overall Capital to Risk Weighted Asset Ratio (CRAR) of the Bank stood at 12.91% which is in line with the requirement under risk based capital adequacy framework. However, it is lower than PCB's industry average. CRISL found that the Capital to Risk Weighted Asset Ratio (CRAR) stood at 14.07% (Solo) as on June 30, 2020 due to issuance of MTB 4th Subordinated Bond of Tk. 5,000.00 million.

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

CRISL has placed the bank with "Developing Outlook" considering that its existing fundamentals may change tackling the economic and government philosophy changes in view of COVID-19 pandemic aftermath.

6.0 TRUSTEE

6.1 Background of the Trustee

EBL Investments Limited (EBLIL) will be the Trustee of the proposed Perpetual Bond. EBLIL provides a full range of investment banking facilities including conventional merchant banking activities. EBL Investment Limited commenced its business since 2003 and it is fully owned by Eastern Bank Limited. EBLIL provides several services to its clients including Initial Public Offerings (IPO), Repeat Public Offerings (RPO), Rights Issue Offering, Underwriting, Loan Syndications, Trustee services, Private Placement of Bond etc. The company has renowned clients namely Nurani Dyeing & Sweater Ltd, Silco Pharmaceuticals Ltd, BD Paints Ltd., Index Agro Industries Ltd., Ranapur Steel Re-Rolling Mills Ltd., Al-Arafah Islami Bank Ltd., Epyllion Knitwears Ltd., Bay Footwear Ltd., Summit Communications Ltd., Confidence Power Rangpur Ltd., Pacific Denims Ltd., Bashundhara Paper Mills Ltd., Shaha Denims Ltd., IFIC Bank Ltd., IDLC Finance Ltd., ACME Laboratories Ltd., Envoy Textiles Ltd., IPDC Finance Ltd., The City Bank Ltd. NCC Bank Ltd. etc.

6.2 Powers, Duties and Rights of Trustee

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

- Notwithstanding anything contained in this trust deed the trustee shall have all such responsibility as set out in the applicable law including but is not limited or The Securities and Exchange Commission Rules;
- Subjects to applicable law and terms and conditions of this Trust Deed Trustee shall act on behalf and for the exclusive interest of the Bondholders;
- To open such accounts as it deems necessary for discharging the functions of Trustee;
- To keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- To undertake all such actions for the recoveries of any overdue in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- To issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;



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- To call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- To implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- Upon instruction by the Bondholders in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- To take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of this Trust Deed;
- The Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders; and
- To do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed.

6.3 Rights of the Bondholders

- Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed
- Each Bondholder has the right to received interest on the Bond on the Interest Payment Date;
- Each Bondholder has the right to attend meeting of the Bondholders and vote;

7.0 MARKET ASPECTS OF ISSUING THE BOND

The Bangladesh bond market is still in its infancy. One of the main functions of a bond market is to provide long-term finance by creating alternative sources of finance through the capital market. From the investor's point of view, the main purpose of the bond market is to provide a stable source of income to the investors against the volatile capital market. The Bangladesh capital market is yet to be developed as the required platform to create such a bond market is absent. Besides, the investors are more interested in short term gains instead of waiting for a stable return. However, the introduction of Basel III may create a new avenue among the bankers to issue bonds under Tier-II capital to support its extra capital requirement. Bangladesh Bank has already circulated the issue principles of the above bonds. Bangladesh Bank has fixed up the maximum deposit rate at 6%, which created the demand of bond due to its higher return.

The local currency bond market in Asia, increased significantly by 12.7% to USD 5,370 billion in FY 2018 from USD 4,771 billion in FY 2017. China dominates the Asian local currency bond market with 47% share, followed by South Korea (22.25%) and Japan (13.46%). Indonesia (0.54%), Philippines (0.40%), Vietnam (0.06%) and Bangladesh (0.30%) have smaller bond markets compared to other Asian countries. The presence of the secondary market has played a vital role in the development of the bond market in Asian countries. As a percentage of GDP, in 2018, South Korea had the largest corporate debt market (73% of GDP) followed by Malaysia (46% of GDP). In India, the corporate bond market is 16% of GDP. In Indonesia, 87% of the total outstanding bonds are traded in the secondary market, followed by 70% in India. The corporate bond market in Bangladesh is almost non-existent, with only two bonds listed in the prime bourse at present namely APSC (Ashugan) Power Stations Company Ltd.)



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Non-Convertible and fully redeemable coupon bearing bond of Tk.6000.00 million, being in the process of getting the permission from Bangladesh Security and Exchange Commission (BSEC) in the year 2020. Another listed bond is IBBL Mudaraba Perpetual Bond (first perpetual Shariah based instrument); worth of Tk.3000.00 million and it got the permission from BSEC in the year 2007.

So far, a good number of commercial banks have issued a subordinated bond. Countries' first subordinated bond has been issued by The Brac Bank Ltd. worth of Tk. 3000.00 million (Tk. 2700.00 million from the private placement and remaining Tk.300.00 from public Subscription), which got the first permission from BSEC in the year 2010, to strengthen their additional Tier II capital base. A subordinated bond is a debt security. It is referred to as subordinate because debt providers (lenders) have a subordinate status concerning the normal debt. It is also known as a subordinated loan, debenture, or junior debt that carries a lower-priority claim on the issuer's income or assets than that of other debt.

A few of the banks also declared to issue bonds under Tier-I. The market analysts are also hopeful that such an issue will boost the other banks in issuing Tier-I bonds because the subscribers will earn a stable return from the Tier-I bond in the face of the existing volatility of the capital market. CRISL, however, views that a good number of mutual funds and other FIs may include the bond in their portfolio for risk minimization through asset diversification. Due to the increase of the Asset Management Companies, they will be very much interested to add Tier-I bonds in their portfolio as Fixed Income Securities.

Perpetual bonds of banks often yield a higher rate than the interest on fixed deposits. The City Bank Ltd. and The Jamuna Bank Ltd. both have been getting the first permission from BSEC as non-shariah based instruments in the year 2020 for issuing of Tk.400 crore each to strengthen their additional Tier 1 capital base. Only a few banks are going to issue perpetual bonds to meet their long-term capital requirements as well as strengthen the Tier 1 capital base. Like other bonds, even perpetual bonds come attached with the risk of liquidity, credit risk, and interest rate risk. While one invests in perpetual bonds, these issues need consideration.

Unlike fixed deposits, perpetual bonds have no guarantee even though they are issued by banks. If a bank's capital dips below certain thresholds due to bad assets, they can skip interest payments on these bonds and even write-down their value. This makes them a lot closer to equity than debt. Investors should not become complacent simply because the issuer is a public sector bank.

Under Basel II directive subordinated debt was limited to 30% of Tier-1 capital. But as per Basel III, it does not give any restriction on raising subordinated debt although Tier-2 capital, which can be admitted for a maximum of up-to 4% of risk weighted asset or 88.89% of common equity Tier-1 capital whichever is higher. This will allow the banks to further extend the capital base through issuing subordinated debt. However, 10% rate of return of the National Savings certificate and the current level of inflation in the market may create a challenge for issuing a subordinated bond.

As per the Global Infrastructure Hub report, Bangladesh needs \$608 billion of investment in infrastructure sectors - water, electricity, telecom, ports, airports, rail, and road - from 2016 to 2040. However, current trends indicate \$417 billion of investment is possible in the aforementioned sectors, thereby leaving a gap of \$192 billion in investments in the period 2016-2040. This gap in the top three sectors, power, telecom, and water sectors, is \$100 billion, \$41 billion, and \$40 billion respectively.

These projects are mostly financed through the government's own fund and multilateral and bilateral funding agencies. But if the government can develop a framework for meeting the funding gap of those projects by issuing long term infrastructure bonds, a new asset class can be created. This might also attract foreign portfolio investments which specialize in infrastructure finances. A new category of mutual funds can be created in the country, which will invest in that type of bond. Considering the current interest rate scenario and the current state of capital market, the bond market can emerge as a knight. Banks, NBFIs and Merchant


 For President & CEO
Syed A. Mahmud, PhD, FCMA, CSRS
 Deputy CEO
 Credit Rating Information and Services Ltd.



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banks can enhance their fee-based income by working on bond issuances and cover for the losses they are likely to suffer from the lower interest rate in the market and the loss suffered in the capital market.

The Bangladesh bond market has been inactive over the years on account of several issues that have acted as barriers for issuers and investors alike. From the issuer's point of view, the cost of issuance of bonds in Bangladesh is significantly high (1.5%-2% of the total issuance value as compared to approximately 0.2% cost of issuance of bonds in India). Besides, there is an absence of tax benefits or other incentives for the issuers raising funds via the issuance of debt securities. According to The Income Tax Ordinance 1984, any income derived from zero-coupon bonds by a person other than a bank, an insurance company, or a financial institution is exempted from tax. The tax benefit is only applicable if the zero-coupon bond (if issued by the banks, financial institutions, and other companies) is approved by BSEC or Bangladesh Bank.

The regulators lack the necessary infrastructure to perform due diligence of the application received from the issuers. As a result, it takes six months to one year for the issuer to issue bonds. This acts as a major barrier for a project developer who wants to raise funds via the bond market in a short time. Due to the lack of availability of long-term financing options, the project developers either avail funds through bridge financing or avail long-term financing from NBFIs and banks at interest rates of 15% to 18%, which substantially increases the overall project cost. The long-term debt market has witnessed a lack of participation from institutional investors as well as individual investors. Institutional investors like banks, insurance companies, and mutual funds prefer to invest in high return low-risk debt securities offered by the government instead of the low return-high risk bond market. The confidence of general investors in the private sector is still low because of the lack of regulatory regime, lack of awareness, and failure to service the interest and principal payment obligations in the past by the issuers. Furthermore, due to the lack of a benchmark yield curve, the presence of a secondary market is almost negligible. Overall, the long-term debt market is yet to emerge as an effective investment avenue to large and small investors as well as position itself as an attractive avenue for the companies to raise funds through the issuance of debt securities.

8.0 ESTIMATED RETURN FROM THE BOND

The investors/subscribers are likely to get good return from their investment in the perpetual bond of MTB.

- The coupon rate of the bond will be based on latest available rate of 20 years Treasury Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day (Five days before the first day of any period for which a coupon rate is to be determined) plus 2% margin, where the range will be between 6%-10.00% per annum.
- Floor rate 6.00% subject to having available distributable profit
- Maximum ceiling 10.00%

The bond will be convertible and the interest will be paid semi-annually.

9.0 ISSUER CONSIDERATIONS

As stated earlier, the bonds will be subordinated to all the liabilities and will rank just above the equity holders, the factors that may influence the bond rating are the fundamentals that stands for the equity. Therefore, CRISL has reviewed the fundamentals of the MTB (financials consolidated YE2019) as follows:

9.1 Corporate Strength

During the period under surveillance there were some changes in the composition of Board members. The Board of MTB consists of 14 members, including the Managing Director & CEO. The Board is Chaired by Mr. Md. Hedayetullah, who is also the Chairman of Hedayetullah Securities Limited. Besides, he is also the Managing Director of Foot bed Footwear Limited and FB Footwear Limited and Director of Apex Tannery Limited, MTB Securities Limited and Apex



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Property Development Limited. Mr. Hedayetullah is a renowned personality and holds several prestigious positions at home and abroad. Mr. M. Mokammel Haque and Ms. Nasreen Sattar are acting as Independent Directors on the Board. The Board is involved in setting key targets for the bank and monitors the progress, approves long term strategic plan, appoints key management people and adopts sufficient risk management systems to mitigate the core risks of the bank. The Board conducted 14 meetings in YE2019 and 16 meetings in YE2018. The delegation of power of top management remained unchanged during 2019.

The management team of the bank is headed by Managing Director and CEO, Mr. Syed Mahbubur Rahman. Prior to joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited. Before joining Dhaka Bank Limited, he served BRAC Bank Limited as Managing Director & CEO and Deputy Managing Director (DMD). He also served Prime Bank Limited as Deputy Managing Director. He is the immediate Past Chairman of the Association of Bankers Bangladesh Limited (ABB). He was accorded with 'The Asian Banker Leadership Achievement Award' for Bangladesh for his achievement in the period from 2011 to 2013. In his Management Team, Mr. Rahman is aided by two additional Managing Directors, two Deputy Managing Directors and different Departmental heads. Corporate Management Team deals with various issues relating to inclusion of new branches and products in its portfolios, employee benefits, compliance issues and procurement policies. Corporate Management has formed several Committees to handle the banking operation efficiently, which include Core Management Committee (Core MANCOM), Management Committee (MANCOM), Asset Liability Management Committee (ALCO), Credit Evaluation Committee and Internal Control and Compliance (ICC) Evaluation Committee. The management of MTB is continuing with the same delegation of power in terms of loan, administrative and financial issues.

9.2 Financial Performance (Consolidated)


Overall financial performance of the Bank has been found average in consideration of fluctuating net profit after tax because of increasing trend in provision for loan and advances and investment (especially substantial enhancement took place in provision for unclassified loans of Tk. 1,681.60 million in YE2019 which was Tk. 0.59 million in YE2018), as well as provision in income tax. Net profit after tax has come down to Tk. 1,337.79 million with 22.87% negative growth in YE2019 compared to Tk. 1,734.45 million in YE2018. In its consequences all the profitability indicators declined from last year such as Return on Average Assets (ROAA) after tax stood at 0.56% in YE2019 compared to 0.82% in YE2018 and Return on Average Equity (ROAE) after tax also decreased to 9.03% in YE2019 compared to 13.83% in YE2018.

CRISL opines that bank's profitability may not sustain in the coming days due to economic slowdown caused by COVID-19 which jeopardized the global as well as the local economy. Moreover, imposition of lending cap may narrow down bank's spread. Interest earnings from other segment will also be affected which may pull down bank's overall profitability. With the decline in trade finance, bank's fee and commission based earnings will suffer a setback. Earnings from capital market operation (through brokerage house, merchant bank operation) is also likely to be affected under current context as average turnover in country's both the bourses have come down sharply. Apart from that regulatory restriction of not to book interest on loans and advances for April and May and to transfer it to block account may linger the collection efficiency of the bank. All these together may affect bank's overall profitability in the coming year.

Interest income of the bank increased to Tk. 18,394.01 million with 17.25% growth, which is mainly due to income generated from loan and advances in YE2019. Against the same, the bank paid Tk. 12,964.30 million as interest paid on deposit (24.23% increased from the previous year) resulting in net interest income of Tk. 5,429.71 million which was 3.40% higher than the previous year. During the year 2019, the total operating income increased to Tk. 11,207.18 million with 14.02% growth against Tk. 9,829.12 million in the prior year. The above operating income in YE2019 consists of 48.45% from net interest income (53.43% in YE2018), 22.63% from investment income (23.84% in YE2018), 23.46% from commission, exchange & brokerage income (17.12% in YE2018) and rest 5.46% from other operating income (5.62% in YE2018). All these above pushed the operating profit before provision to Tk. 5,239.84 million in YE2019 compared to Tk. 4,884.33 million in YE2018 registering 7.28%

Average Financial
Performance

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For President & CEO
Syed A. Mamun, PhD, FCMA, CSRS
Deputy CEO
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growth over last year. The Bank kept provision of TK. 2,140.38 million during YE2019 against TK. 2,342.46 million during YE2018 which showed 8.63% negative growth. The bank did not maintain the total provision against the loan and advances in YE2019 as per permission from Bangladesh Bank. Without considering the shortfall provision of TK. 2,902.10 million, the bank may have showed distressing financial performance during the period.

CRISL reviewed the 3rd quarter audited financial statements of YE2020 and found that the loan and advances of MTB increased to TK. 202.33 billion as on September 30, 2020 from TK. 189.73 billion in YE2019. However, the total deposit of the bank stabled to TK. 194.91 as on September 30, 2020 billion from TK. 190.95 billion in YE2019. The net interest income of MTB stood at Tk2,815.32 million and the operating income of the Bank stood at Tk. 7,247.47 million up to September 30, 2020 which was Tk. 4,095.71 million and Tk.8,091.79 million up to September 30, 2019. The net profit after tax of the Bank stood at Tk. 1,243.74 million in nine months operation of YE2020 which was Tk.1,234.28 million in the corresponding period in prior year.

9.3 Assets Quality (Stand Alone)

The overall asset quality of the bank has been found to be moderate. The consolidated assets of the Group stood at TK. 256.91 billion in YE2019 against TK. 222.46 billion in YE2018 registering 15.49% growth. As on December 31, 2019, the asset financing pattern reveals that the majority financing was from deposited fund (74.32%) and the remaining fund from Shareholders' equity (6.34%), inter-bank borrowings (8.45%), other sources (8.24%) and subordinated debt (2.65%). CRISL opines that asset quality of the bank may register further decline in the days to come due to severe affect caused by Corona virus pandemic as almost all business segments (Corporate, SME, Agriculture, Cottage & Micro, Retail etc) of the economy have been affected. Though Government has declared various stimulus packages for various business clusters along with policy changes (revision of CRR, ADR, Repo Rate), bank's credit risk in the current context will further amplify in line with global business scenario. As the world is predicted to be hit hard by deep economic recession, Bangladesh economy including its banking sector will also face a huge blow in coming days. CRISL opines that in current and as well as in post pandemic situation bank asset quality will be at risk due to recovery risk arising out of business challenges in post pandemic situation aligned with the global economic scenario. In addition to the above, the bank will face difficulty to recover loan from the borrowers because of extending the relaxed loan repayment system until September 30, 2020 as the Central Bank has imposed status quo on classification status based on December 31, 2019.

Total loans and advances of MTB increased to TK. 186,768.62 million in YE2019 compared to TK. 163,281.71 million in the YE2018 indicating 14.38% growth. The MTB's non-performing loans (NPL) rose to TK. 10,227.22 million in YE2019 from TK. 8,951.40 million in YE2018 with 14.25% growth. Out of the above, 88.88% loan has been found to be bad (90% in YE2018), while 7.42% sub-standard (5.98% in YE2018) and 3.71% doubtful (4.03% in YE2018) in YE2019. During the period under surveillance, TK. 6,266.95 million was added in fresh NPL. The Bank has recovered of TK. 839.20 million from NPL during 2019. The gross NPL ratio of MTB stabled to 5.48% in the YE2019 due to equal growth of the loan and advances and the classified loan. The gross NPL ratio will stand at 7.31% in YE2019 if rescheduled assets (Tk.3421.63 million) are considered as NPL. Net NPL of the bank stood at 2.75% in YE2019 from 2.73% in YE2018. Moreover, the Bank did not keep sufficient provision (both general & specific) against unclassified and classified loan. Against total provisional requirement of TK. 9,700.02 million in YE2019, the bank kept a provision of TK. 6,797.92 million as on December 31, 2019. Bangladesh Bank approved the shortfall in provision of TK. 2,902.10 million, which MTB will have to maintain in the next 4 years equally (YE2020, YE2021, YE2022 and YE2023). Moreover, regarding Off-Balance Sheet exposure, the bank kept a provision of Tk. 751.67 million as on December 31, 2019, which was equal to the required provision. CRISL also reviewed that 17.55% of total loans and advances have been disbursed without collateral facilities and top-20 defaulters' hold 2.36% of total loans and advances and 52.06% of total classified loans and advances in YE2019. CRISL viewed the NPL of second quarter of YE2020 and found that the gross NPL of the bank stood at 5.06%.

Moderate assets quality.



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9.4 Liquidity Position

Overall liquidity of MTB has been found average during YE2019. Both CRR and SLR of MTB were adequately maintained as per requirement of the Bangladesh Bank. The CRR and SLR requirement were TK. 10,990.31 million and TK. 25,977.09 million as on 31st December, 2019; against which MTB kept TK. 12,133.94 million and TK. 34,250.13 million respectively. Total surplus from both CRR and SLR stood at TK. 9,416.66 million. The bank kept CRR of 6.07% against the requirement of 5.50% and SLR of 17.14% against the requirement of 13.00%. The bank's liquid asset ratio increased to 23.02% as on December 31, 2019 compared to 22.14% as on December 31, 2018. The loans and advance to deposit ratio stood at 97.60% (with regulatory adjustment ADR was 83.38%) on December 2019 against 97.95% on December 2018. Again, loan and advance to deposits and equity ratio stood at 90.10% against 90.85% during the above periods respectively. The Liquidity Coverage Ratio and Net Stable Funding Ratio of the Bank stood at 107.24% and 102.48% on December 31, 2019 respectively which was found to be satisfactory considering regulatory standard. Medium Term Funding Ratio (MTFR) stood at 96.96% and Maximum Cumulative Outflow (MCO) stood at 17.31% as on December 31, 2019.

CRISL reviewed bucket wise payment obligation in comparison to its available assets at different maturity buckets. The analysis shows that the bank has net negative gap as well as cumulative surplus in some of the maturity buckets. MTB has TK. 1,190.55 million and TK. 1,243.61 million positive gap for 1 month maturity bucket and 1 to 3 months maturity bucket respectively. The negative liquidity gap was TK. 3,437.50 million for 3 to 12 months maturity bucket. During the YE2019 the bank's average borrowing from money market was TK. 2,155.49 million per day at an average interest rate of 5.06% and average lending per day was TK. 1,740.69 million with an average interest rate of 10.30%.

9.5 Fund Management

The funding mix consists of 74.74% deposits and other accounts, 6.22% shareholders' equity, 8.48% borrowing from other banks, financial institutions and agents, 7.91% other liabilities and 2.66% subordinated debt. Total deposits consists of fixed deposits of TK. 91,160.96 million (47.64% of total deposit), deposits-products of TK. 39,074.40 million (20.42% of total deposit), savings deposit TK. 29,884.51 million (15.62% of total deposit), current and others deposits of TK. 16,351.29 million (8.54% of total deposit), special notice deposits of TK. 13,254.59 (6.93% of total deposit) and bills payable of TK. 1,643.54 million (0.86% of total deposit). Overall cost of fund increased which stood at 9.55% in YE2019 against 8.63% in YE2018. The bank is mainly dependent on customer deposit which is profit sensitive. CRISL reviews the funding structure and revealed that high cost deposit has increased to TK. 130,235.37 million (68.05% of total deposit mix) in YE2019 from TK. 109,363.19 million (65.60% of total deposit mix) in YE2018.

However, in funding mix, high cost term deposit (around 68%) still dominates the low cost CASA deposit (around 32%). MTB is mainly dependent on customer deposit which is interest rate sensitive. Current imposition of lending cap at the rate 9% on all unclassified loan except retail loan & pre-shipment export credit may create pressure on bank to maintain earlier spread. On the other hand, though there is no specific circular or regulatory restriction on the deposit rate, bank will face trouble to attract depositors at 5-6% interest rate given the more than 10% rate of return of National Savings certificate and current level of inflation in the market.

9.6 Capital Adequacy (Consolidated)

Overall Capital to Risk Weighted Asset Ratio (CRAR) of MTB stood at 12.91% which is in line with the requirement under risk based capital adequacy framework of Basel-III but lower than PCB's industry average of 13.60%. Total RWA of the bank stood at TK. 187,357.50 million as on December 31, 2019 of which 89.30% emanated from credit risk, 3.26% from market risk and rest of the 7.44% from operational risk. Based on the above, the minimum capital requirement stood at TK. 18,735.75 million against which the eligible capital stood at TK. 24,188.33 million as on December 31, 2019. The CRAR on core capital (Tier-1) stood at 7.76% and on supplementary capital (Tier-II) stood at 5.15%. Capital surplus has increased to TK. 5,310.94 million in YE2019 compared to TK. 4,570.34 million in YE2018. The Bank issued 63,707,004 numbers of fresh ordinary shares to Norfund-The Norwegian Investment



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Fund for Developing Countries at the rate of Tk.27.19 each including a premium of Tk. 17.19 during the period 2019.

CRISL reviewed the CRAR of third quarter of YE2020 and found that the Capital to Risk Weighted Asset Ratio (CRAR) stood at 13.57% against the required CRAR (12.50%) due to issuance of MTB 4th Subordinated Bond of Tk. 5,000.00 million. The internal capital generation increased to 18.01% in YE2019 against 13.83% in YE2018. Leverage ratio of the Bank stood at 4.79% in YE2019 as per Basel III. MTB focused both on asset management and capital management to maintain required capital in line with Basel-III capital adequacy framework. Unrated loan eligible for rating stood at Tk. 39,091.40 million (24.16% unrated of total exposure) in YE2019. However, the Bank needs regular monitoring of the surveillance of client ratings in order to make them use worthy.

10.0 CAPITAL ADEQUACY CONTINGENCY PLAN FOR NEXT FIVE YEARS

Following table shows Mutual Trust Bank's hypothetical capital adequacy till year 2024:
(Tk. in Millions)

Particulars	Capital Planning for 5 years				
	2020	2021	2022	2023	2024
Loan and Advances	202,644.00	226,961.00	254,197.00	284,700.00	316,017.00
Credit Risk	181,496.00	203,275.00	227,669.00	254,989.00	283,037.00
Market Risk	6,059.00	6,786.00	7,600.00	8,513.00	9,449.00
Operational Risk	15,089.00	16,900.00	18,928	21,198.00	23,531.00
Total Risk Weighted Assets	205,102.00	227,663.00	252,706.00	280,504.00	311,359.00
Required CRAR (%)	12.50%	12.50%	12.50%	12.50%	12.50%
Required capital (as per Basel III)	25,638.00	28,458.00	31,588.00	35,063.00	38,920.00
Risk Weighted Assets as % of Loan & Advances	101.21%	100.31%	99.41%	98.53%	98.53%
Total Capital Calculation					
Core Capital (Tier-1)					
Paid up capital	7,386.00	8,125.00	8,937.00	9,831.00	10,814.00
Statutory reserve	5,182.00	5,936.00	6,840.00	8,004.00	9,302.00
Retained earnings	2,075.00	2,776.00	3,957.00	5,658.00	7,630.00
General Reserve	787.00	787.00	787.00	787.00	787.00
Non repayable share premium	1,095.00	1,095.00	1,095.00	1,095.00	1,095.00
Sub Total	16,525.00	18,719.00	21,616.00	25,375.00	29,628.00
Less: Goodwill & any contingent assets	660.00	528.00	422.00	338.00	270.00
Less: Deferred tax asset	1,264.00	1,514.00	2,155.00	2,868.00	4,008.00
Total CET 1	14,601.00	16,677.00	19,039.00	22,169.00	25,350.00
Additional Tier-1 Capital (AT- 1)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Total (Tier-1) Capital	18,601.00	20,677.00	23,039.00	26,169.00	29,350.00
Supplementary Capital (Tier- 2)					
General Provision	5,258.00	6,162.00	6,612.00	7,110.00	7,631.00
Asset revaluation reserve & revaluation reserve for Govt. Securities @ 50%	-	-	-	-	-
Subordinated Bond:					
MTB 2 nd Subordinated Bond	600.00	-	-	-	-
MTB 3 rd Subordinated Bond	3,000.00	2,000.00	1,000.00	-	-
MTB 4 th Subordinated Bond	5,000.00	5,000.00	4,000.00	3,000.00	2,000.00
MTB 5 th Subordinated Bond	-	-	-	5,000.00	5,000.00
Total (Tier-2) Capital	13,858.00	13,162.00	11,612.00	15,110.00	14,631.00



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Total Capital (Tier 1+2)	32,459.00	33,839.00	34,651.00	41,279.00	43,981.00
Surplus / deficit	6,821.00	5,381.00	3,063.00	6,216.00	5,061.00
Capital to Risk Weighted Assets Ratio (%)	15.83%	14.86%	13.71%	14.72%	14.13%
After Injection of Proposed Perpetual Bond of BDT 4000.00 Million in 2020:					
Maintained of Tier-1 Capital Ratio (%)	9.07%	9.08%	9.12%	9.33%	9.43%
Required of Tier-1 Capital Ratio (%)	8.50%	8.50%	8.50%	8.50%	8.50%
Surplus/Deficit (%)	0.57%	0.58%	0.62%	0.83%	0.93%

Though, MTB has proposed capital planning till YE2024, CRISL views that the scenario could be different to some extent considering the impact of Basel III. Banks may not be able to meet business target in the volatile macro-economic condition of Bangladesh. The bank has maintained its capital through issuing of subordinated bond over last couple years and it is a temporary solution to maintaining capital as per Bangladesh Bank Guidelines. CRISL believes that the bank should focus on maintaining good asset quality, increasing loan recovery, decreasing Non-performing loan for maintaining capital requirements rather than issue of bond. After injection of proposed perpetual bond, the CRAR will be 15.83% in YE2020. In addition, it has been found that MTB will be able to maintain its minimum Tier-I capital requirement through issuance of proposed perpetual bond of Tk.4000.00 million up to YE2024.

11.0 COUPON PAYMENT

Coupon payments of the bond is payable semi-annually in each year. CRISL views that the fundamentals of the bank will support the coupon payment of perpetual bond from the regular operation. In YE2019, net profit before tax of the bank stood at TK. 3,099.46 million while last three years average net profit before tax stood at TK. 2,633.60 million. From net profit perspective, the bank is capable of repaying the debt. CRISL reviewed the half yearly unaudited accounts of YE2020 and revealed that issuer is running with negative operating cash flow which might create liquidity stress for the bank to repay the debt. The bank has no specific policy to accumulate bond redemption fund.

12.0 RISK ANALYSIS

12.1 Maintenance of Capital

MTB may face maintenance of regulatory capital risk (as per Basel-III guideline). The bank has taken initiative to comply with risk based capital adequacy requirement through issuance of Perpetual Debt to support Tier-I capital in YE2020. The required Tier-I capital ratio of the bank stood at 8.50% (including capital conservation buffer) in YE 2019 but the bank kept at 7.66% in the same period. However, the bank maintained required capital considering the Tier-I capital and Tier-II capital in YE2019. The requirement of the Tier-I capital ratio will increase to 8.50% in YE2020 as per Bangladesh Bank guidelines. Hence, MTB will raise its Tier-I capital through issuance of Tk. 4000.00 million perpetual bond in YE2020 to maintain regulatory requirement for Tier-I capital. After injection of proposed perpetual bond, the maintained Tier-I capital ratio of Mutual Trust Bank will stand at 9.07% in YE2020 indicating 0.57% surplus. In view of that, if internal capital generation of the bank (which is 18.01% in YE2019) is hampered and if the bank cannot create adequate reserve to support capital requirement, the bank is likely to face maintenance of capital risk specially in case of business expansion.



CREDIT RATING REPORT ON MUTUAL TRUST BANK PERPETUAL BOND

12.2 Capital Treatment Risk

Capital Treatment Risk may arise due to fall of rating of the entity (Mutual Trust Bank Limited) as well as the instrument (here Perpetual Bond). To be shown in Tier-I capital, Perpetual Bond must carry at least Bangladesh Bank rating BB3 for both issuer and issue (equivalent to BBB+, BBB, BBB- of CRISL). As Perpetual Bond is unsecured, instrument rating will fall with the fall of entity rating. Presently Mutual Trust Bank carries AA Rating in Long Term and ST-2 in short Term. With the fall of entity rating to below BBB-, instrument rating of the bank will consequently be downgraded and despite the issuance of Bond the bank will face capital treatment risk due to its inability to show the Bond in Tier-I capital.

12.3 Regulatory Change

At present MTB is going to support its capital requirement through bond issue. However, any change in regulatory rules and regulations might impact on bond's advantages.

12.4 Transferability Risk


Transferability risk arises when the bondholder is unable to sell the bond in the market in case of necessity and is required to wait till maturity. As the bond is issued under private placement and is not listed, the bondholders are exposed to easy transferability risk.

12.5 Late Payment Risk

Late payment risk arises from delay in payment of profit by the issuer. If the Issuer fails to pay any sum in respect of the bonds when the same becomes due and payable under these conditions, interest shall accrue on the overdue sum at the prescribed rate per annum plus the rate of interest from the due date. Such default interest payment shall accrue on the basis of the actual number of days elapsed and a 365-day year (366 in case of a leap year). In case of such a delay in payment, the instrument (Perpetual Debt) would be declared as default and thus will not get any benefit for capital treatment through inclusion in Tier-I capital.

12.6 Security Coverage Risk

According to the feature of the proposed perpetual bond, the bond will be unsecured and convertible. From the perspective of credit enhancement, the proposed instrument does not carry any enhancement feature other than the sole payment commitment of issuer. Thus the proposed bond is exposed to security coverage risk other than the inherent risks associated with issuer.


For President & CEO
Syed A. Mamun, PhD, FCMA, CSRS
Deputy CEO
Credit Rating Information and Services Ltd.



Setting global standard at national level

Credit Rating Information and Services Limited
 First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

**CREDIT RATING REPORT
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13.0 OBSERVATION SUMMARY

Rating Comforts:	Rating Concerns:
<p>Issue:</p> <ul style="list-style-type: none"> • Attractive coupon rate • Issuer has sound credit profile • Issuer cash flow supports regular coupon payment as well as principal • The Issue has augmented Tier II capital base which will aid the bank to expand business <p>Issuer:</p> <ul style="list-style-type: none"> • Average financial performance • Capital adequacy complied with Basel requirement • Average liquidity • Good branch network • Good IT Infrastructure • Experienced top management 	<p>Issue:</p> <ul style="list-style-type: none"> • Unsecured debt instrument • Exposed to redemption risk • Subordination to depositors and other bank liabilities • Absence of specific policy to accumulate bond redemption fund • Absence of easily transferable feature • Absence of recourse to the trustee in managing Event of Default <p>Issuer:</p> <ul style="list-style-type: none"> • Moderate asset quality • Moderate Operating performance • Dominance of high cost deposit in funding mix • High credit concentration in corporate
<p>Business Opportunities:</p> <p>Issue:</p> <ul style="list-style-type: none"> • Development of bond market in Bangladesh • Stock exchange enlistment • Introduction of derivatives in Bangladesh stock market <p>Issuer:</p> <ul style="list-style-type: none"> • Portfolio diversification in low risk category business segment including SME • Tap the opportunity of Islamic Operation • Client rating to consolidate and enhance capital base of the bank 	<p>Business Challenges:</p> <p>Issue:</p> <ul style="list-style-type: none"> • Lower market depth of Bangladeshi capital market • Mostly dependent on institutional investor for subscription <p>Issuer:</p> <ul style="list-style-type: none"> • Impact of COVID-19 in the local and global economy • Maintaining spread • Maintaining a stable and quality loan growth • Low recovery performance • Liquidity stress • Maintaining rural urban ratio

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]


For President & CEO
 Syed A. Mamun, PhD, FCMA, CRSR
 Deputy CEO
 Credit Rating Information and Services Ltd



**CREDIT RATING REPORT
 ON
 MUTUAL TRUST BANK PERPETUAL BOND**

**RATING SCALES
 LONG-TERM RATING OF DEBT INSTRUMENTS**

RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Securities rated in this category are adjudged to be of highest credit quality. This level of rating indicates highest level of safety for timely payment of interest and principal. Risk factors are negligible and nearest to risk free government securities.
AA+, AA, AA- (Double A) (High Safety)	Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.
A+, A, A- (Single A) (Adequate Safety)	Securities rated in this category are adjudged to be of good credit quality and offer adequate safety for timely repayment of financial obligations. Protection factors are considered variable and more susceptible to changes in circumstances than securities in higher-rated categories.
BBB+, BBB, BBB- (Triple B) (Moderate Safety)	Securities rated in this category are adjudged to offer moderate safety for timely repayment of financial obligations. This level of rating indicates deficiencies in certain protective elements but still considered sufficient for prudent investment. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
BB+, BB, BB- (Double B) (Inadequate Safety)	Speculative Grade Securities rated in this category are considered to be of speculative grade but deemed likely to meet obligations when due. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category.
B+, B, B- (Single B) (High Risk)	Securities rated in this category are considered to be of highly speculative grade. This level of rating indicates high risk associated with timely repayment of interest and principal. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes. Potential exists for frequent changes in the rating within this category or into a higher or lower rating grade.
CCC+, CCC, CCC- (Vulnerable)	Securities rated in this category are currently vulnerable to non-repayment, and is dependent upon favorable business conditions for the obligor to meet its financial commitments on the obligation.
CC+, CC, CC- (High Vulnerable)	Securities rated in this category is currently high vulnerable to non-repayment.
C+, C, C- (Near to Default)	Securities rated in this category are considered to be near to default. Protection factors are scarce. Timely repayment of interest and principal is possible only if favorable circumstances continue.
D (Default)	Default Grade Defaulted debt obligations. Issuer failed to meet scheduled principal and/or interest payments.


 For President & CEO
Syed A. Mamun, PhD, FCMA, CSRS
 Deputy CEO
 Credit Rating Information and Services Ltd.



Section 14: Description of Trustee

14.1 Description of the Company:

EBL Investments Limited (EBLIL) from its inception 2013, have been elevating its capacities to meet the demands of changes, to serve its clients better. EBL Investments Limited is a Limited company, obtaining merchant bank license from the Securities and Exchange Commission.

EBLIL provides a full range of investment banking facilities including conventional merchant banking activities. In its short record, EBLIL has already achieved substantial dignity and fame in managing public offerings efficiently. Public issues, initial and rights, managed by EBLIL have received encouraging market response. EBLIL team focuses on originating, structuring, underwriting and executing debt financing including syndications of both foreign and local, corporate bonds, and other debt linked products. EBLIL also has a strong foothold in Mergers & Acquisitions and private equity, aligning the goals of those who seek to funding for joint venture opportunities in Bangladesh.

We have skillful HR with a blend of experience and understanding on set of laws. Our HR(s) are well fit for giving ideal financial resolutions for our customers.

EBLIL esteems the significance of improvement of capital market of Bangladesh. We generally attempt to make esteem expansion in the market by presenting new products, keeping up worldwide standard in services we offer, institutionalizing the operational systems for giving global standard services.

VISION

“A grip on the present, an eye on the future”

To be the most innovative leading Merchant Banker in Bangladesh Capital Market in terms of efficiency, excellence, transparency, and professionalism having maximum market shares by 2021.

MISSION

To build the merchant bank into an efficient, market driven, customer centric, service oriented, profit making full-fledged operating unit in the capital market of Bangladesh through a continuous process of capacity building.

VALUES

INTEGRITY:

Integrity is more important than awards, deals and transactions, revenue and profit.

Integrity distinguishes us and is the foundation on which we build strong client relationships and our reputation. From integrity comes trust, and trust allows clients to work effectively with their merchant bank.

STABILITY:

The diversity of our businesses, our approach to risk management and focus on our strengths creates stability for our clients. This means a high-quality counter-party and a bank with a consistent commitment to our professionals, markets and businesses.

A RELATIONSHIP-BASED APPROACH:

The measure of our success is whether we can sustain a relationship with our clients over times, across multiple products & services. For us, it's about establishing meaningful, long-term relationships with clients – where we truly understand and help them grow their businesses or meet their investment objectives.

FOCUSED EXPERTISE:

We do not endeavor to be all things to all clients. Instead, we set our sights on being the most knowledgeable advisor in our areas and sectors of focused expertise. We have built a business by providing in-depth experience in the products and services, sectors and markets where we excel and can provide value to our clients.

SERVICE EXCELLENCE:

We passionately drive customer delight. We use customer satisfaction to accelerate growth. We believe in change to bring in timely solution.

14.2 Functions o EBL Investments Limited

Non-Discretionary Portfolio Management

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

Discretionary Portfolio Management

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

Monthly Investments Scheme

As we know, at present bank interest rate is close to the inflation rate. Hence, deposit rate of the bank is not beneficial for the individual or corporate investors. In this scenario, EBLIL introduced capital market product through Monthly Investment Scheme named SANCHAY as a new investment vehicle. A person will deposit a certain amount of money in each month within life time of the scheme and fund manager will build portfolios gradually on periodical basis. The scheme is managed by professional fund manager under risk management tools and attempted to give maximum benefits to the scheme owners.

SERVICES:

Primary Market Operations

- Initial Public Offerings (IPO)
- Repeat Public Offering (RPO)
- Rights Issue Offering
- Underwriting (IPO, RPO, Rights & Bonds)
- Registrar to the issue

Debt Capital Management

- Loan Syndications
- Trustee Services
- Private Placement
 - Zero Coupon Bond
 - Subordinated Bond

Corporate Advisory

- Mergers and Acquisitions
- Capital Structure Restructuring
- Business Feasibility Study
- New Company Formation and Regulatory Approval
- Pre-IPO Capital Raising, BSEC approval and arranging

Secondary Market Operations







- Clients Trade Execution (Non-Discretionary)
- Discretionary portfolio Management
- CDBL Process Management
- IPO and Rights Application Processing on behalf of clients
- Research Report on Market, Sector and Individual Stock
-

CLIENTELE OF EBL INVESTMENTS LIMITED:

PRIMARY MARKET OPERATIONS SERVICES:

Initial Public Offering (IPO):



Under Fixed Price Method:

Nurani Dyeing & Sweater Limited	
Indo-Bangla Pharmaceuticals Limited	
Silco Pharmaceuticals Limited	
Oryza Agro Industries Limited	
Bonito Accessories Industries Limited	
BD Paints Limited	






Under Book Building Method:





Index Agro Industries Limited	
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Rights Share Offering:

Ratanpur Steel Re-Rolling Mills Limited (RSRM)	
Rahima Food Corporation Limited	

Issue of Capital:

Al-Arafah Islami Bank Limited	
Epyllion Knitwears Limited	
Onetex Limited	
CEAT Bangladesh Limited	
NOVOAIR Limited	

Bay Footwear Limited	
Summit Communications Limited	
Petromax Refinery Limited	
Confidence Power Rangpur Limited	

UNDERWRITING SERVICE:

Currently EBLIL has underwritten of BDT 1300 million approximately in thirteen proposed IPO & right issues of different companies and some of under process to sign and EBLIL has already settled BDT 900 million approximately according to the commitment some of which are mentioned below:









The Peninsula Chittagong Limited	
Pacific Denims Limited	
Bashundhara Paper Mills Limited	
Shasha Denims Limited	
Intraco Refueling Station Limited	
SK Trims and Industries Limited	
Tosrifa Industries Limited	
Fortune Shoes Limited	
IFIC Bank Limited	
Regent Textile Mills Ltd.	
Nurani Dyeing & Sweater Limited	
IDLC Finance Limited	
ACME Laboratories Limited	

DEBT CAPITAL MANAGEMENT SERVICES:

Issue Management & Arranger Services:

Eastern Bank Limited	
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TRUSTEE SERVICE:

Envoy Textiles Ltd.	
Rakeen Development Company (BD) Limited	
The City Bank Limited	
NCC Bank Limited	
Shanta Holdings Limited	
Phoenix Finance & Investment Limited	
IPDC Finance Limited	
Bangladesh Infrastructure Finance Fund Limited (BIFFL)	

CORPORATE ADVISORY:

Epyllion Knitwears Limited	
Abul Khair Steel Mills Limited	
Impressive Textile Mills Limited	
Union Label & Accessories Limited	

14.3 Board of Directors

MR. MOHD. NOOR ALI, CHAIRMAN

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

MR. MEAH MOHAMMED ABDUR RAHIM, DIRECTOR

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

MR. ALI REZA IFTEKHAR, DIRECTOR

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

Mr. Iftekhar is a 1982 graduate from the University of Dhaka in Marketing. His specialization in risk management, corporate banking, operations and retail made him one of the leading bankers of the country. He attended Harvard Business School Program on Leadership in Financial Organizations in 2012. He also participated in the Strategic Leadership Program at University of Oxford, UK in 2013. Furthermore, Mr. Iftekhar took part in Executive Program in Corporate Governance and Strategic Management at Haas School of Business, University of California, Berkeley in 2014.

MR. MD. SAYADUR RAHMAN, DIRECTOR

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

MR. TAHID AHMED CHOWDHURY, FCCA (UK), EX-OFFICIO DIRECTOR & MANAGING DIRECTOR

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

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

KEY PEOPLE

MR. TAHID AHMED CHOWDHURY, FCCA (UK), MANAGING DIRECTOR

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

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

Though quite young, Mr. Chowdhury's Career track stretches more than 15 years which has given him exposure and has provided him with invaluable expertise in different Business Development across business segments. His strong business development acumen to structure a financially viable business model, promote revenue, profitability and growth of the organization, advanced level of skill to oversee company operations to ensure efficient and cost-effective management of resources, strong interpersonal and negotiation skills in dealing with clients has made him a likable person in the professional arena across

business segments in Bangladesh. He has participated in numerous seminars and training programs related to the operations and development of the capital market, at both national and international level.

MR. UTTAM KUMAR SAHA, FCA, CHIEF OPERATING OFFICER (COO)

Mr. Uttam Kumar Saha, FCA is currently serving as Chief Operating Officer of EBL Investments Limited (EBLIL). He has around 14 years of experience in different fields. Prior to the position, he served Noman Group as General Manager (F&A), & Coordinator Global ERP Oracle Software. Just before joining Noman Group, Mr. Uttam worked with Rang Group as Head of Financial Audit and served Four years from starting. Earlier to joining in Rangs Group, he worked with Save the Children Australia. He started his career with Toha Khan Zaman & Co. Chartered Accountant and serve three years as audit supervisor.

Mr. Saha obtained B.Com (hon's), M. Com (Accounting) degree under National University. He has good command on Securities, corporate laws and practices. In his 14 years' experience in Bangladesh Corporate Sector, he carries the ability to support, encourage and motivate colleagues, and investors as well as an excellent track record at generating new business and his understanding on the capital market enable EBLIL to cater best merchant banking services to the clients. Here to be mentioned that, he has participated in numerous seminars and training programs related to the capital market.

MS. MASUDA SULTANA FCS, HEAD OF FINANCE

Ms. Sultana has joined in EBL Investments Limited as Manager & Head of Finance on 9th June 2013. She has more than 12 (Twelve) years' experience in Finance and Accounts. She started her career with E Securities Limited in 2008. After that she worked in Baira Life Insurance Company Limited as Joint Assistant Vice President (JAVP), Finance & Accounts and Assistant Company Secretary. Just before joining in EBL Investments Limited, she survived with Mashafi Group as Assistant General Manager, Finance & Accounts. She obtained B.Com. (Hon's) & M. Com in Accounting under National University. She completed C.A professional course (C.C) articulated from well renowned firm G Kibria & Co. registered under the Institute of Chartered Accountants of Bangladesh (ICAB). She hold professional qualification as Associate Member of Chartered Secretary (ACS), membership no-184 under the Institute of Chartered Secretary of Bangladesh (ICSB) in 2007. At a time she also passed CA (PE-ii) and appear for qualify as associate member under the Institute of Chartered Accountants of Bangladesh (ICAB).

MR. MOHAMMAD SAYEDUR RAHMAN, AVP & HEAD OF OPERATIONS

Mr. Sayed joined EBL Investments Limited on June 2013. He has more than 13 (Thirteen) years of experience in Capital Market, Finance and Accounts. He started his career with CMSL Securities Limited. Before joining EBL Investments Limited he survived with IIDFC Securities Ltd (a subsidiary of IIDFC Limited) in the relevant field. He obtained his M.Com (Accounting) under National University and M.B.A major in Finance from Bangladesh Islamic University (BIU). He also completed his C.A professional course (C.A.C.C) articulated from Shafiq Basak & Co., and registered with the Institute of Chartered Accountants of Bangladesh (ICAB). He is very conversant on securities and corporate laws and practices. In his 13 years' experience in Bangladesh Capital Market, he carries the ability to support, encourage and motivate colleagues, and investors as well as an excellent track record at generating new business and his understanding on the capital market enable EBLIL to cater best merchant banking services to the clients. Here to be mentioned that, he has participated in numerous seminars and training programs related to the capital market.

OTHER SUPPORTED PEOPLE FROM SUBSIDERIES OF EBL:

MR. AHMED AREFIN, FCA

MANAGING DIRECTOR, EBL ASSET MANAGEMENT LIMITED.

Mr. Ahmed Arefin FCA is currently serving as the Managing Director of EBL Asset Management Limited. Mr. Arefin has more than 12 years' experience in the financial sector including Banking & all field of Capital Market Operations in different senior positions.

Mr. Arefin completed his BBA (major in Accounting & Information Systems) from Faculty of Business Studies, University of Dhaka. He is the Fellow Member of The Institute of Chartered Accountants of Bangladesh.

MR. MD. HUMAYAN KABIR, FCA, ACMA

CHIEF OPERATING OFFICER (COO), EBL SECURITIES LIMITED

Mr. Kabir has 10 years of professional experience in the Bangladesh Capital Market and reputed chartered accountancy firms. He joined EBLSL as the Chief Operating Officer in 2016. Prior to joining EBLSL, Mr. Kabir worked at International Leasing Securities Limited (ILSL) as Chief Operating Officer.

Mr. Kabir completed his MBA & BBA with Major in Accounting and Information Systems from University of Dhaka. Mr. Kabir is conjointly a Chartered Accountant and a Cost & Management Accountant.



14.4 DUE DILIGENCE CERTIFICATE OF TRUSTEE:



EBL Investments Ltd.
A full-fledged merchant bank and subsidiary of Eastern Bank Ltd.

HEAD OFFICE

Jiban Bima Bhaban (Ground Floor)
10 Dilkusha C/A, Dhaka-1000
Bangladesh

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman,
Bangladesh Securities and Exchange Commission

SUB: ISSUANCE OF 4,000 NUMBERS OF CONTINGENT-CONVERTIBLE UNSECURED PERPETUAL COUPON BEARING BOND OF BDT 1,000,000.00 EACH TOTALING UP TO BDT 4,000,000,000.00 FOR MUTUAL TRUST BANK LIMITED (MTBL)

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

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

WE CONFIRM THAT:

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

For Trustee,

Tahid Ahmed Chowdhury, FCCA
Managing Director
EBL Investments Limited

Date: November 09, 2020
Place: Dhaka

Section 15: Modus Operandi of the Issue

3. Form, Definition and Title

(A) Form and Denomination

The Bonds, (each, a “series”) are issued in registered form in a minimum denomination of BDT 1,000,000.00 and integral multiples thereof. A bond certificate (each a “**Bond Certificate**”) will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the “**Register**”), which will be kept by Registrar on behalf of the Issuer.

(B) Title

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

4. Transfers of Bonds

(A) Register

The Registrar will maintain an authoritative Register in respect of the Bonds, in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Bond means the Eligible Person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Bondholder**” shall be construed accordingly. The Register shall be *prima facie* evidence of any matter in relation to the rights under the Bonds. Bondholders and the Trustee shall be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

(B) Transfer

Subject to Conditions 4(E) (*Closed Periods*) and 4(F) (*Regulations concerning transfers and registration*), a Bond may be transferred to another Eligible Person in Bangladesh (a “**Transferee**”) upon surrender of the Bond Certificate issued in respect of that Bond, together with a duly completed and executed instrument of transfer (in the form attached to the Bond Certificate, a “**Instrument of Transfer**”) by the registered holder of the Bond, as transferor (the “**Transferor**”) or the proposed Transferee. A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such Instrument of Transfer shall be executed by the authorised persons of the Transferor or the Transferee, as the case may be. Upon receipt of the Bond Certificate issued in respect of the Bond to be transferred along with the duly completed and executed Instrument of Transfer at the Specified Office of the Transfer Agent, together with such evidence as such Transfer Agent may reasonably require to prove (i) the title of the Transferor and (ii) the signature and

authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee. Upon receipt of the Bond Certificate, the Instrument of Transfer and the other supporting documents named above, the Transfer Agent, as the duly authorized delegate of the Issuer's Board of Directors, shall approve and certify the transfer on behalf of the Board of Directors of the Issuer. If the Transfer Agent refuses to register the transfer of any Bond it shall immediately provide notice of such refusal to the Issuer. If the Issuer does not agree with the Transfer Agent's refusal to approve and certify such transfer, it shall within 3 (three) Business Days of receipt of such notice from the Transfer Agent, direct the Transfer Agent to approve and certify the transfer as requested in the relevant Instrument of Transfer. If the Issuer agrees with Transfer Agent that the requested transfer should be refused, the Issuer shall, within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Transfer Agent, send or cause to be sent notice of such refusal to both the Transferor and the Transferee. Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the transferor.

(C) Registration and delivery of Bond Certificates

Within 5 (five) Business Days of the approval of a transfer of Bonds by the Transfer Agent or the Issuer in accordance with Condition 4(B) (*Transfer*), the Registrar shall (a) register the transfer in question in the Duplicate Register and procure the registration of such transfer in the Register; (b) make any necessary endorsements on the reverse of a Bond Certificate transferred in whole but not in part and (c) deliver a new Bond Certificate (or, in case of a transfer of Bonds in whole but not in part, the existing Bond Certificate, in each case in respect of which entries have been made in the Duplicate Register and the Register, of a like principal amount to the Bonds transferred to each relevant Bondholder (i) at its Specified Office or (ii) (at the request and risk of any such Bondholder) by uninsured first class mail to the address specified for the purpose by such relevant Bondholder.

(D) Formalities Free of Charge

The transfer of a Bond will be affected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but against such indemnity as the Registrar or such Transfer Agent may require in respect of any tax or other duty or governmental charges of whatsoever nature which may be levied or imposed in connection with such transfer.

(E) Closed Periods

Bondholders may not require transfers to be registered:

- (i) (i) within 15 (fifteen) Business Days of the due date for any payment of principal or interest in respect of the Bonds, save in the case of a payment which falls due as a result of an Event of Default; or
- (ii) in the case of a payment of principal or interest as a result of an Event of Default, during the period from the later of (i) 15 (fifteen) Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Condition 11 (*Events of Default*) to and including the due date for such payment of principal or interest; or

(iii) on the due date for any payment of principal or interest in respect of such Bond.

(F) Regulations concerning transfers and registration

All transfers of Bonds and entries in the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may only be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed by the Registrar to any Bondholder who requests in writing a copy of such regulations.

5. Covenants

As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due) or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the provisions of this Condition 5.

(A) Financial Indebtedness

(i) The Issuer shall not (and the Issuer shall ensure that no other member of the Group shall) incur, create or permit to subsist or have outstanding any Financial Indebtedness or enter into any agreement or arrangement whereby it is entitled to incur, create or permit to subsist any Financial Indebtedness.

(ii) Condition 5(A)(i) above does not apply to any Financial Indebtedness:

- (a) incurred in the ordinary course of business; and/or
- (b) arising under the Bonds Documents.

(B) Change of Business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer or the Group from that carried on at the Issue Date.

(C) Arms' length transactions

The Issuer shall not (and the Issuer shall ensure that no member of the Group shall) enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.

(D) General Undertakings

(iii) Authorisations

The Issuer shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) as and when requested by the Trustee, supply to the Trustee certified copies of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party.

(iv) Compliance with laws

- (a) The Issuer shall comply in all respects with all laws to which it is subject (including, without limitation, the requirements and guidelines issued by Bangladesh Bank from time to time), if failure so to comply would, or could reasonably be expected to, have a Material Adverse Effect.

- (b) The Issuer shall comply with the Rules so far it is applicable for the Issuer.

(v) Insurance

The Issuer shall (and the Issuer shall ensure that each other member of the Group shall) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

(vi) Corporate Governance

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

(vii) Taxation and claims

The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation of the country of jurisdiction.

(viii) Environmental Compliance

The Issuer shall (and the Issuer shall ensure that each other member of the Group shall) comply in all material respects with all existing Environmental Law and obtain and maintain any Environmental Permits.

(ix) Social Law Compliance

The Issuer shall (and the Issuer shall ensure that each other member of the Group shall) comply in all material respects with all existing Social Law. Furthermore, the Issuer shall use its best efforts to act in accordance with the stricter of the Core Labour Standards and the Social Law.

(x) Maintenance of and access to books and records and inspection

- (1) The Issuer shall, and the Issuer shall procure that each other member of the Group shall, maintain books and records (with respect to itself and its business) in good order.
- (2) The Issuer shall ensure that the representatives, agents and/or advisers of the Trustee shall be allowed, subject to confidentiality obligations under applicable law, to have access to the assets, books, records and premises (including access to view any physical assets which are the subject of any Security Interest) of each member of the Group and to inspect the same during normal business hours (at the expense of the Issuer) with prior consent of the Issuer.

- (3) The Issuer shall ensure that the officers of each member of the Group shall, upon reasonable notice, be available to discuss in good faith the affairs of such member of the Group with the Trustee and/or its representatives, agents and/or advisers.

(E) Undertakings to Comply with Bangladesh Bank Authorisation

It will at all times comply with the terms of the BB Approval and the provisions of the Guidelines on Subordinated Debt issued by the Bangladesh Bank (including maintaining any required Bangladesh Bank rating and/or rating grade of the Bonds and/or the Issuer);

(F) Information Comply with Bangladesh Bank Authorisation and Providing Information

It shall supply to the Bondholders the statements and documents, except those published in the website of the issuer as per local regulations, as follows on requisition by the bondholders (with a copy to the Trustee) if it does not contradict with the laws of land and policy of the issuer:

- (a) all documents dispatched by the Issuer to its shareholders and/or creditors (or any class of them);
- (b) not earlier than 30 days after the end of each calendar quarter, the unaudited consolidated quarterly management accounts of the Issuer;
- (c) not earlier than 60 days after the end of each calendar year, the unaudited consolidated annual management accounts of the Issuer; and
- (d) within 90 days after the end of each financial year, the audited consolidated annual accounts of the Issuer;

6. Interest

(A) Calculation of Interest

- (i) The Bonds bear interest from the Issue Date at the Applicable Interest Rate on the principal amount of the Bonds. Interest is payable in arrears on each Interest Payment Date. The Trustee shall notify the Bondholders in accordance with Condition 15 (Notices) the Applicable Interest Rate for an Interest Period on the Interest Rate Determination Date. Interest will be calculated semi-annually. The Interest Rate will be re-fixed semi-annually based on the determination of Benchmark Rate.
- (ii) Each Bond will cease to bear interest from the due date and to be paid in each Interest Payment Date unless payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at the Default Interest Rate specified in Condition 7 (F) (*Default Interest Rate and Delay In Payment*) hereto above the rate aforesaid (after as well as before any judgment) up to but excluding the date on which all sums due in respect of any Bond are received by or on behalf of the relevant holder.

- (iii) If interest is required to be paid in respect of a Bond on any date other than an Interest Payment Date, it shall be calculated by applying the Interest Rate to the outstanding principal amount of such Bond, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest taka (half a taka being rounded upwards), where "**Day Count Fraction**" means, in respect of any period for which interest is to be calculated, the actual number of days in the relevant period divided by 365, irrespective of a leap year.

(B) Market Disruption Event

If a Market Disruption Event occurs in relation to a Bond for any Interest Period, then the Benchmark Rate will be determined by the Trustee in consultation with the Issuer. If such rate is unavailable then the Issuer shall negotiate in good faith with the Trustee in order to arrive at a mutual agreement upon the Applicable Interest Rate. However, if the Issuer and Trustee is unable to arrive at an agreed rate within 2 (two) Business Days of negotiation the Benchmark Rate of the previous Interest Period shall be applicable as Benchmark Rate for the said Interest Period.

7. Payments

(A) Payment of Interest

- (a) The Issuer hereby covenants that from (and including) the Issue Date up to (but excluding) the Call Exercise Date as per Condition 7(B), the Issuer will pay to the Bondholders coupon on each Bond at the Interest Rate, provided however that all payment of interest shall be subject to having distributable profit after making payments to creditors senior to the Bondholders and Interest Range shall be proportionately adjusted based on such available distributable profits of the Issuer; provided further that obligation of the Issuer for making payment of coupon shall be subject to loss absorption obligation of the Bondholders as per clause 9(A).
- (b) Trustee will notify the amount of the Interest Payment to the Issuer _____ (_____) days prior to any Interest Payment Date.
- (c) Every payment by the Issuer to the Bondholders in respect of the interest payments under the Bonds shall be in satisfaction *pro tanto* of the covenant by the Issuer contained in this Condition and the obligations and liabilities of the Issuer with regard to that interest payment.

(B) Redemption Payments on exercise of Issuer's Call Option

Upon issuance of Call-Option Exercise Notice as per Condition 7(A) hereunder, on the Call Exercise Date, the Issuer shall make payment of the principal and/or any accrued and unpaid Interest payments by transfer to the registered account of the Bondholder or by a BDT cheque drawn on a bank that processes payments in BDT mailed to the registered address of the Bondholder if it does not have a registered account. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Bond Certificate at the Specified Office of the Paying Agent. Interest on Bonds due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the Record Date. For the purposes of this Condition, a Bondholder's "**registered account**" means the BDT account maintained by or on behalf of it with a bank that processes payments in BDT, details of which appear on the Register at the close of business, in the case of principal and interest

due otherwise than on an Interest Payment Date, on the second Business Day before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant Record Date, and a Bondholder's "**registered address**" means its address appearing on the Register at that time.

(C) Payments subject to applicable laws

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the provisions of Condition 9 (*Events of Default*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(D) Payments on Business Days

Payments will be made by the Paying Agent (a) (in the case of payments of principal and interest) on the later of the due date for payment and the day on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of the Paying Agent and (b) (in the case of payments of interest payable other than on redemption) on the due date for payment. A holder of a Bond shall not be entitled to any default interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

(E) Record date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "**Record Date**").

(F) Default Interest Rate and Delay In Payment

If the Issuer fails to pay any sum in respect of the Bonds within _____¹days when the same becomes due and payable, Issuer shall pay Default Interest Rate for the default period.

(G) Stopping of Dividend Payment

During any non-payment of the interest of the Bonds by the Issuer, the Issuer shall not, (i) declare or pay any dividends or distributions or redeem, purchase, acquire or make a liquidation payment on any of the Issuer's capital stock or (ii) make any payment of principal of or interest or premium, if any, on, or repay, repurchase or redeem, any debt securities of the Issuer (including other junior subordinated debt securities or other junior subordinated debt) or (iii) make any guarantee payments on any guarantee by the Issuer of the debt securities of any of its Subsidiaries (including under other guarantees of junior subordinated debt securities or other junior subordinated debt).

(H) Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to receive money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the percentage of share on the Bond by each nominee. Payment by the Paying Agent to the nominee on the Interest Payment Date on the death of the

¹ Arrangers/MTBL to check and insert the date.

Bondholder shall be sufficient to discharge payment obligations of the Issuer to the respective Bondholder and it shall be responsibility of the nominee to distribute amongst the heirs of the deceased in accordance with applicable laws.

8. Exercise of Call-Option by the Issuer

(A) Call-Option

Subject to Issuer having achieved Call Option Eligibility and obtaining approval of Bangladesh Bank, after the 10th (tenth) anniversary of the Issue Date, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date ("Call-Option Exercise Notice"), which notice shall be irrevocable, elect to redeem all of the Bonds at their principal amount together with any outstanding payments. No partial redemption of the Bonds shall be allowed under any Call-Option Exercise Notice by the Issuer.

Upon receipt of the Call-Option Exercise Notice as per Condition 8(A), Trustee will notify the amount of the redemption payment, i.e., principal amount of the Bonds together with any outstanding payments to the Issuer 15 (fifteen) days prior to intended Call Exercise Date.

9. Loss Absorption upon a Trigger Point Condition

(A) Loss Absorption

Within 2 (two) Business Days of the end of the 2nd Quarter when Common Equity Tier 1 (CET-1) Ratio remains below 4.50%, Issuer shall notify the Trustee that in the event that the Trigger Point Condition is met, the Loss Absorption Option shall be exercised ("Conversion Indication Notice"). Within 2 (two) Business Days of the approval of the audited financials which confirms fulfilment of the Trigger Point Condition, the Issuer shall notify the Trustee of the need for exercising Loss Absorption Option by notifying the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period ("Conversion Notice") and shall prepare and send the draft notice for the Bondholders to be sent by the Trustee informing such conversion along with the Conversion Notice. The Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice.

All notices are validly given if:

- i. Mailed to bondholders at their respective address in the register,
- ii. Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, and
- iii. Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given when followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the 7 (seventh) day after being so mailed or on the later of the date of such publications.

(B) Number of Bonds to be converted

After the Trigger Point Condition Date, the Loss Absorption Option shall be exercised upon conversion of the outstanding principal of the Bonds to common shares at the Conversion Strike Price by such amount which shall not exceed the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of risk weighted asset.

CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If an issue in relation to issuance of a fractional share arises upon conversion, the Issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.

(C) Payment Suspension

In case of the event of exercise of Loss Absorption Option of the Bond, any payment of interest in between the Trigger Point Condition Date and publication date of audited financials will be suspended. The Bondholder will not be eligible for the interest payment if the same situation prevails (Issuer's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of exercise of the Loss Absorption Option, the portion of Bonds that will be required to be converted, no such interest shall be paid on such converted Bonds. The portion of the Bonds that shall not be converted, payment will resume from next Interest Payment Date for that non-converted portion, but subject to CET-1 Ratio reaching 4.50% or above, and interest will be paid along with previous coupon for this portion.

No penal/additional/delay fee shall be charged on the Issuer for the period when interest(s) payment was suspended.

10. Taxation

All tax will be paid or deducted as per prevailing law of the land.

11. Events of Default

(A) (A) Events of Default

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 66^{2/3} percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount and any accrued interest (due and unpaid) if:

- (xi) *Non-Payment*: a default is made in the payment of any principal or in the payment of any interest due remain unpaid for thirty days from the due date in respect of the Bonds;
- (xii) *Raising of Tier-II Capital*: Issuer raises Tier-II capital in the amount more than prescribed in the Capital Adequacy Guidelines without written permission of the Trustee and the Bondholders.
- (xiii) *Payment of dividend during default*: any payment of dividend or other payments by the Issuer in breach of Condition 7 (G).



- (xiv) *Default in payment:* Subject to the Trigger Point Consideration being met, and/or exercise of Loss Absorption Option, the Issuer defaults in the payment of any money owing in respect of the Bonds when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days.
- (xv) *Breach of Terms:* Breach of any covenant, warranty or other provision of the Trust Deed and such default continues for at least thirty (30) Business Days.

The Bonds shall automatically bear interest from (and including) the date of the occurrence of any such event at the Default Interest Rate. The Trustee shall notify the Bondholders in accordance with Condition 11 not less than 3 business days after it has become aware of an Event of Default that the Default Interest Rate has taken effect and call for a meeting of the Bondholders in accordance with the Condition 11 and shall follow the decision as so requested in writing by the holders of not less than $66\frac{2}{3}$ per cent. in principal amount of the Bonds then outstanding or as have been so directed by an Extraordinary Resolution of the Bondholders.

12. Enforcement

(A) Proceeding

At any time after the Bonds have become due and repayable, the Trustee may take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than $66\frac{2}{3}$ per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

(B) Application of Moneys

All moneys recovered by the Trustee in respect of the Bonds or amounts payable under the Trust Deed will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- (a) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the Trustee) agreed between the Trustee and the Issuer but not paid by the Issuer;
- (b) secondly, in payment of any amounts due and owing by the Issuer to any Agent under the Agency Agreement;
- (c) thirdly, in or towards payment *pari passu* and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- (d) fourthly, the balance (if any) in payment to the Issuer for itself.

13. Meetings of Bondholders, Modification, Waiver and Substitution

(A) (A) Meetings

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over $66\frac{2}{3}$ percent in principal amount of the Bonds for the time being outstanding or at any adjourned such meeting not less than 33 percent, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than $66\frac{2}{3}$ percent of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

(B) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 13(A) (*Meetings*) above) to, or the waiver or authorisation of any breach or proposed breach of, these Conditions or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

(C) Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 10 (*Taxation*) and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(D) Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(A) (Meetings), a modification, waiver or authorisation in accordance with Condition 13(B) (Modifications and Waiver) the Issuer will procure that the Bondholders be notified in accordance with Condition 15.

14. Replacement of Certificates

If any Bond Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued

15. Notices

All notices are validly given if:

- (i) mailed to the Bondholders at their respective addresses in the Register; or
- (ii) emailed to the Bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the Bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the third day after being so mailed or on the later of the date of such publications.

16. Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

17. Inconsistency

In the event of any inconsistency between the provisions of any Bond Document and the Rules, the latter shall prevail.

18. Governing Law

These Conditions and the Trust Deed and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, the laws of Bangladesh.

19. Arbitration

Any dispute arising from or in connection with this Trust Deed or the Conditions (including a dispute relating to non-contractual obligations arising from or in connection with this Trust Deed and/or these Conditions, or a dispute regarding the existence, validity or termination of the Conditions and/or this Trust Deed or the consequences of their nullity) (the “Dispute”) between the Issuer and the Trustee or between Issuer and the Bondholders or between Trustee and the Bondholders shall be settled by arbitration in accordance with the provisions of the Arbitration Act 2001. Each party shall appoint its arbitrator and the arbitrators shall appoint chairman of the arbitral tribunal. Venue of arbitration shall be at Dhaka. Unless otherwise decided by the arbitral tribunal, each party to an arbitration proceeding shall bear their respective costs of arbitration.