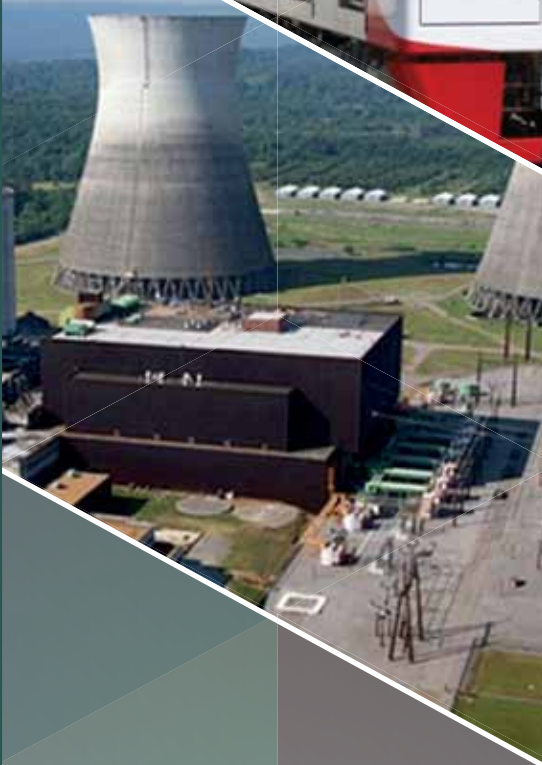


# Annual Report | 2020





## Letter of Transmittal

All Shareholders of Trust Bank Limited  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies and Firms

Annual Report for the year ended on 31 December 2020.

Dear Sir,

We are pleased to present a copy of the Annual Report 2020 with Audited Financial Statements. The report includes consolidated and separate Balance Sheet, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Equity and Liquidity Statement for the year ended on 31 December 2020 with the notes thereto. Statements are prepared on Trust Bank Limited (TBL) and its Subsidiaries and Joint Venture-Trust Bank Investment Limited (TBIL), Trust Bank Securities Limited (TBSL) and Trust Axiata Digital Limited (TADL).

Yours Sincerely,

**Md. Mizanur Rahman, FCS**  
Company Secretary



Letter of Transmittal

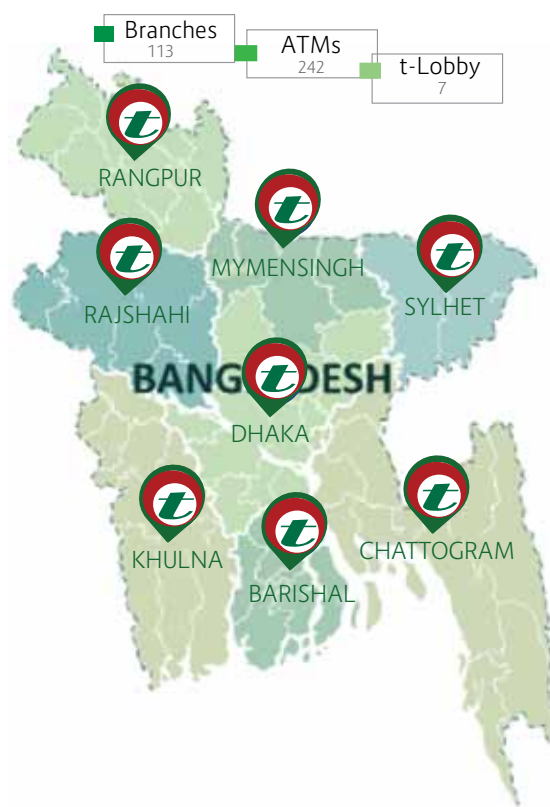


## About Us

Trust Bank Limited (TBL) was established as a scheduled bank in 1999 to provide necessary and affordable banking services with optimum value to the people of Bangladesh. With a successful journey of two decades, the Bank has now emerged as a leading, sound and stable commercial private bank in Bangladesh. The Bank offers the entire spectrum of financial services to customer segments, including large and mid-corporates, SME and retail businesses.

Trust Bank, the first of its kind in the history of Bangladesh, was initially sponsored by Army Welfare Trust (AWT), Bangladesh Army. The Bank was listed with the Stock Exchanges in 2007 and floated the shares for the general public. At present, AWT is the largest shareholder, holding 60% of the stake of the Bank.

Over the years, the Bank has developed a long-term relationship with its customers by being their preferred financial solutions partners, leveraging profound insights and superior services. Moreover, considering the business volume and manifold customers demand, the Bank has upgraded its technology and managed to achieve public confidence



## Credit Rating

AA2 Long Term  
ST- 2 Short Term

## Financial Highlights

BDT in Million

	Total Assets	356,458
	Loans and Advances	223,231
	Deposits	286,935
	Total Shareholders Equity	17,609

## Financial Ratio

	Return on Average Assets	0.55%
	Cost to Income	37.96%
	Tier-I Capital Ratio	8.76%

Trust Bank, being 'A Bank for financial inclusion', extends relentless efforts for bringing the unbanked population into the banking network through low cost and technology-driven service delivery. To enrich the service delivery standard, the Bank has added alternative delivery channels (i.e. ATM, Cards, i-banking, mobile banking, etc.) in its day-to-day banking activities. Moreover, the Bank is always focused on meeting the customers' financial needs by providing high-quality products and services through regular customer engagements.

We believe our diversified business and robust risk management strategies are the significant catalysts to ensure the country's long-term sustainable growth. Therefore, we are dedicated to meet up with the ever-growing expectations of all the stakeholders, including the customers, shareholders, employees and regulators, with the highest level of accountability.



## Corporate Information

### Registered Name of the Company

Trust Bank Limited

### Legal Form

The Company was incorporated on 17 June 1999 under the Companies Act 1994 as a Public Limited Company for carrying out all kinds of banking activities.

### Registration Number and Date

C-37960 (2260)/99, 17 June 1999

### Sponsor Shareholder

Army Welfare Trust

### Corporate Website

[www.tbld.com](http://www.tbld.com)

### Email

[info@tbld.com](mailto:info@tbld.com)

### Company Secretary

Mr. Md. Mizanur Rahman, FCS

### Chief Financial Officer

Mr. Md. Mahfuzur Rahman

### Head of Internal Control and Compliance

Mr. Md. Kamal Uddin Kutubi

### Registered Office

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206.

### Subsidiaries and Joint Venture

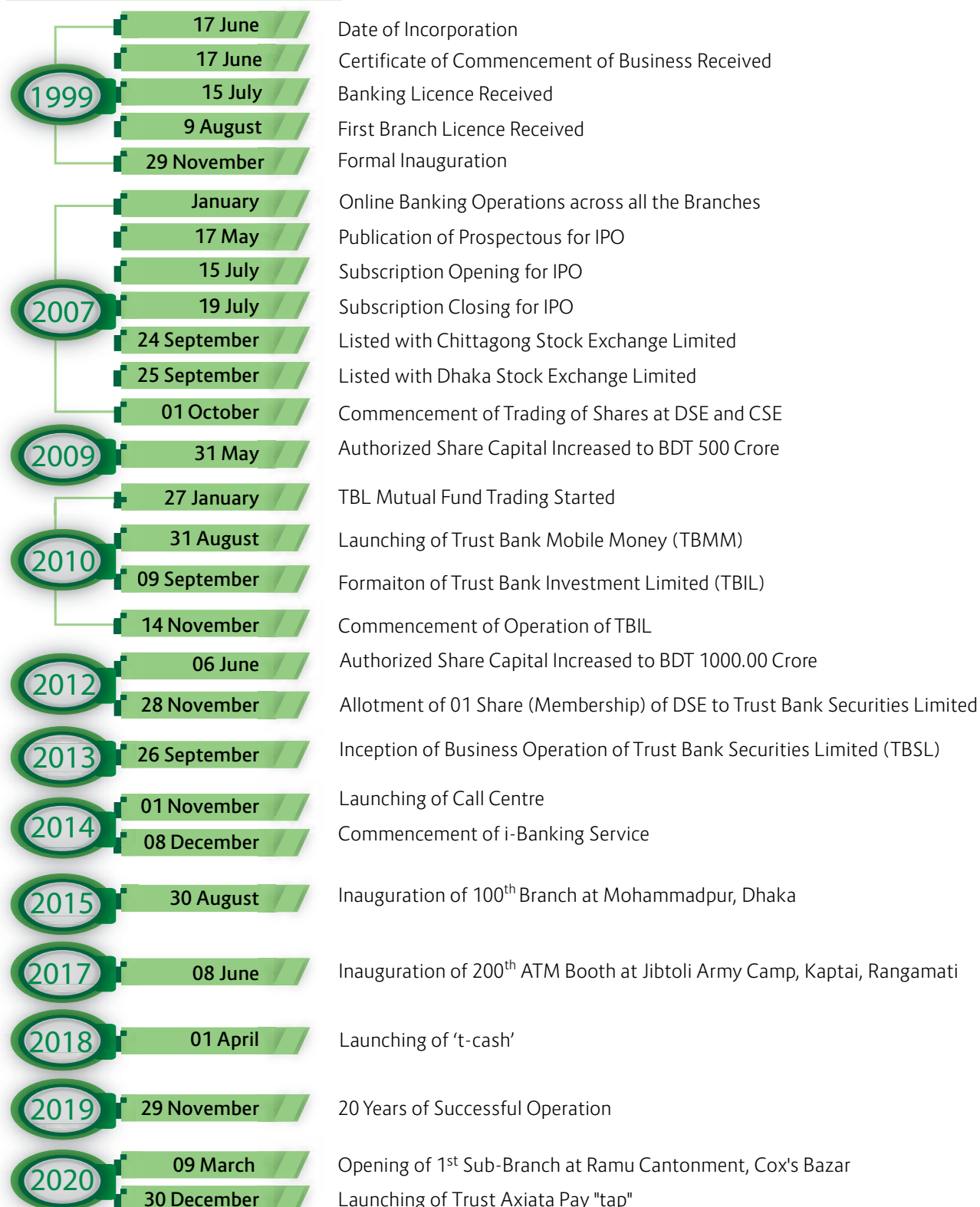
Trust Bank Investment Limited (TBIL)  
Trust Bank Securities Limited (TBSL)  
Trust Axiata Digital Limited (TADL)





Key

## Milestone





## Professional Partners

### External Auditors



**M. J. ABEDIN & CO**  
An Independent Member Firm Of  
Moore Global Network Limited

**M/s . M. J. Abedin & Co.**

Chartered Accountants  
National Plaza, 3<sup>rd</sup> Floor  
109 Sonargaon Road, Dhaka 1205.

### Corporate Governance Auditor



**K. M. HASAN & CO. (KMHCO)**

McMillan Woods International

**K.M. Hasan & Co.**

Chartered Accountants  
Hometown Apartment (7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> Floor)  
87, New Eskaton Road, Dhaka - 1000.

### Rating Agency



CREDIT RATING AGENCY OF BANGLADESH LTD.

**Credit Rating Agency of Bangladesh Limited**

Level # 15, DH Tower  
6 Panthapath, Dhaka - 1215.

### Tax Consultants



**ADN ASSOCIATES**  
Pay Tax For Civilization

**M/s. ADN Associates**

Rupayan Karim Tower, Flat # A - 11  
80, Kakrail, Dhaka - 1000.

### Independent Scrutinizer

**Jasmin & Associates**

Chartered Secretaries

## Memberships



**Bangladesh Association of Banks**



**Association of Bankers, Bangladesh Limited**



**BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES**



**Bangladesh Institute of Bank Management**  
বাংলাদেশ ইনস্টিটিউট অব ব্যাংক ম্যানেজমেন্ট



**The world business organization**



**The Institute of Bankers, Bangladesh**



বাংলাদেশের শ্রমিকদের সংগঠন

**DHAKA CHAMBER OF COMMERCE & INDUSTRY(DCCI)**

The Best of Bangladesh is Business®

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# STRATEGIC REPORT

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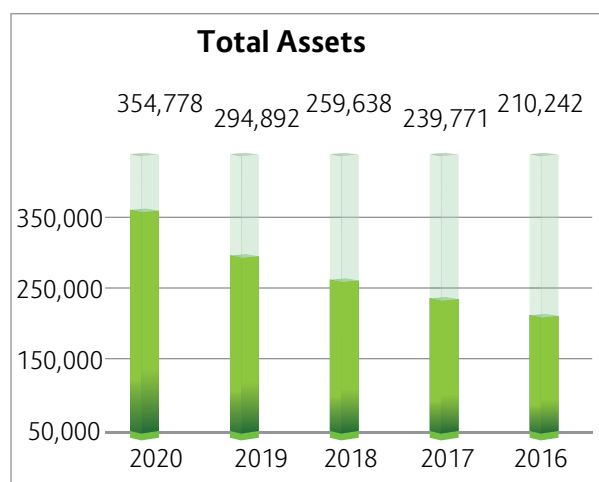
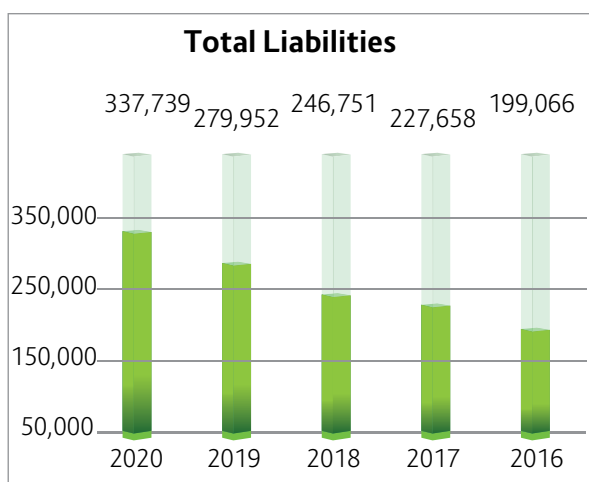
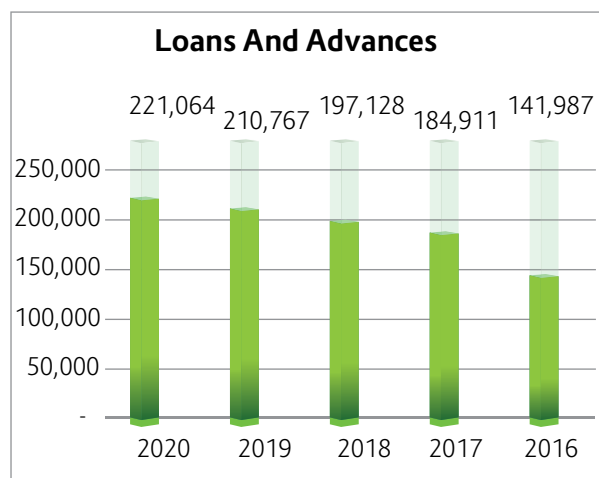
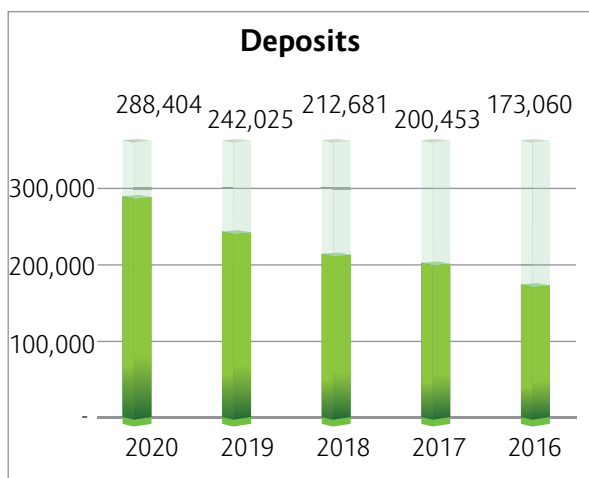
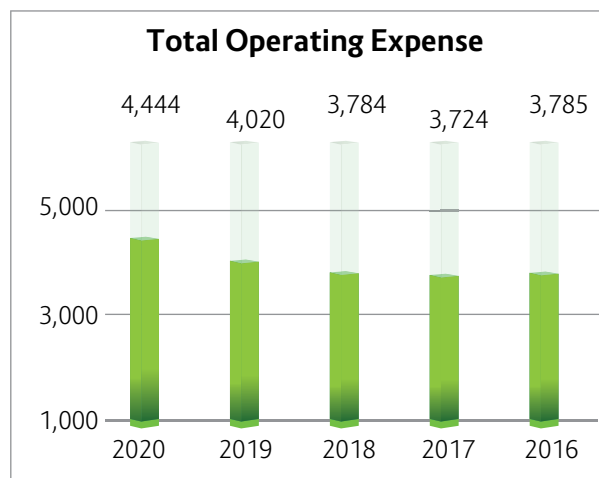
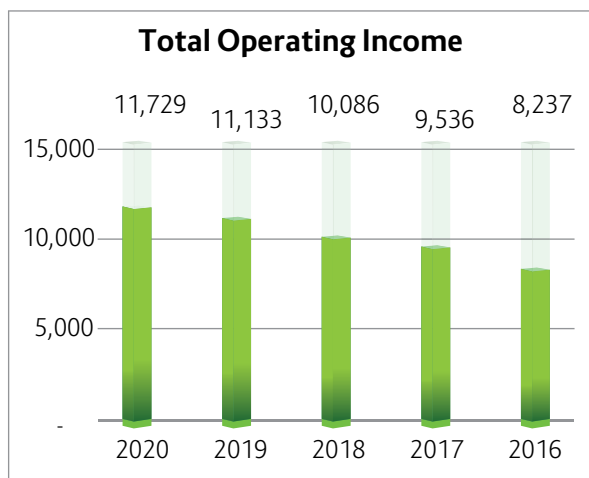






## Performance

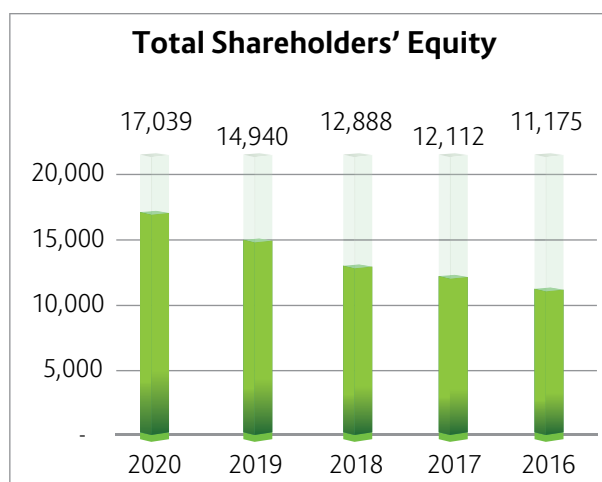
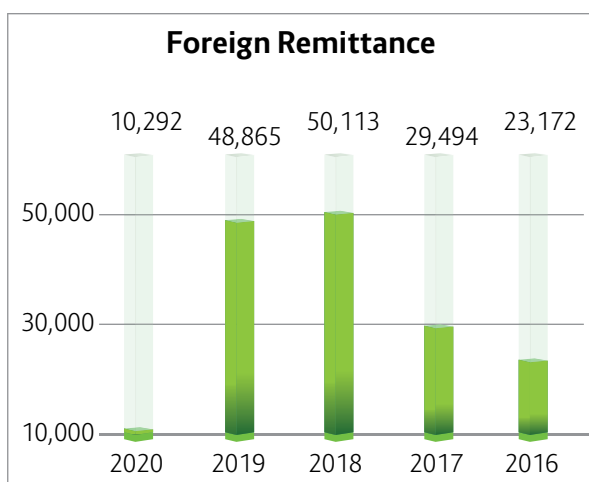
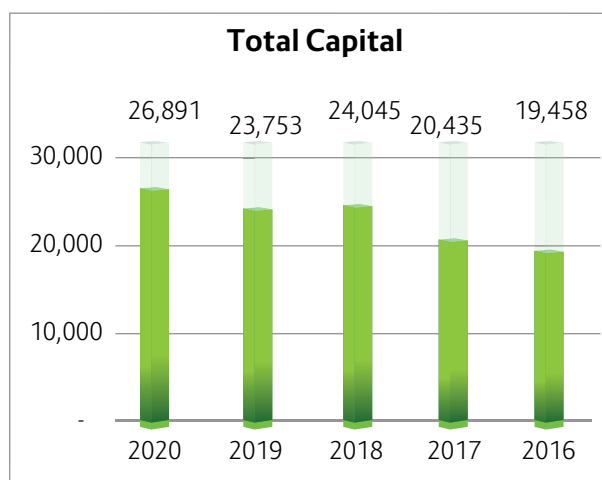
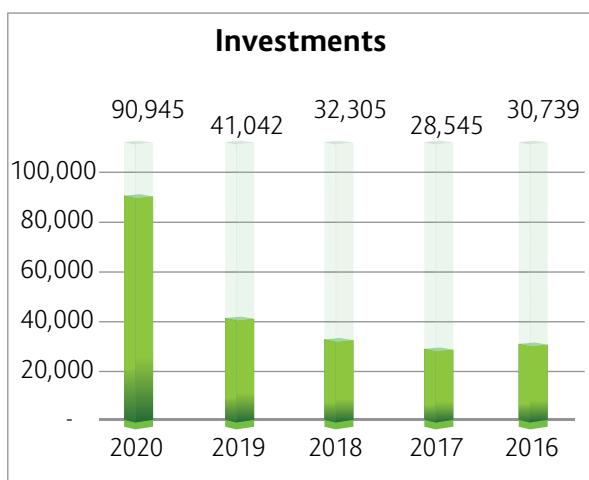
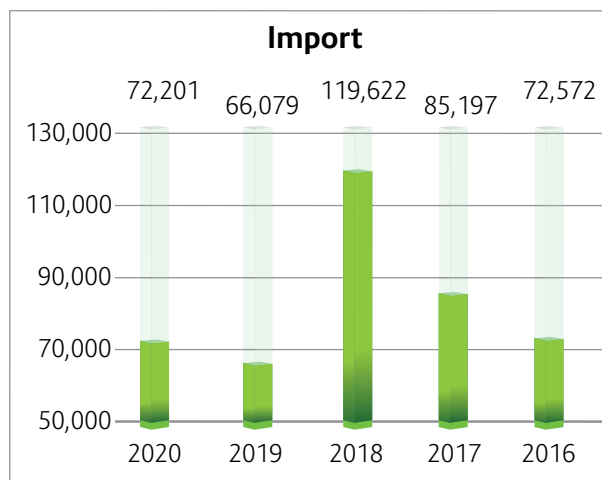
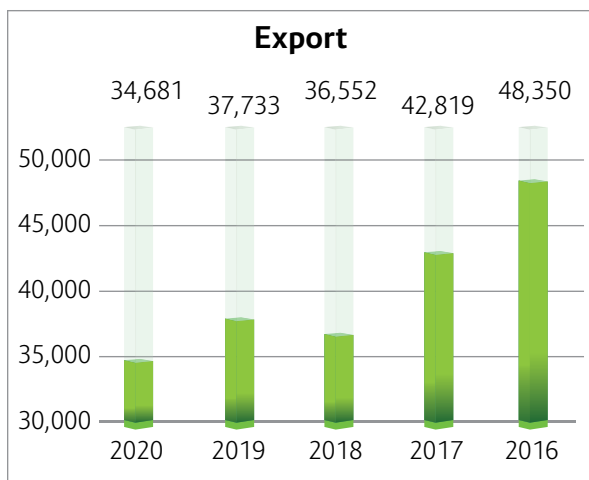
# Highlights of 2020 Solo Basis (BDT in Million)





## Performance

# Highlights of 2020 Solo Basis (BDT in Million)





## Governance at a Glance

### Our Board

The Board currently has 10 members, consisting of 07 Directors, 02 Independent Directors, and 01 Managing Director as an ex-officio member. Biographies of each of the members of the Board are appended at pages from 15 to 24.

The Board is bestowed with the responsibilities to formulate policy-guidelines, supervise business activities efficiently, and ensure good governance in the bank management. They are also liable to various responsibilities concerning work-planning and strategic management, credit and risk management, internal control management, human resources management and development, and financial management. A 'Directors' Responsibility Statement' is enclosed in 'Directors' Report' from pages 98 to 99.

#### Chairman

General S M Shafiuddin Ahmed, OSP, ndu, psc

#### Vice Chairman

Major General Shakil Ahmed, SPP, nswc, afwc, psc

#### Directors

Brigadier General Abu Naser Md Elias, SGP, ndc, afwc, psc

Brigadier General Abul Mansur Md Ashraf Khan, ndc, psc

Brigadier General Md Golam Faruque, SGP, SUP, nswc, afwc, psc

Brigadier General AKM Aminul Haque, ndc, afwc, psc

Brigadier General Mohammad Ashrafuzzaman Siddiqui, BSP, SUP, ndc, psc

#### Independent Directors

Mr. Arshad Jamal

Mr. Anisuddin Ahmed Khan

#### Managing Director & CEO

Humaira Azam

### Board Committees

In order to exercise proper oversight and effective leadership, the Board has formed sub-committees with particular responsibilities. The terms of reference for each of these committees are prepared in accordance with the regulatory guidelines.



An overview of functions of the Board sub-committees are discussed in their individual reports. The full Governance report is on pages 43 to 61 of this Annual Report 2020.

## Sub-Committees of the Board

### Executive Committee

Maj Gen Shakil Ahmed, SPP, nswc, afwc, psc	Chairman
Brig Gen Rakib Uddin Ahmed, SUP, SPP, psc, G*	Member
Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Member
Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	Member
Mr. Anisuddin Ahmed Khan	Member
Humaira Azam	MD & CEO

### Audit Committee

Mr. Shahedul Islam**	Chairman
Brig Gen AKM Aminul Haque, ndc, afwc, psc	Member
Mr. Arshad Jamal	Member

### Risk Management Committee

Brig Gen Mohammad Ashrafuzzaman Siddiqui, BSP, SUP, ndc, psc	Chairman
Mr. Shahedul Islam**	Member
Mr. Arshad Jamal	Member

\* Brig Gen Rakib Uddin Ahmed, SUP, SPP, psc, G resigned from the Board of Trust Bank w.e.f. 14 June 2021.

\*\* The Office of Mr. Shahedul Islam became vacant w.e.f. 27 April 2021 due to completion of two terms of Directorship at TBL.

## Senior Management

Humaira Azam	MD & CEO
Mr. Ahsan Zaman Chowdhury	DMD & CBO
Mr. Akhlasur Rahman Bhuiyan	DMD & CRO
Ms. Hasna Hena Chowdhury	DMD & COO
Brig Gen Md Mehdi Hassan, SGP, ndc, afwc, psc (Retd)	SEVP & Head of R&MD
Mr. Md. Kamal Hossain Sarker	SEVP & Chief Manager, Principal Branch
Brig Gen Akhtaruzzaman Siddique, PBGM, psc, te (Retd)	SEVP & IT Advisor
Brig Gen Kamrul Islam, BGBM, ndc, psc (Retd)	SEVP & Head of HRD
Mr. Md. Kamal Uddin Kutubi	SEVP & Head of IC&CD
Brig Gen Salim Mahmud Chowdhury, BP, SBP, BGBM, ndc (Retd)	SEVP & Head of GSSD



**Gen S M Shafiuddin Ahmed**  
OSP, ndu, psc  
Chairman



**Maj Gen Shakil Ahmed**  
SPP, nswc, afwc, psc  
Vice Chairman



**Brig Gen Abu Naser Md Elias**  
SGP, ndc, afwc, psc  
Director



**Brig Gen Abul Mansur Md Ashraf Khan**  
ndc, psc  
Director



**Brig Gen Md Golam Faruque**  
SGP, SUP, nswc, afwc, psc  
Director



**Brig Gen AKM Aminul Haque**  
ndc, afwc, psc  
Director



**Brig Gen Mohammad Ashrafuzzaman Siddiqui**  
BSP, SUP, ndc, psc  
Director



**Mr. Arshad Jamal**  
Independent Director



**Mr. Anisuddin Ahmed Khan**  
Independent Director



**Humaira Azam**  
MD & CEO

General S M Shafiuddin Ahmed, OSP, ndu, psc has taken over the Command of Bangladesh Army as the 17<sup>th</sup> Chief of Army Staff on 24 June 2021.

The General was born on 01 December 1963 in a reputed Muslim and Freedom Fighter Family in Khulna. He was commissioned with 9<sup>th</sup> BMA Long Course in the Corps of Infantry on 23 December 1983 in Bangladesh Army. He has been maintaining a phenomenal military career having the blend of Command, Staff and Instructional experiences at different levels with Bangladesh Armed Forces and Overseas Peacekeeping Mission.



His diversified command credential at Army level includes commanding Army Training and Doctrine Command (ARTDOC); at Division and Brigade level, he commanded the only Logistics Formation of Bangladesh Army, an Infantry Division and an Infantry Brigade. Besides, he also commanded an Infantry Battalion and the 1<sup>st</sup> Bangladesh Battalion (only one of its kinds) at Bangladesh Military Academy. He also has an iconic experience of commanding multinational forces in a start-up peacekeeping mission as the pioneer Deputy Force Commander in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA).

In his long illustrious career, he has served as the Director General of Bangladesh Institute of International and Strategic Studies (BISS), and Senior Directing Staff (Army) of National Defence College (NDC), Bangladesh. General Shafiuddin has served as Brigade Major of an Infantry Brigade and Grade-I Staff Officer at the Formation Headquarters. He was also the Adjutant of Barishal Cadet College. The General has also served as the Chief of Doctrine Division in ARTDOC and Director of Military Training Directorate at the Army Headquarters.

General Shafiuddin has attended several military courses both at home and abroad. He is a graduate of Defence Services Command and Staff College (DSCSC), Mirpur, Bangladesh. He attended International Symposium Course in National Defence University (NDU), China and Defence and Strategic Studies Course at the same University. He is also a NESA graduate from NDU, Washington DC. Besides, General Shafiuddin led military delegations to USA, China, India, Japan, Kuwait, Indonesia, Nepal, Singapore and Sri Lanka, and held bilateral talks with the senior military leaderships on regional security and defence cooperation.

General Shafiuddin attained three Master Degrees on varied disciplines. He was awarded MPhil degree with First Class on Development and Security Studies from Bangladesh University of Professionals (BUP) and is pursuing his PhD in the same university. He obtained Masters in Defence Studies (MDS) from National University, Bangladesh. He has also obtained Masters of Business Administration (MBA) from Dhaka University where he secured 1<sup>st</sup> position and received MIST Gold Medal.

General Shafiuddin is a widely travelled person who has visited many countries around the globe. The Sports loving General is a keen Golfer. Happily married to Noorjahan Ahmed, the General is a proud father of two daughters, Dr. Sheikh Rubaiya Ahmed and Sheikh Rufaida Fatima.



### Major General Shakil Ahmed, SPP, nswc, afwc, psc Vice Chairman



Major General Shakil Ahmed, SPP, nswc, afwc, psc has taken over the coveted responsibility of Adjutant General of Bangladesh Army with effect from 07 January 2021. Prior to his current assignment, he served as the General Officers Commanding of 19 Infantry Division.

Major General Shakil Ahmed was born in Joypurhat District, Bangladesh on 19 December 1968. Major General Shakil Ahmed was commissioned in the Core of Infantry on 24 June 1988 with 18 Bangladesh Military Academy Long Course.

In his long 33 years of illustrious career, General Commanded 19 Infantry Division. He had been the Commander of 99 Composite Brigade and Commanding Officer of 1 East Bangal Regiment.

Apart from the regimental staff duties, Major General Shakil Ahmed served as Director in Directorate General of Forces Intelligence (DGFI). He also served as General Staff Officer Grade I of an Infantry Division and Brigade Major of an Infantry Brigade. As peacekeeper, he had been Contingent Member in UNOSOM-II and Force Logistics Staff in MONUC. Major General Shakil Ahmed Commanded BANBATT-3/23 in UNOCI as Contingent Commander. In instructional capacity he served as Chief Instructor in School of Infantry and Tactics, Platoon Commander in Bangladesh Military Academy and Directing Staff of Armed Forces War Course in National Defence College, Mirpur. Major General Shakil Ahmed also served as the Commandant of School of Infantry and Tactics.

Major General Shakil Ahmed obtained his Masters in National Security and War Studies, Masters of Strategic Studies and Masters in Defence Studies both from home and abroad. He has undertaken numerous professional training courses, seminars, and symposiums at home and abroad.

A keen golfer, Major General Shakil Ahmed is the Senior Vice President of Bangladesh Golf Federation and the Vice President of Kurmitola Golf Club, Dhaka. In his professional and personal capacity, the General visited good number of countries.

A traditional family man, the General is married to Dr. Shahnaz Shakil and is a proud father of a daughter and a son.

Brigadier General Abu Naser Md Elias, SGP, ndc, afwc, psc was born on 31 August 1967 in Jamalpur. He was commissioned in the Regiment of Artillery on 26 June 1987. Being qualified in field and air defense artillery, the officer has held all types of regimental appointments in both field and medium regiments. With the way of time, the General persuaded all mandatory and utility professional courses both at home and abroad.



He graduated from Defense Service Command and Staff College, Mirpur and Armed Forces War Course and National Defense Course from National Defence College, Bangladesh. Brigadier General Elias has five post graduate degrees at his credit which include Masters in Defense Studies, Masters in War Studies, Masters in Strategy and Development Studies, Masters in Business Administration (Major in HRM) and M Phil in Strategy and Development Studies. Presently he is pursuing his PhD programme in Development Studies under Bangladesh University of Professionals. Brigadier General Elias was selected as a Defence Diplomacy Scholar by the United Kingdom Ministry of Defence and successfully completed "The Governance of National Security and Defence Course" from 22<sup>nd</sup> - 26<sup>th</sup> February 2015 and "The Strategic Leadership Programme" under Cranfield University, UK.

Brigadier General Elias commanded three artillery regiments and two artillery brigades in Cumilla and Sylhet Cantonment. As an extra regimental appointment, he also served in Special Security Force, GSO-1 in the Armed Forces Division, Station Commander and Deputy Director General in the Directorate General Defence Purchase under Ministry of Defence. He participated in three UN missions; in Haiti as contingent member, in Sierra Leone as Military Observer and as Sector Commander in the most challenging UN mission in Mali.

He has visited number of countries around the world. He participated and also led many Bangladeshi delegations in international seminars and workshops on regional security, humanitarian law, trade and business issues etc. Brigadier General Elias is a proud father of one daughter and one son, both are students. His wife, Shahwari Farzana Luna is a house maker, who commits herself in upbringing and educating her children. Brigadier General Elias is a keen golfer and his hobby includes reading books and watching television.

Presently he is serving as Director Personnel Services and Provost Marshal in Army Headquarters.



Brigadier General Abul Mansur Md Ashraf Khan, ndc, psc, was born in Chattogram on 27 October 1968. He did his schooling from Faujdarhat Cadet College where he was groomed to join the Army since his early days. He was commissioned into the Infantry Regiment on 22 December 1989. In a span of 30 years with Bangladesh Army, he has held a variety of important command and staff appointments. Beside his regimental appointments as Quarter Master, Company Second in Command and Company Commander in two Infantry Battalion, he Commanded 17 Bangladesh Infantry Regiment.

He served in several Infantry Regiments at home both in the plains and in the Chattogram Hill Tracts operating in the Counter-Insurgency operational environment. He also served with two Bangladesh Battalions with the UN Peacekeeping Mission at Iraq-Kuwait in 1995 and Ivory Coast in 2006-2007 period. He also had been a UN Military Observer at DR Congo during 2013-2014. He commanded an Infantry Regiment in 2008-2009. As Brigadier General, he commanded a Mechanized Brigade and an Independent Infantry Brigade. He also commanded a Military Outfit in Kuwait as part of military co-operation with Kuwait Armed Forces. As Staff he has held several appointments like ADC to GOC, PS to PSO, Armed Forces Division, GSO-1 (Counter Insurgency) in Headquarters 24 Infantry Division and Colonel Staff of Headquarters 19 Infantry Division.

He was an Instructor of Tactics Wing at School of Infantry and Tactics and a Directing Staff of Defense Services Command and Staff College, Mirpur. He attended foreign courses at USA and Turkey. He has obtained Masters on Defence Studies from National University of Bangladesh, M Phil (Part 1) from Bangladesh University of Professionals and Master of Business Administration (MBA) from Atish Dipankar University of Science and Technology. He is a graduate of Defense Services Command and Staff College, and National Defence College, Dhaka. He was part of Military Delegation to China, Germany, Nepal and Brunei.

He takes interest in travelling and sports like golf. He is happily married to Nasrin Jahan Munni, a senior teacher in Cantonment Public School, and an Invigilator of British Council, Bangladesh. They have two grown-up sons.

Brigadier General Md Golam Faruque, SGP, SUP, nswc, afwc, psc was born on 01 January 1970 in Jashore, Bangladesh. An ex cadet of Cumilla Cadet College, Brigadier General Faruque joined Bangladesh Military Academy on 12 January 1988 and was commissioned on 22 December 1989 with the 21<sup>st</sup> BMA long Course.



A professionally acclaimed officer, the Brigadier General attended several professional courses both at home and abroad with remarkable achievements. He attended Infantry Officers Advance Course in the USA and Course on Laws of Armed Conflict in Turkey. Brigadier General Faruque raised the image of the Army and the country by winning three awards while attending International Counter Terrorism Fellows Prog in the US National Defence University, Washington, DC. He repeated the same in the National Defence University of Pakistan while attending National Security and War Course there. He earned a Master of Arts in Strategic Security Studies and a Master of Science in National Security and War Studies from these two universities respectively. Besides, the officer was educated in different other training assignments - a seminar titled Leadership Forum on Counter Terrorism and Transnational Crimes in the Philippines and Multinational Communication Interoperability Exercise in Singapore. The officer also played a pivotal role in the first ever US-Bangladesh Defence Dialogue held in Hawaii, USA in 2012.

At home, Brigadier General Faruque is a graduate of both Defence Services Command and Staff College and National Defence College.

The officer contributed with great reputation in the training of officers and men. He served as instructor in both Weapon and Tactics Wings of the School of Infantry and Tactics and as a Maker of Leaders at Bangladesh Military Academy.

Brigadier General Md Golam Faruque has served in the Armed Forces Division as GSO-1 Trg and as Col GS/Det Comd of DGFI. He has commanded an Infantry Battalion and the prestigious 305 Inf Bde of Rangamati and also raised a new brigade under 10 Inf Div. The officer has served twice under the Blue Helmet in UNIKOM and MONUSCO.

Brigadier General Faruque is a widely travelled personality. Countries he travelled include Iraq, Kuwait, Saudi Arabia, Cyprus, Egypt, Thailand, the Philippines, India, DR Congo, Uganda, UAE, Singapore, USA, UK, Turkey, and Pakistan

He is happily married to Nazneen Nahar. He has one daughter and one son.

Brigadier General Faruque is presently serving as Director of Military Operations Directorate, Army Headquarters, Bangladesh Army. Prior to this assignment he served as the Director of Welfare and Rehabilitation Directorate in 2019.



Brigadier General AKM Aminul Haque was commissioned in the Corps of Signals in 22 December 1989 from Bangladesh Military Academy. During his long illustrious career, he served in various appointments of Bangladesh Army including National and International Organizations.

Brigadier General AKM Aminul Haque is a graduate of Chattogram University and Bangladesh University of Engineering and Technology. He acquired Masters in Defence Studies from National University. He also acquired Masters in Security Studies and Master of Philosophy from Bangladesh University of Professionals. Currently he is undergoing Doctor of Philosophy in Dhaka University.

In his long 32 years illustrious service. He has served as a Commanding Officer of a Signal Battalion. He has served in National Security Intelligence (NSI) and Directorate General of Forces Intelligence (DGFI) for a considerable tenure. He served as Defence Adviser in Bangladesh High Commission in UK and was also accredited to France, German and Greece. He has worked under Blue Helmed for the world peace in the United Nations Mission for two years in Democratic Republic of Congo and Central African Republic.

The General is happily married with Mrs Shimul Amin. They are blessed with one son and two daughters.

Brigadier General Mohammad Ashrafuzzaman Siddiqui, BSP, SUP, ndc, psc was commissioned on 20 December 1992. Currently he is serving as Director, Internal Affairs Bureau in DGFI. He has attended number of training courses both at home and abroad. To mention a few, he is a Graduate of School of Artillery; Fort Sill, USA; Defence Services Command and Staff College, Mirpur, Dhaka; Defence Services Staff College, Wellington, India and National Defence College, New Delhi, India. He holds a Bachelor degree from Chattogram University and three master degrees from home and abroad (MDS from National University, MSC and Mphil from Madras University, India) He is currently at the verge of completion of MBA from Army Institute of Business Administration affiliated with BUP.



Brigadier General Ashraf is an Artillery officer who served in numerous command, staff and instructional assignments both at home and abroad. He served in five Artillery Units, commanded one Artillery Regiment and two Artillery Brigades. He has also served as Instructor in Bangladesh Military Academy, Staff Officer Grade three in an Infantry Division, Brigade Major in an Infantry Brigade and Colonel Staff in an Infantry Division.

Brigadier General Ashraf has participated in the United Nations Missions in United Nations Mission in Ethiopia (UNMEE) and United Nations Mission in Sudan (UNMIS). He also served as Force Generation Officer in the UN Secretariat (UNDPKO) in New York, USA. He is a widely travelled person and visited number of countries. He is happily married and blessed with a son and a daughter.





Mr. Arshad Jamal (Dipu), Chairman of Tusuka Group was born in the year 1968. He was meritorious and bright since his boyhood. He completed Honors' and MBA (Finance) from IBA (Institute of Business Administration) of Dhaka University in the year 1992, before that he studied in the BUET (Bangladesh University of Engineering and Technology) for 3 years. Afterwards he also earned MDS (Master of Development Studies) from BRAC University and finished MDP Course from Colombia University (USA) in the year 2008.

Mr. Jamal started Buying House business while he was a student of Dhaka University. His hard work and perseverance started to bring success one after another in the business. He established Tusuka Fashions Ltd, first manufacturing unit in this group in the year 2000. Now Tusuka Jeans Ltd, Tusuka Trousers Ltd, Tusuka Processing Ltd and Tusuka Apparels Ltd are the successful units in this process. Not only in Garments sector he also entered into the International Telecom business with NovoTel Ltd, milestone success for him.

NovoTel is one of the IGW Company that got the license from the BTRC through an open bid in the year 2007. All his business units are well managed with high level of professionalism; his wise, judicious and well-composed directives are the key success factors in this regard. He also started chartered operation of China Southern Airlines in the year 2008.

In 2013 he entered in Air Transport business, with a private passenger airlines as Novo Air, which is serving domestic routes in Bangladesh with an immediate intention for regional connectivity.

He is Vice President of BGMEA from 2019. He was the successful Chairman of the Foreign Mission Cell of BGMEA and visited US Congress, Senate and State Department as an active member of the BGMEA Lobbying Team in the year 2006 and 2010 to facilitate the Duty-Free Access in the USA market. He also attended WTO conference at Geneva as BGMEA representative in the year 2009. He was also the sole representative from the private sector in Bangladesh for First US Bangladesh Partnership Dialogue in Washington DC on 2012. In the year 2010 he worked as representative from Commerce ministry to facilitate the Duty-Free Access in the Indian market. He also accompanied Prime Minister during her visit to Japan and India.

For consecutive three terms, he was elected as board member of Bangladesh Garments Manufacturers and Exporters Association (BGMEA). As Director in Research and Policy matters, he was the facilitator between GOB (Commerce Ministry) and BGMEA in GSP issue. He was the only representative of BGMEA and BKMEA in the minimum wage board of 2013.

He was also declared CIP (Commercially Important Person) by The Government of Bangladesh for the year 2008, 2010, 2011. His father Late Mustafa Jamal was the high-level Government Officer; Freedom fighter. He served different ministry with his honesty, sincerity and professionalism.

**Mr. Anisuddin Ahmed Khan**  
Independent Director

**BIOGRAPHY**

Mr. Anisuddin Ahmed Khan, a Fellow of the Institute of Bankers, Bangladesh is former Managing Director & CEO of Mutual Trust Bank Limited (MTB), where he served for nearly eleven years from April 2009 till November 2019. Prior to joining MTB, he headed IDLC Finance Limited for six years. A career banker, he served earlier for 21 years with the then Grindlays Bank plc and its successor banks - ANZ Grindlays Bank and Standard Chartered Bank (SCB), both in Bangladesh and abroad.



He has sound knowledge in corporate banking, credit appraisals and credit operations, banking operations and systems, trade finance, risk management, syndications, merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and up-gradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He has presented a paper on “Financing the Transformation of the Bangladesh Garments Industry” at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA and ‘Achieving SDGs: Financial Inclusion, Bangladesh Perspective’ at the Bangladesh Development Conference held there in June 2015. Similarly, he presented another paper on ‘Financial Inclusion’ at Kennedy Law School, University of Harvard in June 2017. He presented a paper on investment in Bangladesh at Yale University in March 2019.

Mr. Anis has attended training courses on leadership, corporate governance and strategic management at the University of Cambridge, United Kingdom; INSEAD, Fontainebleau, France; University of California, Berkeley, California, USA and at the London School of Economics, London, United Kingdom.

He serves as Vice President of the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI), Life Member of the SAARC Chamber of Commerce and Industry, Independent Trustee of the CSR Centre and as a member of the Management Committee of Ispahani Islamia Eye Institute & Hospital (IIEI&H), Dhaka. He has served as Chairman of both the Association of Bankers, Bangladesh Limited (ABB) and Primary Dealers Bangladesh Limited (PDBL). While at MTB, he was Vice Chairman of MTB Securities Limited and MTB Capital Limited and Director of MTB Exchange (UK) Limited.

He served earlier as a director of Eastern Bank Limited, Credit Rating Agency of Bangladesh Limited, Ctg. Stock Exchange Limited, Bangladesh Rating Agency Limited (BDRAL), Vice President of the Bangladesh Association of Publicly Listed Companies (BAPLC) and as Vice Chairman, Independent Director and Chairman of the Board Audit Committee of Industrial and Infrastructure Development Finance Company Limited (IIDFC). He was presented the ‘Business & Entrepreneur Excellence Award 2016’ by the UK Bangladesh Catalysts of Commerce & Industry in the category of “Inspirational Leader of the Year” in November 2018.

He is currently an Adjunct Professor (part time) at the School of Business of Independent University Bangladesh (IUB). He also serves as the Chairman of the Board Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Ltd., Independent Director of Summit Alliance Port Limited (SAPL), Ananta Apparels Limited. A director of W&W Grains Corporation, Mr. Anis is also on the board of Central Counterparty Bangladesh Limited (CCBL), a newly formed company for the clearing operations of the stock exchanges.



Humaira Azam has been appointed as the new Managing Director & Chief Executive Officer of Trust Bank Limited by breaking another 'Glass Ceiling' as her latest appointment happens to be the first-ever for female banker in the commercial banking industry of Bangladesh in 50 years.

Prior to her new role, she has served Trust Bank as the Additional Managing Director & Chief Risk Officer since 2018 until the Board choose her to confer the responsibility to lead the Bank in an extremely challenging market.

Before joining TBL, Humaira Azam served Bank Asia as Deputy Managing Director and had been holding the position of Chief Risk Officer of the bank. She was the first woman to head a private commercial financial

institution in Bangladesh (Managing Director & CEO, IPDC Bangladesh from 2009 to 2012).

After completing Masters in Social Science (International Relations), Humaira Azam started her career in 1990 as a Management Trainee in ANZ Grindlays Bank. Since then she has been involved in various leadership roles entailing problem solving in a multicultural challenging environment. She directly worked with Mr. Muhammad A. (Rumee) Ali and grew the Local Corporate business in ANZ Bank as early as in 1993. She joined HSBC Bangladesh in its inception in 1996 and laid a very strong framework for Corporate Banking/OBU, Custodian and Institutional Banking including formulation of 10 years' strategy in Bangladesh. She helped Standard Chartered Bank (SCB) in Bangladesh in their four most critical years to cover for the shortfall in country budget through successful recovery. She was the first ever female member of the Country Management Committee (MANCO) of SCB Bangladesh. She played a critical role in the Country Strategy and restructured and broadened the role of financial institutions in SCB. She turned around IPDC, Bangladesh by restoring the capital and made significant progress in business and operational growth both in terms of quantity and quality through developing a strong deposit base, reducing dependency on banks for funding, rolling out specific policy to allow managed and sustainable credit growth including composition of branches. She built the internal framework for the systems and rolled them out along with final implementation during her tenure with Bank Asia including building a strong credit risk management (CRM) and risk management (RMD) team. Since joining in TBL, she is looking after strategy, policy roll out, risk and overall business. She has contributed significantly and participated in key decision-making processes of the bank (Strategic Planning, Capital Planning, Liquidity Planning, New Products and Services, Compensation Design and Operations).

Humaira Azam has attended in a good number of professional trainings, development programmes, workshops and seminars both at home and abroad. She has been Featured in the 300 most influential women in Islamic business and finance in the world in WOMANi 2020 annual report by Cambridge IFA. Junior Chamber International (JCI) Bangladesh has presented Mrs. Azam with the 'Woman of Inspiration Award 2020' for her magnificent display of skill and irrefutable success in financial sector of Bangladesh. She was honored with "Top Women Bankers Award" by BRAC Bank Limited, Bangladesh. She received "BOLD (Bangladesh Organization for Learning and Development) Women of Inspiration Awards 2017" under pinnacle career achiever sub category for her outstanding contribution in Banking. Earlier, she was awarded with "Hexagon Sales Award" by HSBC, Bangladesh for her outstanding achievement.

Humaira Azam, a scholastic and an anthophile, was born on 03 December 1964 in a respectable Muslim family of Dhaka. She is happily married with Mr. Ershadul Haque Khandker and blessed with one daughter. She has successfully led and worked with different teams over the last 31 years and delivered excellent results.



## Chairman's Message

### Dear Shareholders

Assalamu Alaikum

I am delighted to welcome you all to this 22<sup>nd</sup> Annual General Meeting of Trust Bank Limited. On behalf of the Board of Directors, it is my privilege to present before you the financial highlights of 2020 and our strategies to lead the Bank in an extraordinary time with constant turbulence and uncertainty.

In the beginning, I would like to recall the birth centenary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman in 2020 which we also observed along with the members of Trust Bank family like millions of peoples of the nation. This momentous event still continues to inspire us to face the challenges of domestic and global economic uncertainties. I am grateful to our valued stakeholders who have persistently reposed their trust in us amidst the challenging circumstances during 2020 like before. Our gratitude for giving us the opportunity to serve you.

While conveying my message, the unfortunate 'Indian Variant' of COVID-19 has pushed our many partner countries to put Bangladesh in the list which despite our very strong recovery has put the overall economy slightly on the back foot. The COVID-19 pandemic has once again engulfed the entire world for second consecutive year resulting in human, health and economic crisis which is unprecedented. Hardly any segment of society and economic activity can be found that has not been adversely affected by the consequences of suspension of normal business operations and disruption in supply chain both at home and abroad. As a result, nation had to experience shrinkage in GDP and unemployment rates shot up in sharp contrast to our impressive progress of past few years. However, amidst this unprecedented crisis, there are some promising signs for us as Bangladesh has acquired global recognition for its development achievements by registering UN recommendation for graduating from LDC status by 2026. This will certainly trigger higher flow of Foreign Direct Investment, enhance confidence among international financial institutions and therefore reduction in cost of borrowing from abroad are likely and certainly encouraging providing hope for long term.

Further, to address the unprecedented havoc caused by COVID-19, extraordinary measures were needed for early recovery of the economy. Bangladesh has managed better in COVID-19 crisis than many other countries. This is attributed to nationwide lockdowns, hefty stimulus measures extended by the Government along with supportive monetary policy of Central Bank. I take great pride in informing you that Trust Bank has been a proactive respondent to the Government and Central Bank in these initiatives. Trust Bank quickly implemented business practices aligning itself with the objectives of the Government to facilitate lending under stimulus packages to boost economy and create new job opportunities.

### Dear Shareholders

Trust Bank has delivered satisfactory result in 2020 despite the pandemic. Our operating profit stood at BDT 7,376.05 million surpassing the previous year by 2.04%. In addition, account activities with cash roll out was one of the highest amongst banks. The pandemic accelerated our efforts to digitalize business process and develop innovative ways to stay connected with our customers. The year 2020 saw some new products like bank's mobile wallet 'Trust Money' and official Facebook page harnessing Bank's digital capabilities. Going forward, there are now significant challenges for commercial banks in 2021. Like previous year, though acceleration of digital transformation at Trust Bank will take precedence over many other courses, our focus will also be on the following areas at this time of economic downturn and turbulence based on the theme "Sustainability in Every Sphere":

- Maintain a strong balance sheet leading to business continuity
- Ensure a strong capital base for unforeseen situation
- Ensure an appropriate risk culture through efficient risk management process
- A customer centric approach with emphasis on reciprocity and highest level of quality service delivery
- Augmenting employee engagement through skill training and recognition

- Support communities and organizations in this time of need
- Health related CSR
- Last but not the least, we are putting highest priority to our compliance so that our transparency becomes even more visible to all of our stakeholders especially to the regulators and shareholders.

Management and the Board demonstrated strength in steering through the Bank in difficult circumstances when the pandemic struck. Frontline employees of Trust Bank deserve commendation for showing their courage and willingness to ensure optimum customer services during the difficult times of pandemic. Our success in 2020 attributes to their adaptability to changing environment of remote ways of working with least service disruption. I would, therefore, like to thank all employees of the Bank for their efforts and resilience to uphold reputation of the Bank. We are always committed to stand by our employees, customers the vulnerable communities in this hours of need. In 2020 when the institutional support was felt most, Trust Bank came forward and contributed BDT 167.91 Million to various organizations including CMH and Prime Ministers Relief Fund.

Covid-19 pandemic has created unprecedented challenges and sets of new risks in the operating environment increasing risk of cyberattack, malware, phishing and many more. Therefore, even in these situations, we have continued to invest in IT infrastructure, human capital and product to enhance customer offerings and new solutions while protecting the digital platform of the Bank. I would like to let you know that we delivered a respectable set of results pursuing cautious approach to portfolio growth and without any salary cuts and layoffs. We have continued to train our employees remotely through digital platforms and even hired fresh talents in pursuit of creating new jobs. In this way, our performance in 2020 has enabled us to create value for all stakeholders of the Bank including shareholders, customers and communities we operate in.

Before concluding, I would like to thank the shareholders for their patronage and continued confidence in Trust Bank. I am grateful to all regulators including Bangladesh Bank for their guidance and support. Lastly, I would like to thank the Senior Management and each member of Trust Bank family for their commitment and contributions to Bank's vision.



**Gen Aziz Ahmed**, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD  
Chairman

*Note: The Chairman's Message was approved in 321 (05/2021) Board meeting held on 14 June 2021 while Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD was the Chairman of the Bank.*



## Message from MD & CEO

**Bismillahir Rahmanir Rahim**

**Respected Shareholders**

**Assalamu-Alaikum Wa Rahmatullah,**

It's an honour and privilege for me to welcome you to the 22<sup>nd</sup> Annual General Meeting of Trust Bank Limited. I am truly honoured to address you as this is my first AGM as Managing Director of this esteemed Bank. By the grace of Almighty Allah, Trust Bank has successfully completed its another year of journey with stable growth and performance. In fact, this was possible due to the whole-hearted support & guidance of our Honourable Board of Directors and confidence of our shareholders, customers and all stakeholders in this extraordinary time.

### Global and Bangladesh Economy

The entire world is now engulfed with challenges of Covid-19 pandemic and there is a clear sense of uncertainties all around emanated from this pandemic. Clearly, both Bangladesh and global economy in 2020 was defined by a single variable of COVID-19. After more than one year from the outbreak of this pandemic, every nation is still striving to fight this unprecedented catastrophe which initially seemed to be health emergency but soon turned into a global economic crisis. The ongoing pandemic has adversely affected the global economy, resulting in deep impact on business and financial performance, downward credit movement and low demand for lending. One year into the pandemic life, economic recovery suffered a severe blow and millions have faced unemployment following business closures. In Bangladesh, Covid-19 has also had its share of severity impacting heavily our customers, stakeholders and the communities we serve. However, the proactive and timely measures taken by government to revive the economy through debt moratoriums and concessionary loan schemes under stimulus packages for pandemic affected individuals and businesses are much needed and extremely crucial. Now, it is evident that the pandemic has heavily influenced the pace of change and also redefined the way how business counterparts will engage in 2021 and beyond. Glimpse of the major events occurred in Bangladesh Economy in 2020 are:

- Considering Covid-19 fallout, Bangladesh Bank declared general forbearance or moratorium facility on bank loan repayments to give entrepreneurs a fresh lifeline.
- In 2020, Bangladesh Bank has taken policy decision to set a cap on lending rate effective from 01 April 2020.
- Government incentive of 2% along with different supportive policy triggered a surge in foreign remittance.
- An important milestone is to achieve a remarkable foreign exchange reserve in this pandemic period. Foreign exchange reserve reached at USD 43.16 billion compared to last year's USD 32.69 billion particularly for the negative growth in import payment and remarkable growth in remittance income.
- Private Sector credit growth experienced a sluggish growth as entrepreneurs and business houses were reluctant to make fresh investment due to persisting uncertainty caused by Covid-19.
- During the year 2020, total export decreased by 15% to USD 33,605 million compared to USD 39,337 million in the previous year. On the other hand, the total import was USD 45,772 million in 2020 in contrast to USD 55,022 million in 2019 resulting a negative growth of 17%. This can be attributed to cancellation of handsome import orders by major clothing brands and retailers mostly from European and US markets
- The stock market in Bangladesh witnessed sharp fall in after mid-March, 2020. Following the dull situation, the stock market operation was postponed in April and May period specifically due to break out of pandemic. The market reopened in the last day of May, 2020 and the market recovered gradually on following months. On the back of some effective measures taken by Bangladesh Securities and Exchange Commission, investors' confidence moved up and more institutional participation was seen from July, 2020.



## Covid-19 Response

COVID-19 poses severe threat to human lives with little knowledge about its nature, ability and ways to afflict individuals at the initial stage of outbreak but we were fully alert to our customers needs irrespective of time and place and kept majority of our branches open and equipped our ATMs to provide access to emergency cash. At Trust Bank, we exerted our all-out effort to ensure safety of our employees and customers by following COVID-19 safety protocols prescribed by the government and World Health Organization (WHO) since the outbreak of the pandemic. We are regularly communicating our customers and encouraging them to switch to our means of Alternative Delivery Channels (ADC) and also educating them how to use them in a secured way.

Bangladesh Bank promptly responded with an array of stimulus packages to counteract the slowing economy. Trust Bank Limited (TBL) is one of the first few banks in channeling government stimulus fund to customers to help them economic fallout.

## Financial Performance

Year 2020 was very unsettling for the Banks and Non-Banking Financial Institutions of Bangladesh on many counts. The coronavirus outbreak along with the single digit interest rate impacted the profitability of the Bank. However, after the initial breakout of coronavirus in Bangladesh in the mid-March of 2020, we had a clear vision to maintain stability which, I believe, was achieved despite many challenges. Some of the key financial achievements of our Bank in 2020 are:

- We have been maintaining formidable position among the top tier banks in all financial indicators through wide network of 113 branches all over the country. Consolidated assets of the bank stood at 356,457.77 million in 2020 as against BDT 296,452.84 million in 2019, registering a growth of 20.24 percent.
- Due to global pandemic and single digit lending rate cap, our net interest income in 2020 decreased by 33.45%, but we have tried to cover it up with investment income growth by 96.34% from 2019 that helped our operating income to reach BDT 11,889.76 million in 2020. Trust Bank generated operating profit of BDT 7,376.05 million and net profit of BDT 1,798.67 million.
- Despite various external challenges, the Bank's overall businesses grew significantly in 2020 amid the pandemic. Deposits of the Bank increased by 18.66 percent and stood at 286,934.68 million at the end of 2020. Consolidated loans and advances increased by 4.88 percent compared to the year 2019 and stood at 223,230.90 million at the end of year 2020.
- Like other commercial Bank's, our import and export business was adversely affected due to the pandemic. However, the import volume of Trust Bank stood at Tk. 72,201.38 million registering a fair growth of 9.27% while the export volume was Tk. 34,680.82 million.
- Due to liquid interbank market and moderate expansion of commercial loan, Treasury income (BDT 6,593 million) posted almost double than the previous year (BDT 3,766 million). Moreover, Bank is now well compliant in all important ALM indicators such as ADR, LCR, NSFR, Commitment, WBG, MCO etc. Deposit mix is now at solid position with majority of fund is low and no cost and also stable in nature.
- The Bank ended the year 2020 with Non-performing loan (NPL) of Tk. 9,966.15 million which is 4.51% of the total loans, lower than by 0.98% of previous year. As part of our commitment, we are putting all out effort to recover money from defaulted clients and stop the fresh inclusion of CL. For success in that front, management is further streamlining its credit appraisal process, adept negotiability, proper and timely legal actions and subsequent monitoring. However, we have recovered BDT 875 million from the accounts under Artha Rin Suit which was BDT 202 million in 2019.
- The deposits of Trust Bank Islamic Banking stood at Tk. 34,776.85 million registering a moderate growth of 14.30% and on the other hand, loans and advances stood at Tk. 23,692 million with a growth of 11.77%.
- Retail deposits broke the previous years record and stood at BDT 288,405.85 million with a growth rate of 16.11%. Alongside, the Bank's CASA deposit stood at BDT 47,897.18 million with a substantial growth rate of 26.10% in line with our strategic initiative. The number of accounts also increased by 7.47% than the previous year, with around 0.7 million accounts. We have developed a tailor-made product titled 'Trust Seniors' to extend preferential rate and service for the country's senior citizens. 44.46% growth recorded than the previous year in payroll banking services with a deposit amount of BDT 1,865.59 million.

## Subsidiaries of Trust Bank Limited

Stock market of Bangladesh faced a challenging environment in the initial period of 2020, when Bangladesh and rest of the world was equally affected by the pandemic. However, even in this challenging time, Trust Bank Securities Limited (TBSL) made a net profit of BDT 17.73 million in 2020 compared to 5.09 million in 2019 registering a growth of 248.10%.

With two months shutdown of Dhaka and Chittagong Stock Exchange along with a downward trend of the stock market in the first half of the year 2020, TBIL's (Trust Bank Investment Limited) performance for the first half was somewhat disappointing. However, TBIL later managed to generate a handsome amount of operating profit amounting to BDT 76.51 million at the end of the year 2020. TBIL managed investors' portfolios of its clients worth BDT 3,581.14 million against margin lending of BDT 2,166.14 million as of 31 December 2020.

With the underlying objective of ensuring a wide range of Mobile Financial Services for banked and unbanked population of Bangladesh, Trust Axiata Digital Limited (TADL), a joint venture of Trust Bank Ltd. and Axiata Digital Services Sdn Bhd, Malaysia launched its product at the end of 2020 with the brand name 'tap'. It offers the most convenient, flexible, secured and affordable services and its' purpose is to gain a wide range of financial inclusion of people from all level of income. Beyond basic access and utilization of Mobile Financial Services, 'tap' aspires to transform the customer lifestyle by bringing innovation to the sophisticated digital payment movement system. Currently, 'tap' is running through a wide network of agents throughout urban and rural areas of Bangladesh with a fast-growing customer base.

## Capital Management Function

Covid-19 has significantly changed the risk management landscape of banking industry. The pandemic has put a severe strain on people and businesses across the globe. The unexpected crisis also raises the questions around. The Bank has established a prudent risk management framework upon which it was possible to maintain the Bank's overall index at satisfactory level. Constant monitoring towards Bank's Core risk management, asset-liability management, risk based capital management and other identified and potential risks mitigation systems are in place for ensuring sustainable growth of the Bank.

Strengthening of Capital base remained one of our top priority as improved Capital to Risk Weighted Asset Ratio (CRAR) helps the Bank to absorb shock and financial stress. In 2020, the Bank is maintaining CRAR of 14.04%, which is considerably higher than the minimum requirement of 12.50% as per Basel III Accord.

## Information Technology

As financial system is becoming more automated, modern and digitalized and often destabilized by intentional cyber-attack, we acknowledge that ICT risk is constantly increasing requiring immediate attention. In this circumstances, alike each and every financial institution, Trust Bank has strengthened the evaluation of proper cyber security risk and technological weaknesses, established activity system during crisis period, tackled with any kind of cyber or technical attack and risk of third parties adopted services, introduced awareness and training programs regarding cyber security for all employees, build-up awareness regarding transaction related with information technology etc. so that we can efficiently tackle with probable ICT risk in future. Some achievements in Information Technology are:

- The Bank has already introduced EMV cards with 02-factors authentication (2FA) system to facilitate customers with secure financial transactions for card transactions and Internet Banking or e-commerce transactions.
- A new website has been launched to make it easier to search content with a new look, a user-friendly menu for easy navigation and enhanced responsive design adaptable for all devices.
- The Bank has also launched a new Facebook page where digital marketing is extensively steered.
- We have integrated payment gateways for utility and remittance disbursement systems which were elemental in augmenting the Bank's progress towards digitization of services.
- We have introduced our own e-Tender application for automation of entire enlistment, tender and other related processes. The Bank has introduced an E-learning and E-exam system through different virtual media to conduct in-house training and exams on virtual platforms.
- Major upgradation on trade finance module, Automated monitoring of payment of accepted bills, Automated FX VAR Calculation and FX deal processing are notable changes to smooth functioning of operations of the Bank.

## Going Forward

By the end of 2020 though world economy contracted by 3.5 percent, Bangladesh managed to escape a contraction and maintained a moderate GDP growth of 5.2 percent. So, while we are still alert to further economic shock, we are also agile to capitalise all sorts opportunities once situation is stabilised. And development of multiple vaccines makes us more hopeful towards resumption of some form of global normality soon.

- To continue delivering exceptional service and support to our customers that we have delivered in very challenging situation
- To maintain a strong balancesheet and liquidity position to assure those who rely on us
- We shall continue to invest in our IT infrastructure to broaden our digital platform recognizing shift in customer behaviour towards online banking.
- We shall continue our tireless campaign in acquiring low cost fund in the form of CASA account to replenish any negativity on our net interest margin.
- A customer centric approach with emphasis on reciprocity and highest level of quality service delivery
- Apart from expansion of business, we shall remain committed to our green agenda and sustainable practices especially in manufacturing/industrial space
- We shall continue to invest in our human resources so that they come up with positive mindset, commitment and dedication.

## Thanks and Gratitude

Finally, on behalf of Management, I would like to express my whole-hearted gratitude to the Honourable Board of Directors, Stakeholders, Bangladesh Bank and other regulators and valued clients for their continued support throughout a difficult year. My special thanks to my colleagues for their dedication and courage for making 2020 another success for Trust Bank and driving the Bank forward. We will continue to play our role and take concrete steps to support customers, stakeholders and employees while balancing medium to long-term positioning.



**Humaira Azam**  
MD & CEO



## Forward Looking Statement

This report contains forward-looking statement reflecting management's plans, estimates and beliefs. Actual results could differ materially from those described in these forward-looking statements. Examples of such forward-looking statements include statement of the company's plans, intentions, positioning, expectations, objectives or goals, including those relating to asset flows, affluent client acquisition strategy, client retention and growth of our client base, retention, recruiting and enrollments, acquisition, integration, general and administrative costs; consolidated tax rate, return of capital to shareholders and excess capital position and financial flexibility to capture additional growth opportunities.

The Bank is not responsible for the forward-looking statement which includes but not limited to the following information:

- Assessment of the Bank's future operating and financial results as well as forecasts of the present value of future cash flows and related factors;
- Economic outlook and industry trends;
- The Bank's anticipated capital expenditures and plans relating to expansion of the Bank's network and development of the new services;
- The Bank's expectations as to its position on the financial market and plans on development of the market segments within which the Bank operates;

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:

- Risks related to changes in political, economic and social conditions in local as well as changes in global economic conditions;
- Risks related to legislation, regulation and taxation;
- Risks related to the Bank's activities, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Bank's services including their promotion and the ability of the Bank to remain competitive.

Many of these factors are beyond the Bank's ability to control and predict. Given these and other uncertainties, the Bank cautions not to place undue reliance on any of the forward-looking statement contained herein or otherwise.



## Towards a Sustainable Banking

Trust Bank is committed to conduct its business activities in an eco-friendly manner through endorsing policies in accordance with the statutory laws, guidelines of Bangladesh Bank and other regulatory bodies. Accordingly, the Bank has adopted sustainable approaches (i.e. both environmental and social responsibility) and introduced green banking practices in its banking operations.

*Compliance First  
Profit Next*

Our policy guidelines for rendering services:

- **Our Focus on Green Banking:**

**Green Finance:** Sustainable financing for protection and conservation of environment is our greatest priority.

- LEED Certified Industry (Certified Green Industry and Green Building/Green Featured Building).
- Recycling & Recyclable Product (PET Bottle recycling plant).
- Ensuring Work Environment and Security of Factories Workers.
- Effluent Treatment Plant (ETP).
- Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Kiln.
- Renewable Energy (Bio-Gas Plant, Solar Home System & Solar Irrigation Pumping System).

- ▶ Installed 2934 Bio Gas Plants and Disbursed BDT 641.15 million
- ▶ Financed 4197 Solar Energy Projects and disbursed BDT 110.26 million

**Online Banking:** We have online banking for-

- Banking transactions
- Payment of bills
- Statements (e-statements)

**Efficient Use of Energy:** We are committed to our future generations for a safer world. Therefore, we strive to continue our focus on the efficient use of energy.

- ▶ 113 online branches
- ▶ 24x7 internet banking facilities

Apart from financing in green activities, we encourage our employees to ensure in-house green activities.

- **Our focus on Corporate Social Responsibility**

- The Bank established a special reserve fund named 'Trust Bank Limited Special Reserve Fund (TBL SRF)'.
- The Fund is approved by Finance Ministry and National Board of Revenue. An amount not exceeding 5.00 percent of Bank's operating income is allowed to transfer this Special Reserve Fund.
- The Board approved CSR policies and CSR activities are carried out by dedicated CSR desk of Trust Bank Limited.
- TBL donated BDT 76.13 million in Health Sector in 2020.
- TBL contributed BDT 39.95 million to disaster risk reduction and resilience building activities in 2020.
- In 2020, the Bank continued its supports to different areas by donating BDT 167.91 million from the fund.

- **Our Focus on Financial Inclusion**

- 40 Rural Branches, 05 SME branches and 01 SME Service Center for ensuring banking services to underprivileged part of population
- 242 ATM Booths
- BDT 24,809 million SME loans
- Financing through micro-financing institutions
- Introduction of low cost banking services
- Mobile Banking
- School Banking
- Farmers Account



## Our Vision

Build a long term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance.



## Our Mission

Long Term sustainable growth - diversified business with robust risk management.

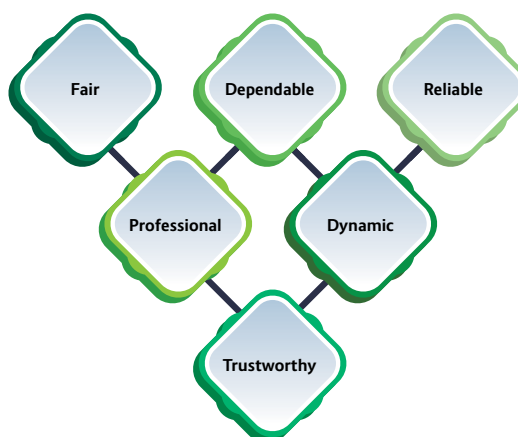
Financial inclusion - bring unbanked population into banking network through low cost and technology based service delivery.

Accountable to all stakeholders - customers, shareholders, employees and regulators.

Highest level of compliance and transparency at all levels of operation.



## Our Values

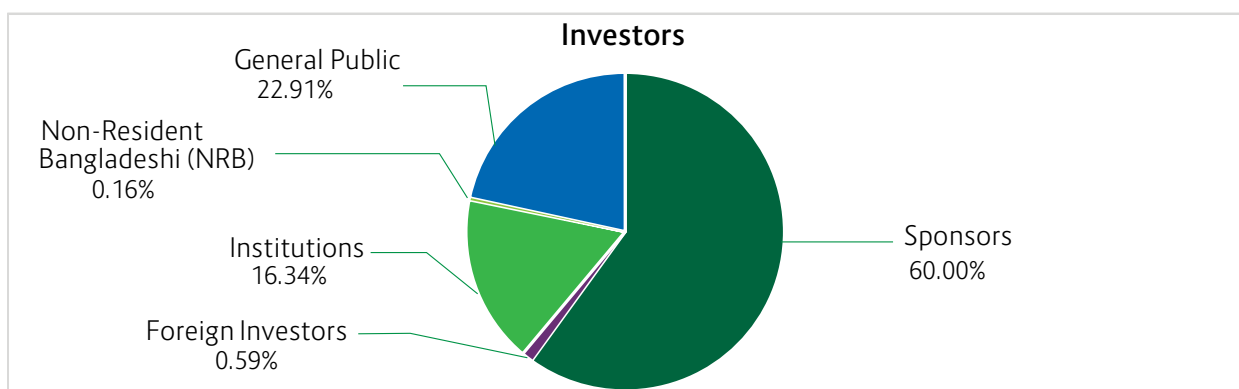




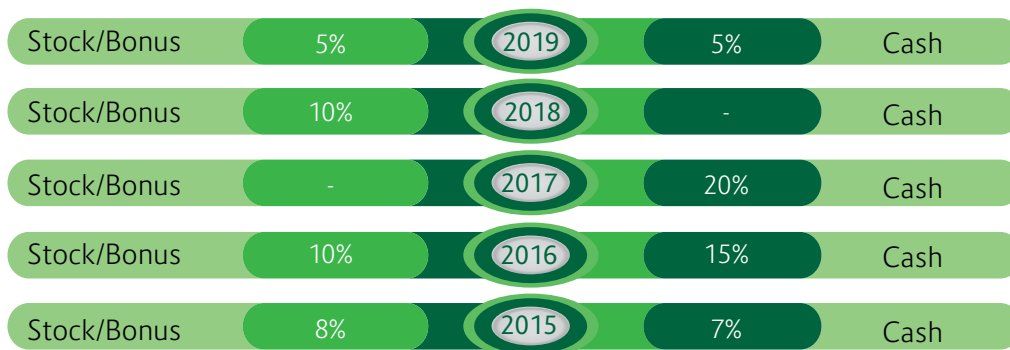


## Our Investors

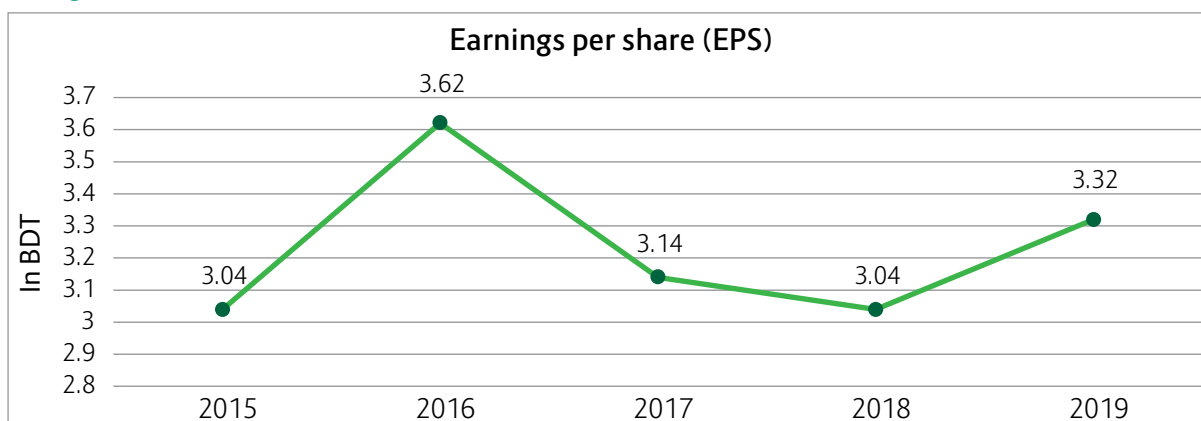
We are delighted to have knowledgeable and experienced investors believing and accompanying us in our continuous journey. Our sponsor shareholder is Army Welfare Trust (AWT) holding 60 percent of outstanding shares. Rest 40 percent shares are freely floated in stock exchanges of Bangladesh. General public are holding 22.91 percent shares, while institutions have a stake of 16.34 percent of outstanding shares of the Bank. However, Non-Resident Bangladeshi (NRB) (0.16 percent) and Foreign Investors (0.59 percent) have also extended their faith in our banking business in Bangladesh.



### Dividend Payout History



### Earnings Per Share (EPS) in BDT





## Our Code of Conduct

Trust Bank has always acknowledged the necessity to practice high level of governance and professionalism in attaining highest level of satisfaction while maximizing wealth for its customers, shareholders and other stakeholders. In this pursuit, Trust Bank always pursues adherence to clear set of code of conduct and business ethics through its employees, management and board with all counterparties that are met in its day to day operation.

### Our Commitment to Shareholders

- a. Alongside the depositors and borrowers, our shareholders are equally treated by us and the Bank is committed to preserve their lawful benefits and interest.
- b. Opinions from shareholders are not just merely heard rather recorded for goal setting of the Bank.
- c. Ensuring complete disclosure of financial statements to enable the shareholders to undertake proper investment decision.
- d. Sound business and risk management strategy to boost profit for a steady and lucrative dividend payout ratio.

### Our Commitment to Customers

- a. Irrespective of size of deposit or amount of loan, all depositors and borrowers of the Bank are equally attended with proper respect and adequate time to keep them fully informed with all banking and financial products.
- b. Focus on creation of long term relationship based on mutual benefit and trust.
- c. Prior notice is issued with reasonable time to inform the customers regarding any change in policy, charge and/or product feature.
- d. Fair transaction in accounts with competitive return, service charge and without levying any undeclared cost.
- e. Ensuring complete secrecy of customer's affairs/account information at all times.

### Our Working Environment

- a. Trust Bank believes in diversity in its recruitment and ensures equal employment opportunity while appointing employees from all religion, gender, race, age and work experience.
- b. Bank is committed to provide a work environment free from harassment and intimidation. A clear cut 'Anti-Harassment Policy' of the Bank protects its employees from harassment based on race, ethnicity, color, religion, age, sex, marital status, disability or any other legally protected characteristics.
- c. Employees are always encouraged to speak against any irregularity. 'Speak Up Policy' of the Bank provides procedure to report and investigate any suspicion of misconduct or any breach of law that may adversely impact the Bank.
- d. Congenial work environment is ensured to foster sense of togetherness among employees.

### Few Covenants for Employees

- a. All employees are required to possess clear knowledge of rules, laws and regulations of the Bank as well of other regulators
- b. All employees will protect bank's assets and reputation at all times
- c. Employees are strictly prohibited to
  - Engage themselves in buying and selling of securities
  - Work as agent of an insurance company
  - Engage in any other employment without prior permission of bank's authority
  - Receive or give any gift from or to any corner



## Our Business Ethics

Trust Bank identifies business ethics as the process of evaluating decision, either before or after, with respect to moral standards of society. Apart from our six core ethical values, honesty, integrity, responsible citizenship and accountability are also instrumental in our decision making process.

### Management Organogram

Trust Bank has set up management systems which clearly specify the functions of Board, key management personnel such as the Managing Director, Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, Company Secretary, Head of Divisions and Departments.

### Financing Decision

Trust Bank pays attention to both quantifiable and unquantifiable risk and refrains itself from the industry, services and products where it cannot objectively assess and manage the associated risks.

### Pricing and Fair Return

Trust Bank is committed to ensure fair return to the depositors and safety of the depositors. We are also equitable in fixing spread between cost of fund and lending rates.

### HR Mission

Trust Bank views its human resource as the most valuable asset and invests heavily through constant training, coaching and rewarding professional degrees. Employees are also at liberty to express their opinion/suggestion for improvement.

### Safeguarding Customer Information and Valuables

Trust Bank is highly sensitive while possessing customer information and valuables. We remain highly vigilant to ensure safety for our customers.

### Conservation of Environment

Trust Bank highly discourages financing projects that are detrimental to environment, aggravate pollution, employ child labour and injure human health. We also develop and promote technologies that are environment friendly and match our going green mission.

### Prevention of Money Laundering

There is no room for complacency at Trust Bank while issue of Money Laundering is concerned. Bank is highly focused to prevent banks financial services and distribution channels for laundering money or conducting illicit trade by any corner.

### Fair Accounting Disclosure

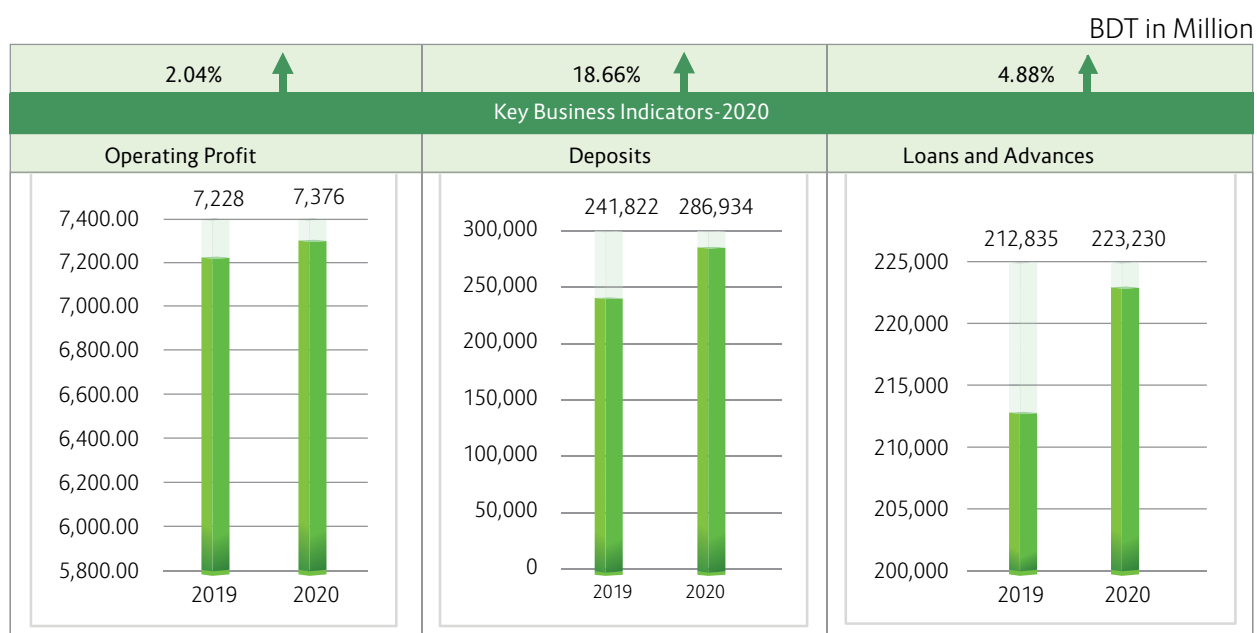
Trust Bank is compliant with all laws, rules and regulations promulgated by relevant regulatory authorities and is engaged in transparent and existing accounting practices.



## Key Business Indicators

**Trust Bank reported BDT 7,376.05 million operating profit in 2020.**

- Operating profit of BDT 7,376.05 million in 2020, an increase of BDT 147.48 million as compared with BDT 7,228.57 million of 2019.
- Growth in deposit increased to 18.66%, an increase of BDT 45,112.65 million as compared to 2019.
- Loan Growth: Loan growth for Trust Bank in 2020 by 4.88%, an increase of BDT 10,395.30 million as compared to 2019.
- 23.05% increase in interest earning assets and stood at BDT 304,775 million in 2020.
- Non-Performing Loans (NPL) decreased to BDT 9,966.15 million from BDT 11,577.08 million of 2019. In terms of total loans, the NPL stood at 4.51% in 2020 as compared to 5.49% of 2019.



### Our Continued Effort for Attaining Objectives

**Growth of Capital:** Total Capital increased by BDT 3,552.29 million or 14.59% as compared to 2019.

**Significant Capital Build throughout 2020:** Tier-I Capital increased by 2,333.73 million or 15.48% as compared to 2019.

**Prioritizing Investment Acceleration:** Increased investment by 49,985 million or 115.01%.



## Risk Overview

Trust Bank believes that effective management of risk is a critical component for survival and long term success of the Bank. Therefore, The Board and management always uphold a sound and responsible approach to risk with a view to ensure that the sustainable performance and standing of the Bank are not threatened while conducting its regular course of business.

The Board is regularly assisted by the Risk Management Committee (RMC) to review and monitor the overall risk management system of the Bank. The risk Management system of the Bank has been described in 'Risk Management Report' of this Annual Report.

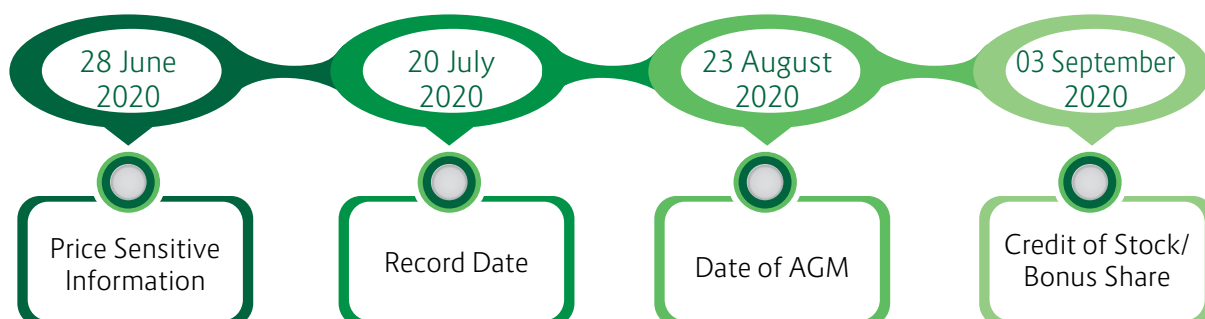


## Financial Calendar

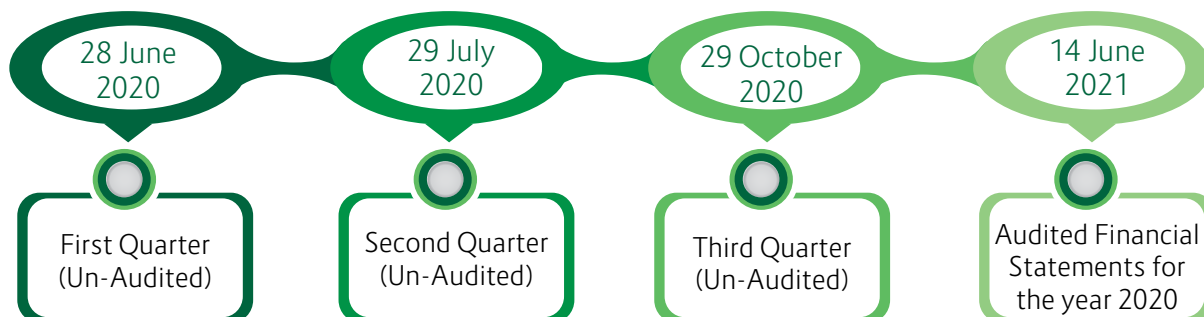
### 22<sup>nd</sup> Annual General Meeting (AGM)



### Highlights of 21<sup>st</sup> Annual General Meeting (AGM)



### Financial Results of 2020



# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2021/137



Date of issue : February 24, 2021

## Renewed Certificate

*This is to certify that*

**TRUST BANK LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies  
and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2021.*



  
Secretary-General



# GOVERNANCE REPORT

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## Corporate Governance Report

The Board of Directors of Trust Bank is subject to a wide range of statutory duties. This report, i.e., corporate governance report, outlines the relevant information on the formation, roles, and responsibilities of the Board of Directors of the Bank. Moreover, this report endeavours to present a holistic review of the performances and functions of the Board during the year 2020 as per statutory laws and regulatory guidelines.

### Corporate Governance Practice in Bangladesh

The corporate governance practice in Bangladesh is guided by the 'Corporate Governance Code' issued by Bangladesh Securities and Exchange Commission (BSEC) (vide notification no. BSEC/CMRRC/2006-158/207/Admin/80, dated 03 June 2018). The Code has been safeguarding the capital market's potential to boom and promote fairness, accountability, transparency, responsibility, and integrity in business, considering the best practice befitting to the economy.

### Corporate Governance Practice in Banking Industries of Bangladesh

Being the Central Bank, Bangladesh Bank is playing a crucial role in putting the Banks on a sound footing on banking practice in Bangladesh. Bangladesh Bank, vide BRPD circular no. 11, dated 27 October 2013, directed all Banks to demarcate the responsibilities and authorities of the Board of Directors regarding risk management, internal controls, internal audit, and compliance for ensuring good corporate governance. Moreover, Bangladesh Bank has adopted 'Corporate Governance Principles for Banks' as per BASEL guidelines. Accordingly, all Banks are following the guidelines of Bangladesh Bank.

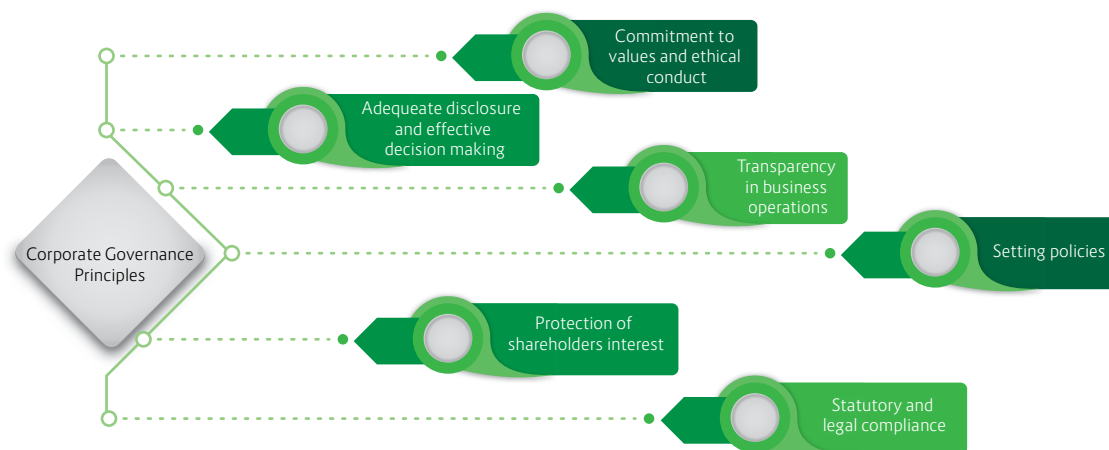
Moreover, being listed with the country's stock exchanges, the Banks are also subject to compliance with the Corporate Governance Code. The Banks have to comply with the Companies Act, 1994, Bangladesh Accounting Standards (BASs), and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountant of Bangladesh (ICAB), Listing Regulations, 2015, the Banking Companies Act, 1991, etc.

### Corporate Governance Practice and Trust Bank

Trust Bank, being a venture of Army Welfare Trust, has adhered to the guidelines imposed by the regulators to ensure governance from time to time. However, the introduction of the corporate governance concept in Bangladesh has widened the scope of corporate governance practice at Trust Bank.

Trust Bank is operated within the legal framework of the Companies Act, 1994 and regulated under the provisions of the Bank Company Act, 1991 (amended up to 2018). The Bank has been listed with Chittagong Stock Exchange Limited and Dhaka Exchange Limited since 24 September 2007 and 25 September 2007 (respectively). Therefore, the Bank always complies with respective Listing Regulations issued by the stock exchanges for operations. The Bank also complies with the conditions of the Corporate Governance Code for ensuring good corporate governance practice.

The followings principles are practiced within the corporate framework of Trust Bank for ensuring Corporate Governance:



## Ownership Structure of Trust Bank

As of 31 December 2020, the Bank's share capital was BDT 6,43,29,59,780.00, represented by 64,32,95,978 shares, each share with a nominal value of BDT 10.00. Army Welfare Trust (AWT) is the majority shareholder holding 60% of the outstanding shares (i.e., 38,59,72,038 shares).

## Shareholding Pattern

The Pattern of Shareholding along with name wise details of:

### I. Parent or Subsidiary or Associated companies and other related parties:

#### a. Structure of Shareholding as on 31 December 2020:

SL.	Particulars	2020		2019	
		No. of Shares	%	No. of Shares	%
01.	Sponsors (Army Welfare Trust)	38,59,72,038	60.00	36,75,92,418	60.00
02.	Institutions	10,50,96,729	16.34	10,47,46,426	17.10
03.	Foreign Investors	37,65,445	0.59	68,10,672	1.11
04.	Non-Resident Bangladeshi (NRB)	10,55,126	0.16	11,90,474	0.19
05.	General Public	14,74,06,640	22.91	13,23,22,847	21.60
<b>Total</b>		<b>64,32,95,978</b>	<b>100.00</b>	<b>61,26,62,837</b>	<b>100.00</b>

#### b. Subsidiary or Associated Companies:

SL.	Name of Companies	Commencement of Operation	Nature
01.	Trust Bank Investment Limited	14 November 2010	Merchant Bank
02.	Trust Bank Securities Limited	26 September 2013	Stock Brokerage Services
03.	Trust Axiata Digital Limited	30 December 2020	Mobile Financial Services

**i. Shareholding Structure of Trust Bank Investment Limited as on 31 December 2020:**

SL.	Particulars	No. of Shares
01.	Trust Bank Limited	2,99,99,993
02.	Maj Gen Md. Enayet Ullah, OSP,BSP, ndu, psc	1
03.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	1
04.	Mr. Shahedul Islam	1
05.	Mr. Ashrafuzzaman Khan	1
06.	Mr. Faruq Mainuddin Ahmed	1
07.	Mr. Monzur Morshed Khan	1
08.	Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	1
<b>Total</b>		<b>3,00,00,000</b>

**ii. Shareholding Structure of Trust Bank Securities Limited as on 31 December 2020:**

SL.	Particulars	No. of Shares
01.	Trust Bank Limited	3,49,99,999
02.	Mr. Faruq Mainuddin Ahmed	1
<b>Total</b>		<b>3,50,00,000</b>

**iii. Shareholding Structure of Trust Axiata Digital Limited as on 31 December 2020:**

SL.	Particulars	No. of Shares
01.	Trust Bank Limited	2,29,50,000
02.	Axiata Digital Services Sdn Bhd	2,20,50,000
<b>Total</b>		<b>4,50,00,000</b>

**II. a. Shareholding of Directors and their spouses and minor children as on 31 December 2020:**

SL.	Name of Director	Status	No. of shares	No. of Shares of Spouse and Minor Children
01.	General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD	Chairman	--	--
02.	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Vice Chairman	--	--
03.	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	Director	--	--
04.	Brig Gen Rakib Uddin Ahmed, SUP, psc, G	Director	--	--
05.	Brig Gen Saleem Ahmad Khan, SGP, ndc, afwc, psc, te, PhD	Director	--	--
06.	Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	Director	--	--
07.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Director	--	--
08.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	Director	--	--
09.	Mr. Shahedul Islam	Independent Director	--	--
10.	Mr. Arshad Jamal	Independent Director	--	--

**II. b. Shareholding of Chief Executive Officer and Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children as on 31 December 2020:**

SL.	Name of Officials	Status	No. of shares	No. of Shares of Spouse and Minor Children
01.	Mr. Faruq Mainuddin Ahmed	MD & CEO	--	--
02.	Mr. Md. Mizanur Rahman, FCS	Company Secretary	--	--
03.	Mr. Mohammad Aminul Haque, FCA	Chief Financial Officer	--	--
04.	Mr. Md. Kamal Uddin Kutubi	Head of Internal Control and Compliance	--	--

**III. Executives [Top 05 salaried executives other than Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance] as on 31 December 2020:**

SL.	Name of Executives	Status	No. of shares	No. of Shares of Spouse and Minor Children
01.	Ms. Humaira Azam	AMD & CRO	--	--
02.	Mr. Ahsan Zaman Chowdhury	DMD & CBO	--	--
03.	Mr. Akhlasur Rahman Bhuiyan	Head of CRM Division	--	--
04.	Mr. Md. Kamal Hossain Sarker	Chief Manager, Principal Branch	--	--
05.	Brig Gen Md Mehdi Hassan, SGP, ndc, afwc, psc (Retd)	Head of Recovery & Monitoring Division	--	--

**IV. Shareholders holding 10% or more voting interest in the Bank as on 31 December 2020:**

SL.	Name of shareholders who hold 10% or more shares	Status	No. of shares held	% of total no. of paid-up shares
01.	Army Welfare Trust	Sponsor	38,59,72,038	60.00

## The Board of Directors

The Board is committed to meeting stakeholders' expectations of sound Corporate Governance while striving to ensure superior financial performance and long-term prosperity. As per the Bank Company Act, 1991 (amended up to 2018), the Board is responsible for establishing policies and ensure their effective implementations for risk management, internal controls, internal audit, and compliance. The Board draws its powers for carrying out the functions from the provisions of the Bank Company Act, 1991 (amended up to 2018) and subsequent circulars issued by Bangladesh Bank from time to time. The Board simultaneously comply with other guidelines/instructions imposed by other regulatory authorities (i.e., Bangladesh Securities and Exchange Commission, Dhaka Exchange Limited, Chittagong Stock Exchange Limited, etc.).

## Structure of the Board

The Board currently has 10 members, consisting of 07 Directors, 02 Independent Directors, and 01 Managing Director as an ex-officio member. The composition of the Board of Directors is determined by the Bank's Articles of Association, where the number of Directors shall not be less than 05 (Five) and not more than 11 (Eleven) excluding the Managing Director. As of 31 December 2020, the Board had 11 members, including 02 Independent Directors and 01 Managing Director as an ex-officio member.

Composition of the Board of Directors as on 31 December 2020:

SL.	Name of Director	Status
01	General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD	Chairman [Representing Army Welfare Trust (AWT)]
02	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Vice Chairman (Nominated Director by AWT)
03	Brig Gen Saleem Ahmad Khan, SGP, ndc, afwc, psc, te, PhD	Director (Nominated by AWT)
04	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	
05	Brig Gen Rakib Uddin Ahmed, SUP, SPP, psc, G	
06	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	
07	Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	
08	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	
09	Mr. Shahedul Islam	Independent Director
10	Mr. Arshad Jamal	
11	Mr. Faruq Mainuddin Ahmed	MD & CEO

## Appointment of Board of Directors

The decision for appointment of new Director is made in the meeting of Board of Directors. As per section 15 (4) of the Bank Company Act, 1991 (amended up to 2018), the Bank takes prior approval from Bangladesh Bank for appointment/re-appointment of Directors. While obtaining such permission, the Bank furnishes necessary documents to Bangladesh Bank. Consequently, the Bank files return to the Registrar of Joint Stock Companies and Firms (RJSC) and retain the certified copy for future references.

As per the Bank Company Act 1991 (amended up to 2018), the Directors are appointed for three years, which can be extended by two term only subject to approval by the shareholders in the Annual General Meeting (AGM). The Bank appointed/re-appointed the following Directors in 2020:

SL.	Name of Director	Date of Appointment/ Re-appointment	Term
01.	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	23-08-2020	Re-appointment
02.	Brig Gen Rakib Uddin Ahmed, SUP, psc, G	23-08-2020	
03.	Major General Md Enayet Ullah, BSP, ndu, psc	07-03-2020	1 <sup>st</sup> Appointment
04.	Brig Gen Kazi Aniruddha, BGBM	01-02-2020	
05.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	01-03-2020	
06.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	29-06-2020	
07.	Mr. Arshad Jamal	22-02-2020	

Brief resumes and the expertise of the appointed/re-appointed directors are included in the Directors' Profile in the Annual Report. The names of the companies in which the above directors hold the directorship and the membership of committees of the Board in compliance with Notification No. BSEC/CMRRCD/2006-158/207/

Admin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission (BSEC) are mentioned below:

SL.	Name of Director	Status	Names of Companies in which the person holds directorship
01.	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	Director (Nominated by AWT)	Service, Bangladesh Army
02.	Brig Gen Rakib Uddin Ahmed, SUP, psc, G		Service, Bangladesh Army
03.	Major General Md Enayet Ullah, BSP, ndu, psc	Vice Chairman (Nominated Director by AWT)	Army Housing Scheme, Chairman; Sena Kalyan Sangstha, Chairman; Army Welfare Trust, Vice Chairman; Sena Hotel Developments Ltd., Vice Chairman; Trust Technical Training Institute, Chairman; Governing Bodies of Cadet Colleges, Chairman; Trust Bank Securities Ltd., Chairman; Trust Bank Investment Ltd., Vice Chairman; Trust Axiata Digital Ltd, Director
04.	Brig Gen Kazi Aniruddha, BGBM	Director (Nominated by AWT)	Service, Bangladesh Army
05.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc		Army Welfare Trust, Managing Director; Sena Hotel Developments Ltd., Director; Trust Technical Training Institute, Director; Army Housing Scheme, Managing Director; Trust Bank Investment Ltd., Director; Trust Bank Securities Limited, Vice Chairman; Trust Transport Service, Chairman; Trust Axiata Digital Ltd, Director
06.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc		Service, Bangladesh Army
07.	Mr. Arshad Jamal	Independent Director	Texel Ltd., Director; Tusuka Fashions Ltd., Director; Tusuka Jeans Ltd., Director; Tusuka Trousers Ltd., Director; Tusuka Processing Ltd., Director; Tusuka Apparels Ltd., Director; Tusuka Denim Ltd., Director; Tusuka Washing Ltd., Director; Novo Tel Ltd., Director; Novo Air Ltd., Director & CFO; Tusuka Stitches Ltd., Director; Tusuka Laundry Ltd., Director

Note: Position as on 31 December 2020.

## Rotation and Re-election of Directors

As per Regulation 79 of Schedule-I of the Companies Act 1994 and clause 107-109 of Articles of Association of the Bank, at the ordinary general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Based on this retirement process, each Director is required to submit himself/herself for re-election by shareholders at least once every three years. A retiring director will be put forward for re-election upon his/her eligibility for re-appointment. Accordingly, the respective Director(s) of TBL will retire and re-elect at the 22<sup>nd</sup> Annual General Meeting (AGM). Each of the re-elections will be voted at the General Meeting according to the Companies Act, 1994.

## Roles and Responsibilities of Board of Directors

Trust Bank has a highly competent and professionally skilled Board of Directors. The Board acts to formulate policy guidelines and supervise the business activities efficiently and ensure good governance in the Bank management. The responsibilities of the Board are critical for the Bank's continuous earnings and safeguarding the confidentiality of the depositors. The Board of Directors' responsibilities are included in the Directors' Responsibility Statement of this Annual Report.

## Annual Appraisal of the Board's Performance

The shareholders critically assess the performance of the Board at each Annual General Meeting (AGM) when evaluating the Bank's financial position and performance, internal control system, and overall governance mechanisms. The shareholders attending the AGM also raise questions to the Board and suggest more significant insights into the areas for improvement. The shareholders also appraise various critical issues like dividend, share price, return on capital, earnings per share, etc. The Board responds to all the queries placed in the AGM.



## Independent Directors

Independent Director means a director who does not hold any share or any managerial position or any other relationship with the company or have any related business and beneficial interest that may affect his/her independent decision. The appointment of the Independent Director is made under the conditions of the Corporate Governance Code issued by the BSEC. The Board appoints Independent Directors after obtaining approval from BSEC and Bangladesh Bank.

In determining an incumbent as 'Independent Director', the Board ensures that the proposed person (i.e., Independent Director) has no substantial relationship, whether monetary or otherwise, with the Bank or its subsidiaries either in person or based on family relationships; and is knowledgeable in the field of financial, regulatory and corporate laws. The Independent Directors enjoy complete freedom to carry out their assigned responsibilities for their meaningful contribution to the Bank's affairs.

As per the code, the tenure for an Independent Director is for 03 (three) years, which is extendable for 01 (one) tenure only. During the period under review, the Board appointed Mr. Arshad Jamal as Independent Director with effect from 22 February 2020. On the contrary, Mr. Ashrafuzzaman Khan completed his second tenure of Directorship at the close of business on 22 February 2020.

Independent Directors of Trust Bank as of 31 December 2020:

Name of Director	Date of First Appointment	Date of Last Appointment	Qualification and Expertise	Membership
Mr. Shahedul Islam	28-04-2015	28-04-2018	Business Leader and Professional (Chartered Secretary) Area of Expertise: Accounting, Secretarial Standard, Banking and Financial Institution, Insurance, Manufacturing	Board of Directors, Audit Committee, Risk Management Committee
Mr. Arshad Jamal	22-02-2020	--	Business Leader and Corporate Leader Area of Expertise: Management, International Trade, Financial Planning and Control, Labor Relations	Board of Directors, Risk Management Committee

## The Chairman and the CEO

Separate individuals hold the positions of Chairman and the Managing Director. The Chairperson is elected from among the members of the Board. Being nominated by Amry Welfare Trust, Chief of Army Staff has been elected by the members of the Board to act as Chairman. The Chairman doesn't avail any benefit from the Bank.

After the expiry of the contract of Mr. Faruq Mainuddin Ahmed on 17 February 2021, Humaira Azam has been appointed as Managing Director & CEO of the Bank. The Board has appointed her with the approval of Bangladesh Bank complying with BRPD Circulars. She doesn't hold the same position in any other company.

## Responsibilities of the Chairman of the Board of Directors

The Chairman and Vice-Chairman are elected from amongst the members of the Board. The Chairman presides over all the meetings of the Board. The Chairman leads the Board in exercising all regulatory, fiduciary, and other duties. The Chairman acts within the purview of regulatory guidelines and does not participate in or interfere into the administrative or operational and routine affairs of the Bank. The Vice-Chairman presides over all the meetings at which the Chairman is not present. In such a case, the reasons for the absence of the regular Chairman are duly recorded in the respective meeting minutes.

The Chairman is empowered to conduct an on-site inspection of any bank-branch or financing activities under the purview of the Board's oversight responsibilities. The Chairman can call for any information relating to the Bank's operation or ask for an investigation into any such affairs; or submit such information or investigation report to the meeting of the Board or the Executive Committee, and if deemed necessary, with the approval of the Board, he can take necessary action thereon under the set rules through the CEO.

## Responsibilities and Authorities of the Managing Director

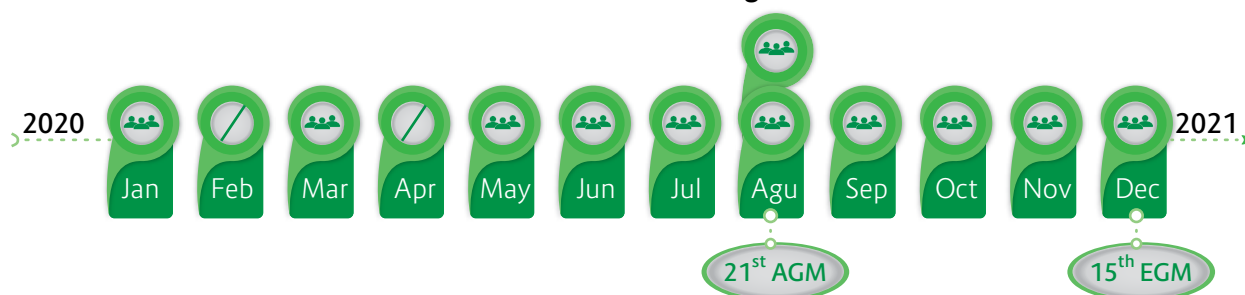
The Managing Director and CEO of the Bank discharges the responsibilities in terms of the financial, business, and administrative authorities vested upon him/her by the Board of Directors. S/he is responsible for the followings:

- In terms of financial, business, and administrative authorities vested upon him/her by the Board, the CEO discharges his/her responsibilities. S/He remains accountable for achieving financial and other business targets through the business plan, efficient implementation thereof, and prudent administrative and financial management.
- The CEO ensures compliance with the Bank Company Act, 1991, and other relevant laws and regulations in discharging routine functions of the Bank.
- At the time of presenting any memorandum in the Board meeting or Board committee meeting, the CEO points out the issues if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.
- The CEO is responsible for reporting to Bangladesh Bank for any violation of the Bank Company Act, 1991 or other laws/regulations.
- The recruitment and promotion of all Bank staff except those in the two tiers below him/her rest on the CEO. S/He acts, in such cases, within the approved service rules and other policies of the Bank.
- The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, rests on him/her, which is done under the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he nominates officers for training, etc.

## Board Meeting

The Board usually meets once a month unless further meetings are not required. All meetings of the Board of Directors are presided over by the Chairman, and in his absence, the Vice-Chairman presides over the meeting. The notices of the Board meetings are duly convened and circulated among the Directors at least 07 (seven) days before the meeting. After each of the Board meetings, respective minutes record the attendance, agenda and decisions taken thereon. Minutes of each meeting is sent to Bangladesh Bank within 07 (seven) days of the meeting.

### Board of Directors Meeting in 2020



The Board conducts meetings and records the minutes of the meetings and keeps required books and records in line with the standards of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). A separate disclosure on the Secretarial Standards as levied by ICSB is included with this Corporate Governance Report.

In 2020, the Board was kept persistently and fully informed about the business issues, policies, risk issues, and capital issues through different reports, presentations and proposals. During 2020, there were 11

meetings of the Board. The attendance of Directors at the Board meeting held during the year is stated at Annexure-I.

Annexure-I: Attendance of the directors in Board meeting:

SL.	Name of Director	Date of Joining	Total Meeting Attended	Total Meeting Held in his tenor	Leave Granted	Remarks
01.	General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD	26-06-2018	10	11	1	--
02.	Maj Gen Mohammad Humayun Kabir, OSP, SUP, rcds, psc	07-10-2019	2	2	0	Resigned w.e.f. 06-03-2020
03.	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	07-03-2020	9	9	0	--
04.	Brig Gen Saleem Ahmad Khan, SGP, ndc, afwc, psc, te, PhD	01-08-2019	11	11	0	--
05.	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	05-03-2019	11	11	0	--
06.	Brig Gen Rakib Uddin Ahmed, SUP, SPP, psc, G	08-04-2019	10	11	1	--
07.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	01-03-2020	9	9	0	--
08.	Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	01-08-2019	10	11	1	--
09.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	13-07-2020	7	7	0	--
10.	Brig Gen Md. Abdur Rahim, BGBM, G+	01-08-2019	1	3	2	Resigned w.e.f. 28-06-2020
11.	Brig Gen Kazi Aniruddha, BGBM	01-02-2020	2	2	0	Resigned w.e.f. 28-06-2020
12.	Mr. Ashrafuzzaman Khan	23-02-2014	1	1	0	Office vacated w.e.f. 23-02-2020
13.	Mr. Shahedul Islam	28-04-2015	11	11	0	--
14.	Mr. Arshad Jamal	22-02-2020	4	8	4	--
15.	Mr. Faruq Mainuddin Ahmed	18-02-2018	11	11	0	--

N.B. Leave of absence was granted to directors who could not attend some of the Board meetings.

## Governance of Board of Directors of Subsidiary Companies and Joint Venture(s)

Both the subsidiaries, i.e., Trust Bank Investment Limited (TBIL) and Trust Bank Securities Limited (TBSL) are represented by at least 1 (one) Independent Director from TBL. However, the Board of Trust Axiata Digital Limited (TADL) is comprised of with the representatives from Trust Bank Limited and Axiata Digital Services Sdn Bhd. The minutes of the Board meeting of the subsidiaries Joint Venture are duly placed for review at the following Board meeting of Trust Bank. Accordingly, the minutes of the respective Board meeting of the Bank state that they have reviewed the affairs of the subsidiary companies also. The Audit Committee of the Bank also reviews the financial statements, particularly the investments made by the subsidiaries.

### i. Trust Bank Investment Limited (TBIL)

Trust Bank Investment Limited is a fully owned subsidiary of Trust Bank Limited and incorporated with the Registrar of Joint Stock Companies, Bangladesh as a public limited company on 09 September 2010 under Companies Act, 1994. TBIL obtained a merchant banking license from the Bangladesh Securities and Exchange Commission on 25 October 2010 and is authorized to undertake the following activities:

- Portfolio management
- Underwriting
- Issue management, and
- Corporate counseling

TBIL started its operation on 14 November 2010 by taking over the asset and liabilities of the Merchant Banking Division of the Bank, except the own investment portfolio of TBL, to comply with the instructions of Bangladesh Bank.

At the end of December 2020, TBIL has the following Directors:

SL.	Name of Director	Status
1.	General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD	Chairman
2.	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Vice Chairman
3.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Director
4.	Mr. Shahedul Islam	Independent Director
5.	Mr. Faruq Mainuddin Ahmed	Director
6.	Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	Director
7.	Mr. Mohammad Shahadat Hossain	MD & CEO (Acting)

### ii. Trust Bank Securities Limited (TBSL)

Trust Bank Securities Limited (TBSL) is a fully owned subsidiary of TBL and one of the fully complied stock brokerage houses of Dhaka Stock Exchange (DSE) Limited (DSE TREC No. 242). The company was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) under the Companies Act, 1994 on 07 February 2013, bearing registration no. C-107267/13.

The company acts as a Trading Right Entitlement Certificate (TREC) holder of DSE to carry on the business of brokers or dealers in stocks, shares and securities, bonds, debentures, treasury bills, and/or any financial instruments. TBSL provides all DP (Depository Participant) related services of Central Depository Bangladesh Limited (CDBL). The company is also providing real-time online trading through DSE mobile apps.

At the end of December 2020, TBSL has the following Directors:

SL.	Name of Director	Status
01.	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Chairman
02.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Vice Chairman
03.	Mr. Shahedul Islam	Independent Director
04.	Mr. Faruq Mainuddin Ahmed	Director
05.	Ms. Humaira Azam	Director & MD
06.	Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	Director
07.	Mr. Akhlasur Rahman Bhuiyan	Director

### iii. Trust Axiata Digital Limited (TADL)

Trust Axiata Digital Limited (TADL), a joint venture of Trust Bank Limited and Axiata Digital Services Sdn Bhd (ADS), is formed to carry out the business of Mobile Financial Services (MFS) operations and Payment Service Provider (PSP) operations as defined in Bangladesh Mobile Financial Services (MFS) Regulations, 2018 and Bangladesh Payment and Settlement Systems Regulations, 2014, including any amendments thereof and/or any other applicable laws, rules and regulations. The company launched its operation on 30 December 2020.

At the end of December 2020, the composition of the Board of Directors was:

SL.	Name of Director	Status
01.	General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD	Chairman
02.	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Director
03.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Director
04.	Mr. Faruq Mainuddin Ahmed	Director
05.	Mr. Anthony Sheyantha Abeykoon	Director
06.	Mr. Subbaraman Vaidyanathan	Director
07.	Mr. Tomoo Maruyama	Director

### Managing Director & CEO, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):

#### Appointment:

- The Board appoints MD & CEO, CFO, CS and HIAC.
- The positions of the MD & CEO, CFO, CS and HIAC are filled by different individuals.
- The MD or CEO, CS, CFO and HIAC are not holding any executive position in any other company.
- The Board has clearly defined the respective roles, responsibilities and duties of the CFO, the HIAC and the CS.
- The MD or CEO, CS, CFO and HIAC are not being removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).

## Attendance of CEO, CFO, CS and HIAC in Board Meeting

The CEO, CS, CFO, and HIAC of the Bank attend the board of directors' meetings. They do not participate in such part of a meeting of the Board that involves consideration of agenda relating to their matters.

## Duties of Managing Director & CEO and Chief Financial Officer

The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- These statements together present a true and fair view of the Bank's affairs and are in compliance with the existing accounting standards and applicable laws;

The CEO and CFO have certified to the Board that no transactions entered into by the Bank during the year are fraudulent, illegal, or in violation of the Bank's code of conduct to the best of their knowledge and belief.

## Board of Directors' Committee

The Board has 03 (Three) sub-committees; 01 (one) Executive Committee, 01 (one) Audit Committee, and 01 (one) Risk Management Committee. In compliance with BRPD circular no. 11 of 2013, the Bank formed the sub-committees and delegated specific responsibilities to each of the committees. The sub-committees perform their duties as per the Term of Reference (ToR) prescribed by regulatory authorities.

SL.	Name of the Sub-Committee	Committee Required by	Status of Trust Bank
01.	Executive Committee (EC)	Bangladesh Bank	Formed
02.	Audit Committee (AC)	Bangladesh Bank and Bangladesh Securities and Exchange Commission	Formed
03.	Risk Management Committee (RMC)	Bangladesh Bank	Formed
04.	Nomination and Remuneration Committee (NRC)	Bangladesh Securities and Exchange Commission	N/A (As per guidelines of Bangladesh Bank)

## The Executive Committee

The Bank has an influential executive committee (EC) to continue the urgent and routine works. The Board of Directors nominates the members of the EC. The committee mainly scrutinizes the proposals sent to the Board of Directors for decision. However, the Board has delegated authority to Executive Committee to approve proposals within a certain limit to accelerate the decision-making process. The decisions taken in the committee are ratified in the subsequent Board meeting.

## Composition of Executive Committee

The Executive Committee comprises 05 (five) members from the Board, including Managing Director and CEO. The Vice-Chairman of the Bank is the Chairman of the committee. The committee often invites Members of the Board and Officials of the Bank to the meetings if necessary.

## Meeting of Executive Committee

During the year 2020, the committee met 50 times and played an instrumental role in approving strategic plans and policy guidelines. Attendance in EC meeting is given in annexure-II.

Annexure-II: 50 meetings of the Executive Committee were held in the year 2020; the attendance of the Directors is furnished below:

SL.	Name of Director	Total Meeting Attended	Total Meeting Held in his tenor	Leave Granted	Remarks
01.	Maj Gen Md Enayet Ullah, BSP, ndu, psc	41	41	0	--
02.	Maj Gen Mohammad Humayun Kabir, OSP, SUP, rcds, psc	9	9	0	Resigned w.e.f. 06-03-2020
03.	Mr. Ashrafuzzaman Khan	7	8	1	Office vacated w.e.f. 23-02-2020
04.	Brig Gen Rakib Uddin Ahmed, SUP, psc, G	46	50	4	--
05.	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc,	41	41	0	--
06.	Brig Gen Md. Golam Faruque,SGP, sup, afwc, psc,	47	50	3	--
07.	Mr. Shahedul Islam (On Special invitation)	41	--	--	--
08.	Mr. Arshad Jamal (On Special invitation)	1	--	--	--
09.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc (On Special invitation)	1	--	--	--
10.	Brig Gen Abu Naser Md Elias (On Special invitation)	1	--	--	--
11.	Mr. Faruq Mainuddin Ahmed, MD & CEO	49	50	1	--
12.	Humaira Azam, AMD & CRO	1	--	--	--

## The Audit Committee

The Audit Committee has 3 (three) members, including 2 (two) Independent Directors. The committee members frequently meet to review the state of affairs of the Bank. The committee often invites the Managing Director and other Bank officials to its meetings if necessary. The Chairman and other members are knowledgeable in financial management and have experience in Banking Industry.

## Chairman of Audit Committee

Mr. Shahedul Islam, an Independent Director, acted as Chairman of the Audit Committee of Trust Bank Limited in 2020. He is a renowned entrepreneur having vast experience in the financial sector. He is not involved in the day-to-day operations of the Bank. A detailed profile of Mr. Shahedul Islam is included in the Directors' Profile part of this Annual Report.

## Meeting of Audit Committee

As per BSEC notification, the Audit Committee shall conduct at least four meetings in a financial year; The Audit Committee of TBL had 10 meetings during the year 2020. The report is given in this annual report on pages from 93 to 96.



## Roles and Responsibilities of Audit Committee

The Audit Committee is responsible for the following activities:

- (i) **Internal Control:** The Audit Committee evaluates the compliance culture, the implementation of internal control strategies, the management of risk, and steps in building computerization and its applications and bank's Management Information System (MIS). The Audit Committee also considers the reports relating to fraud, forgery, deficiencies, or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities and places them before the Board for further disposal.
- (ii) **Financial Reporting:** The audit committee oversees the financial reporting process; monitor choice of accounting policies and principles; checks whether the financial statements reflect the complete and concrete information; and determines whether the statements are prepared according to the existing rules, regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank. The committee also discusses and reviews the financial statements with the management and the external auditors before their finalization.
- (iii) **Internal Audit:** The audit committee monitors whether the internal audit is functioning independently from the management. The committee also reviews the activities, efficiency, and effectiveness of the internal audit and the organizational structure and ensures that no unjustified restriction or limitation hinders the internal audit process.
- (iv) **External Audit:** The audit committee reviews the performance of the external auditors and their audit reports and makes recommendations to the Board regarding the appointment of the external auditors. The committee also examines whether the findings and recommendations made by the external auditors are duly considered by the management or not.
- (v) **Compliance with existing laws and Regulations:** The Audit Committee reviews whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the Board are being complied with.
- (vi) **Other Responsibilities:** The Audit Committee also oversees the following activities:
  - 1. Submit compliance report to the Board quarterly on regularization of the omission, fraud, and forgeries, and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
  - 2. Solicit assessment report from external and internal auditors, if necessary;
  - 3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's performance regularly.

## Risk Management Committee

The Risk Management Committee of the Bank has been formed as per the provisions of the Bank Company Act, 1991 (amended up to 2018) and subsequent circulars issued by Bangladesh Bank. The committee formulates and implements strategies for risk assessment and its control. The committee oversees the Bank's risk management functions for identifying, monitoring, and measuring risk profiles in a comprehensive and integrated manner. The committee focuses on six core risk areas as prescribed by Bangladesh Bank, including credit risk management, asset liability risk management, foreign exchange risk management, ICT risk management, internal control and compliance risk management and anti-money laundering risk management.

## Composition of Risk Management Committee

The committee is headed by a Director and comprises two other Independent Directors. Company Secretary is the Secretary of the Risk Management Committee.

## Meeting of Risk Management Committee

The committee met 05 times in 2020. The attendance of the committee is furnished below:

SL.	Name of Director	Total Meeting Attended	Total Meeting Held in his tenor	Leave Granted	Remarks
01.	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	03	03	--	--
02.	Mr. Shahedul Islam	05	05	--	--
03.	Arshad Jamal	03	03	--	--
04.	Brig Gen Md. Abdur Rahim, BGBM, G+	02	02	--	Resigned w.e.f. 28-06-2020
05.	Brig Gen Kazi Aniruddha, BGBM	01	01	--	Resigned w.e.f. 28-06-2020
06.	Mr. Ashrafuzzaman Khan	02	02	--	Office vacated w.e.f. 23-02-2020

## Roles and Responsibilities of Risk Management Committee

The responsibilities of the Risk Management Committee include:

- (i) **Risk Identification and Control Policy:** The responsibilities of the Risk Management Committee include formulation and implementation of appropriate strategies for risk assessment and its control, monitor and review the risk management policies, methods, and processes to ensure effective prevention and control measures.
- (ii) **Construction of organizational structure:** The responsibilities of the Risk Management Committee are to ensure an adequate organizational structure for managing risk within the Bank, supervise the formation of separate management level committees, and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control and compliance risk, money laundering risk, information and communication risk including other risk-related guidelines.
- (iii) **Analysis and approval of Risk Management policy:** Risk management policies and guidelines of the Bank are reviewed annually by the committee. The committee proposes amendments (if necessary) and sends them to the Board of Directors for their approval.
- (iv) **Storage of data and Reporting system:** The Risk Management Committee approves adequate record keeping and reporting system for the Bank management. The committee also ensures proper monitoring and use of the system.
- (v) **Monitoring the implementation of overall Risk Management Policy:** The Risk Management Committee monitors the proper implementation of comprehensive risk management policies of the Bank. Moreover, the committee monitors whether appropriate steps are taken to mitigate all risks, including lending risk, market risk, and management risk.

## Nomination and Remuneration Committee

As per 'Condition 06' of the Corporate Governance Code dated 03 June 2018, the listed companies are required to form a Nomination and Remuneration Committee (NRC) as a sub-committee to assist the Board of Directors in formulation of nomination criteria or policy or a formal process for determining qualifications, positive attributes, experience, and independence of Directors and top-level executives. Therefore, the Bank was required to form NRC in 2018.

Bangladesh Bank is the primary regulator which governs all activities of Banks in Bangladesh. In 2019, Trust Bank asked for the guidance of Bangladesh Bank to form NRC as a sub-committee of the Board. However, as per guidelines of Bangladesh Bank, condition for NRC is not applicable for Banking Companies.

## External Auditors

M.J Abedin & Co, Chartered Accountants, is the statutory auditor of the Bank. The firm does not provide any other accounting, taxation, or advisory services to the Bank except certification of cash incentives payable to exporters.

In compliance with BRPD Circular Letter No. 12 dated 11 July 2011, regarding the appointment of External Auditors of Bank Companies, the auditors are not eligible to serve a bank for more than three consecutive years. Our existing auditor, i.e., M.J Abedin & Co., has completed the first year of auditing in 2020. Therefore, they are eligible for re-appointment, and accordingly, they have expressed their willingness as auditor for the year 2021. Hence the shareholders of the Bank will be required to consider the re-appointment of M.J Abedin & Co. for the year 2021.

## Auditors' Report

The Board of Directors reviewed the Auditors Report issued by the Bank's Auditor, i.e., M.J Abedin & Co., Chartered Accountants, based on the audit conducted on the Financial Statements for the year ended on 31 December 2020. The auditor did not mention any material misstatement or significant disagreement regarding the Bank's Financial Statements. The auditor issued an unqualified opinion on the Financial Statements for the year 2020.

## Audit and Inspection by Bangladesh Bank

Bangladesh Bank also undertakes audit and inspection at the Bank as per determined intervals. Compliance with observations and recommendations made by Bangladesh Bank helps the Bank to improve internal control, risk management, corporate governance, and regulatory compliance.

In 2020, Bangladesh Bank conducted a comprehensive inspection on Head Office and several Branches as of 31 December 2020. Subsequently, a tripartite meeting for finalizing annual Financial Statements was held among Bangladesh Bank, External Auditor, and Management of Trust Bank.

## Relations with Shareholders and Stakeholders

Trust Bank is well-committed to serve the shareholders through free, fair, legal, and regulatory processes. The Bank always strives towards maximization of the value of shareholders. To protect the investors' rights, the Bank always adhere to the corporate governance standards of the Bangladesh Securities and Exchange Commission. Therefore, the Bank generates investment returns every year for the investors and considers them as critical stakeholders of the Bank.

Other than the shares of Army Welfare Trust, 40% of total shares of the Bank are freely floated in the stock exchanges. The details of the free-floated share as of 31 December 2020 are:

SL.	Particulars	No. of shares	% of Total Share	% of Free floated Share
01.	Institutions	10,50,96,729	16.34	40.84
02.	Foreign Investors	37,65,445	0.59	1.46
03.	Non-Resident Bangladeshi (NRB)	10,55,126	0.16	0.41
04.	General Public	14,74,06,640	22.91	57.28
Total		24,50,70,446	40.00	100.00

Trust Bank always treats all the shareholders equitably. The important decisions except those delegated to the Directors and other persons by the Articles of the Bank are taken after considering shareholders' votes in the General Meeting. Moreover, information regarding General Meeting and Price Sensitive Information are appropriately disseminated as and when required.

The Bank develops an interactive communication system, where the Bank incessantly disseminates information to the shareholders with periodic updates of performance. On the contrary, the shareholders are free to communicate with the Bank as and when requires basis.

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information. All relevant information are placed on the website of the Bank for the convenience of the shareholders. Moreover, as per BSEC guidelines, all the price sensitive information having possible impact on the Bank's share price are communicated to the shareholders by publication in the national dailies and to the DSE, CSE, and BSEC through official letters for appearance in their website. Quarterly, Half-yearly, and Yearly audited financial statements are published in national dailies as per prevailing guidelines. Finally, the Bank arranges Annual General Meeting as our statutory duty to give the shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the shareholders in AGM or any time during the year are taken very seriously for compliance.

To meet various requirements of the investors and shareholders regarding their shareholding, the Bank has a Share Department under Board Division. Shareholders are always encouraged to communicate with the Share Department in person, by e-mail, or post. Investors' requests, complaints, or grievances are addressed immediately by the in-charge of the department. The top-level executives always monitor the complaints or grievances.

## Members' Meetings

The members of the Bank perform their duties as per Bank's Articles of Association and/or applicable statutory laws. For smooth functioning, the Bank arranges a meeting of members within the timeframe prescribed by the statutes.

The Bank believes that the supreme authority in the Bank's affairs, within the limit established by the Articles of Association and statutory laws, rests with legitimate members' meetings. In this regard, the Bank's Annual General Meeting is held within a statutorily allowed period every year. Decisions at shareholders' meetings are taken by majority votes unless there are contrary provisions in the Bank's Articles of Association or statutory laws.

### Engaging with Investors: what we did during 2020

June	July	August	September	October	December
					
<ul style="list-style-type: none"> <li>• 2019 Full year Financial Statement;</li> <li>• Declaration of Dividend for 2019</li> <li>• 2020 First Quarter Financial Statement</li> </ul>	<ul style="list-style-type: none"> <li>• 2020 Second Quarter Financial Statement</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of Cash Dividend</li> </ul>	<ul style="list-style-type: none"> <li>• 2020 Third Quarter Financial Statement</li> </ul>	<ul style="list-style-type: none"> <li>• Extraordinary General Meeting</li> </ul>

## Extraordinary General Meeting

An extraordinary general meeting was held on 21 December 2021 to strengthen the capital base through issuance of an unsecured, contingent-convertible, floating-rate perpetual bond of BDT 400.00 Crore (Taka Four Hundred Crore) only.

The Board of Directors received shareholder authorisation to issue the perpetual bond setting the loss absorption features, the trigger point for loss absorption, loss absorption methodology, and conversion share price.

## Website

Trust Bank has an official website (i.e., [www.tblbd.com](http://www.tblbd.com)) linked with the website of stock exchanges of Bangladesh. The Bank always keeps the website functional and updated. All sorts of disclosures (i.e., price sensitive information, notice, etc.) are made available on the website as required under the listing regulations and other statutory obligations.

## Compliance of Corporate Governance

The Bank complies with the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) vide BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. In compliance with the notification, the Bank has obtained a certificate from K. M. Hasan & Co., Chartered Accountants. The firm is not the statutory auditors and appointed by the shareholder in the 21st Annual General Meeting of the Bank. The compliance certificate is appended in this Annual Report.

## Disclosure on Corporate Governance under the Secretarial Standards by ICSB

As required by the Corporate Governance Code, The Bank complies with all the secretarial standards of the Institute of Chartered Secretaries of Bangladesh (ICSB). Disclosures of Corporate Governance under the secretarial standards of ICSB are furnished below:

### Secretarial Standard 01: Meetings of the Board of Director

No.	Standard Particulars	Compliance Status
01.	Convening of a Meeting	Complied
02.	Frequency of Meetings	Complied
03.	Quorum Complied	Complied
04.	Attendance at Meetings Complied	Complied
05.	Chairman	Complied
06.	Passing of Resolution by Circulation	Complied
07.	Minutes	Complied
08.	Attendance in Meetings and their Recording in the Minutes	Complied
09.	Preservation of Minutes and Supporting Papers	Complied
10.	Disclosure	Complied
11.	Effective Date	Complied

### Secretarial Standard 02: General Meetings

No.	Standard Particulars	Compliance Status
01.	Convening a meeting	Complied
02.	Frequency of Meetings	Complied
03.	Quorum	Complied
04.	Presence of Directors and Auditors	Complied
05.	Chairman	Complied
06.	Voting	Complied
07.	Proxies	Complied

No.	Standard Particulars	Compliance Status
08.	Conduct of Poll	Complied
09.	Withdrawal of Resolutions	Complied
10.	Rescinding of Resolutions	Complied
11.	Modifications to Resolutions	Complied
12.	Reading of Report/Certificate	Complied
13.	Distribution of Gifts	Complied
14.	Adjournment of Meetings	Complied
15.	Minutes	Complied
16.	Recording in the Minutes	Complied
17.	Preservation of General Meeting Minutes and Other Records	Complied
18.	Disclosure	Complied

#### Secretarial Standard 03: Minutes

No.	Standard Particulars	Compliance Status
01.	Maintenance	Complied
02.	Contents	Complied
03.	Recording	Complied
04.	Alteration/Modification	Complied
05.	Finalization and Signing	Complied
06.	Inspection	Complied
07.	Preservation	Complied

#### Secretarial Standard 04: Dividend

No.	Standard Particulars	Compliance Status
01.	Declaration/Recommendation of Dividend	Complied
02.	Dividend Out of Profits	Complied
03.	Dividend Out of Reserves	Complied
04.	Entitlement to Dividend	Complied
05.	Payment of Dividend	Complied
06.	Unpaid/Unclaimed Dividend	Complied



## Declaration by CEO and CFO

Date: 31 May 2021

**The Board of Directors**  
Trust Bank Limited.

**Subject: Declaration on Financial Statements for the year ended on 31 December 2020.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Trust Bank Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members

Sincerely yours,

**Humaira Azam**  
MD & CEO

**Md. Mahfuzur Rahman**  
Chief Financial Officer (CFO)





## Corporate Governance Compliance Certificate

### Report to the Shareholders of Trust Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Trust Bank Limited for the year ended on 31<sup>st</sup> December 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

**Place : Dhaka**

Dated : 30 June, 2021

**For K.M. Hasan & Co.**

Chartered Accountants

**Md. Amirul Islam, FCA, FCS**  
Senior Partner



## Corporate Governance Compliance Status

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s).	✓		
1(2)(b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		

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		Complied	Not complied	
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) (Companies Act, 1994).	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	Independent director shall have following qualifications			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		

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1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders: The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		

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		Complied	Not complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such event occurred.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such event occurred.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;			N/A
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			N/A (As per guidelines of Bangladesh Bank)
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.			
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such event occurred.
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4(ii)	Nomination and Remuneration Committee.			N/A (As per guidelines of Bangladesh Bank)
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee: The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		

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5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			No such event occurred.
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;			No such event occurred.
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		

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		Complied	Not complied	
6	Nomination and Remuneration Committee (NRC)			N/A (As per guidelines of Bangladesh Bank)
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee of the Board;			
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
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6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders. Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			N/A (As per guidelines of Bangladesh Bank)
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			N/A (As per guidelines of Bangladesh Bank)
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



## Dividend Distribution Policy

Trust Bank Ltd. distributes dividend (as approved in the AGM) each year among the eligible shareholders considering financial health of the Bank. Based on their shareholding on the record date, the shareholders approve the rate of dividend, as recommended by the Board of Directors, in each year's AGM. The Board of the Bank places a proposal (regarding the dividend rate to be distributed) in each year's Annual General Meeting for approval by the shareholders.

The declared dividend may be in cash or stock or a combination of both in compliance with applicable rules and regulations of Bangladesh Bank and other concerned regulators. Upon approval by the shareholders in the Annual General Meeting, Bank takes necessary steps to distribute the declared dividend within the shortest possible time but not later than 30 (thirty) days of AGM as per directives of Bangladesh Securities and Exchange Commission (BSEC).

Following the regulatory instruction, the Bank pays cash dividend through Bangladesh Electronic Funds Transfer Network (BEFTN)/online. In case of non-availability of Bank account or if distribution of cash dividend is not possible through BEFTN/online, dividend warrants are also issued to make payment of dividend. Dividend of eligible Shareholders who is/are availing margin loans are paid off to the respective Depository Participant (DP) account upon getting a written request from the DP. Share Department of the Bank collects necessary information of the eligible shareholders from Central Depository Bangladesh Limited (CDBL) and prepares a list of shareholders for distribution of declared dividend.

In accordance with the BSEC directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021, all listed companies shall formulate a dividend policy. But, there are still some issues which shall be addressed by BSEC. Therefore, the dividend distribution policy of Trust Bank is under process.



## Directors' Report

### World Economy Review

Global economy has been severely disrupted by the outbreak of the Covid-19 pandemic leading to shrinkage of global output. With the long ongoing trade disputes between the two largest economic super power of the world the US and China, the outbreak of the pandemic has sharply added to the worsening global economy since the great depression. The economic growth of almost all countries of advanced economies was negative in 2020, mostly notably: the US (-3.5 percent), Eurozone (-6.8 percent), Spain (-11 percent), the UK (-9.9 percent), Brazil (-4.1 percent) and India (-8 percent). The fundamental causes, that were primary and still continues to disrupt the global economy includes the following:

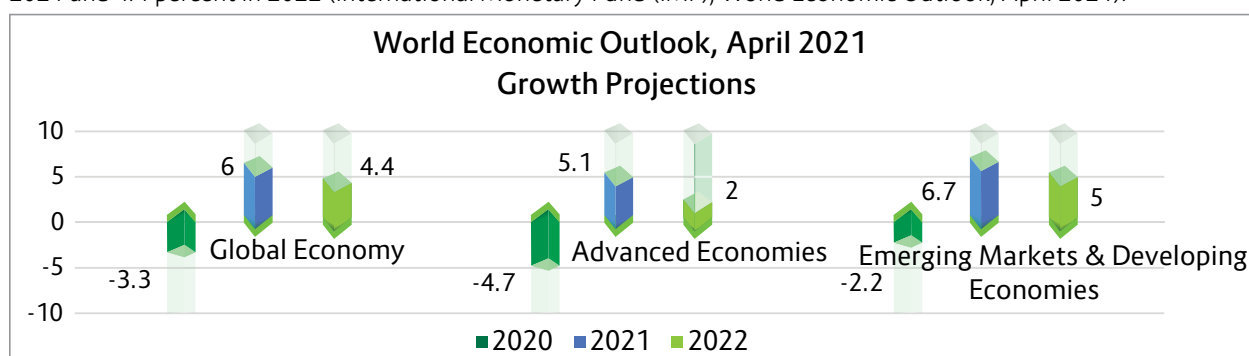
- Reduced personal interactions
- Uncertainty about the post pandemic economic landscape and policy support
- Disruptions to education slowing human capital accumulation
- Viability of global value chain weighing on international trade, aviation and tourism.
- Efforts to contain the pandemic have triggered an unprecedented collapse in oil demand and a crash in oil prices
- Effective management in vaccination

However, although global economic activity is growing again, it is not likely to return to business as usual for foreseeable future. Despite the initial rebound in the mid-2020, the global economic recovery slowed by the last quarter of 2020. Though China displayed somewhat quick recovery (GDP 2.3 percent in 2020), major economies were hit hard with the second wave. Though activity in trade and have improved, the service sector remains vulnerable with international tourism and aviation in particular. In all, the global economy is expected to have contracted by 4.3 percent in 2020. In advanced economies, the initial contraction was less severe than anticipated due to asset purchase and relending initiatives introduced by central banks but the ensuing recovery was dampened by the resurgence of infections.

IMF assumes that the social distancing will still continue in 2021 but will fade away gradually by 2022. IMF, also added that the global economy is projected to grow by 6 percent as the economic activities normalizes with help of policy support and effective vaccination limiting the community spread of Covid-19.

### World Economic Outlook Growth Projections

The ongoing vaccination programs worldwide have raised hopes for a speedy turnaround of the pandemic in the upcoming years. The renewed and repeated waves of Covid-19 are presently considered as the daunting challenges for steady economic growth. Amid exceptional uncertainty, the global economy is projected to grow 6.0 percent in 2021 and 4.4 percent in 2022 (International Monetary Fund (IMF), World Economic Outlook, April 2021).



As per the projection, the global economy is expected to embrace a more substantial recovery in 2021 and forwards. The recession concentrating Covid-19 is likely to leave smaller marks than the 2008 global financial crisis. However, emerging market economies and low-income developing countries are expected to suffer more significant medium-term losses with the ongoing surge of the pandemic.

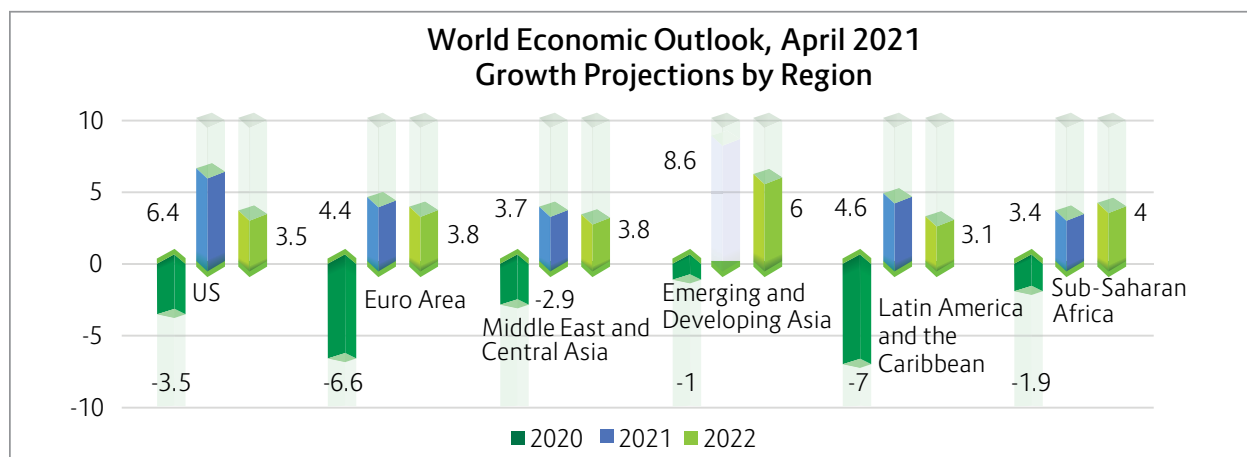
(Real GDP Growth, Percent Change)	Projections		
	2020	2021	2022
World Output	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
France	-8.2	5.8	4.2
Italy	-8.9	4.2	3.6
Spain	-11.0	6.4	4.7
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5.0	4.7
Other Advanced Economies	-2.1	4.4	3.4
Emerging Market and Developing Economies	-2.2	6.7	5.0
Emerging and Developing Asia	-1.0	8.6	6.0
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
Bangladesh	3.8	5.0	7.5
ASEAN-5	-3.4	4.9	6.1
Emerging and Developing Europe	-2.0	4.4	3.9
Russia	-3.1	3.8	3.8
Latin America and the Caribbean	-7.0	4.6	3.1
Brazil	-4.1	3.7	2.6
Mexico	-8.2	5.0	3.0
Middle East and Central Asia	-2.9	3.7	3.8
Saudi Arabia	-4.1	2.9	4.0
Sub-Saharan Africa	-1.9	3.4	4.0
Nigeria	-1.8	2.5	2.3
South Africa	-7.0	3.1	2.0

Source: International Monetary Fund, World Economic Outlook, April 2021.

**Note:**

1. The aggregate growth rates are calculated as a weighted average, in which a moving average of nominal GDP in US dollars for the preceding three years is used as the weight. WEO = World Economic Outlook.
2. Data and forecasts are presented on a fiscal year basis.

The recovery from the crises by different countries is dependent on the severity of the health crisis, interruptions of domestic activities, exposures to cross border spillovers and effectiveness of aggregate policy support to control the persistent damage.



The IMF estimated growth of 5.1 percent for advanced economies in 2021, with the United States expanding by 6.4 percent after a 3.5 percent contraction in 2020. However, other advanced economies, including the euro area, will also rebound in 2021 but at a slower pace.

In emerging and developing economies, the projected growth is 6.7 percent for 2021, with India expected to expand by as much as 12.5 percent and China to grow by 8.4 percent. The emerging and developing economies are likely to experience medium-term scarring effects due to lockdowns and containments resulting from the surge of Covid-19 cases.

For the Emerging and Developing Asia, projections for 2021 have been set to 4.4 percent, reflecting a stronger recovery. Emerging and Developing Asia, including China and India, is expected to record faster economic growth than other regions in both 2021 (8.6 percent) and 2022 (6.0 percent). China has already returned to pre-pandemic levels of economic activity. However, risks remain for India with the renewed wave and resurgence of the Covid-19 cases.

Meanwhile, the economies of ASEAN-5 are projected to grow 4.9 percent collectively and expected to accelerate to 6.1 percent growth in 2022. However, still high Covid-19 caseloads in some large countries in 2020 put a lid on growth prospects.

For the Latin American and Caribbean economies, the projected growth is 4.6 percent, while growth in the Middle East and Central Asia and Sub-Saharan Africa are seen at 3.7 percent and 3.4 percent, respectively.

## Review of Bangladesh Economy

Bangladesh economy had delivered impressive results during the past decade as it steadily grew from 6 percent to 8 percent until the Covid-19 pandemic adversely affected the entire world, including Bangladesh. As per estimates of the Bangladesh Bureau of Statistics, GDP growth in FY2020 was registered at 5.24 percent against 8.18 percent in the previous year resulting from unexpected negative results in some crucial parameters of the economy. Growth in export and import in FY 2020 was negative due to restrictions imposed on the movement of goods and passengers to curb Covid-19. Though the impact on the agriculture and service sector was less severe, serious havoc was cast on the industry sector as it grew only by 6.48 percent in FY 2020, which was 12.67 percent in FY 2019. However, a huge surge of foreign remittance triggered a positive growth measured at 10.87 percent, which has helped the country to reduce the current account deficit significantly. With the figure of USD 19,800.00 million, Bangladesh was marked as the eighth highest remittance recipient among the ten countries listed by the EIU report - 'Covid-19 and Migrant Remittances'.

Amidst the unprecedented economic crisis, the foreign exchange reserve was registered at USD 36,040.00 million as on 30 June 2020 and USD 47,970.00 million as of 31 December 2020 - a bright stride for the economy, which still continues. As a result, a marginal depreciation in the exchange rate of BDT (Bangladeshi Taka) against the USD (US Dollar) was marked. To address the unusual havoc caused by the Covid-19 pandemic and to keep the economy marching forward, the government announced financial packages around BDT 12,13,530.00 million for economic recovery including but not limited to special funds to export oriented industries, working capital facilities to affected industries and service sector organizations, working capital to small (including cottage industries) and medium enterprises, increase the benefits of Export Development Fund, increase the benefits of social security, direct cash transfer to targeted marginalized people and formulate fund for various the agricultural sector.

## Key Economic Indicators

### Economic Growth

Economic growth plunged to 5.24 percent, an over 10-year low in FY 2020 (July 2019-June 2020), amid unprecedented contractions in merchandise exports, industrial production, and remittances due to Covid-19 in 2020. After being severely affected by the COVID 19 pandemic, the economy started recovering gradually. Over the last quarter of 2020, factories reopened, and exports rebounded. However, the economy is still going through risks in the context of the ongoing Covid-19 pandemic.

## Gross Domestic Product (GDP)

Although the country's economic situation was normal in the first eight months of FY2019-20, the Covid-19 pandemic has had a huge negative impact on the economy of Bangladesh since March 2020. Per capita GDP. According to the provisional estimate, the volume of GDP at current market prices reached BDT 27,96,378 crore in FY2019-20, which was BDT 25,42,483 crore in FY2018-19. In nominal terms, GDP growth is 9.99 percent.

## Savings and Investment

During FY2019-20, domestic savings stood at 25.31 percent of GDP, which was 25.02 percent in the previous year. Likewise, national savings as a percent of GDP increased to 30.11 percent in FY2019-20 percent from 29.50 percent of the last fiscal year.

Besides, the investment has plunged to 10.63 percent in FY2019-20 as compared to 14.19 percent in the previous fiscal year, due to the stagnation in the economy in the last four months of the fiscal year caused by the Covid-19 pandemic. Gross investment slightly increased to 31.75 percent in FY2019-20, which was 31.57 percent of the previous fiscal year.

## Inflation

In FY2019-20, the inflation rate stood at 5.65 percent, which is slightly higher than the target (5.50 percent). In this case, food inflation increased to 5.56 percent, and non-food inflation stood at 5.85 percent. The Coronavirus (Covid-19) has slowed global economic activity and reduced inflation globally. However, the pandemic could ignite world food production and disruption of the supply chain.

## Export

The economic activities came to stagnant due to the Covid-19 pandemic, which also affected the country's foreign trade. The total export earnings in FY2019-20 stood at USD 33,674.09 million, down 16.93 percent from the previous fiscal year. On month-to-month basis, export growth in March 2020 declined by 18.21 percent over the same month of the previous fiscal year due to the coronavirus outbreak.

## Import

The total imports in FY2019-20 stood at USD 54,784.70 million, down 8.56 percent from 59,914.70 million of the previous fiscal year. Of this, imports of food grains and consumer goods increased by 7.76 percent and 5.38 percent, respectively, while imports of intermediate commodities and capital goods declined by 5.05 percent and 23.92 percent.

## Forward Outlook

The government of Bangladesh has targeted GDP growth of 8.2 percent in FY 2021. it will be a great challenge for the country to achieve the targeted growth rate and increase the momentum of economy given spread of Covid-19 pandemic for the second consecutive year, domestic energy security, rising non-performing loans and maintaining good governance. Success will also largely depend on how we accelerate resource mobilization, higher investment, efficiency in infrastructure implementation, skilled human resources and strong institutional setup. However, some of the notable ventures as actively considered and some of which have already been implemented by the government include the following:

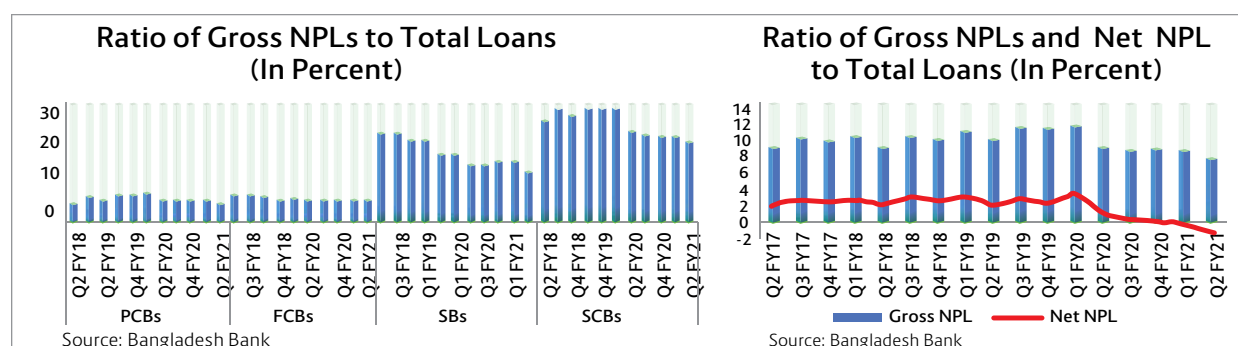
- Formulation of investment friendly policies, acts and laws to increase domestic and foreign investment.
- Initiatives taken by Bangladesh Economic Zone Authority (BEZA) to establish 100 Economic Zones across the country leading to employment creation for millions of people.
- Government has passed 'One Stop Act' to provide necessary services to local and foreign investors from the same office.
- Relentless drives of Bangladesh Invest Development Authority (BIDA) to improve country's ratings in 'Ease of Doing Business' index. Presently Bangladesh is holding 168<sup>th</sup> position among 190 countries.
- Accommodative and expansionary monetary policy of the central bank which will hopefully continue in 2021 and onwards.
- Robust and efficient office to collect revenue.

## Performance of Banking Industry in 2020

Similar to all developing countries, commercial banks have been playing an important role in the economic development of Bangladesh. In the recent past, this industry went beyond horizons to reach rural people, which has become more market-oriented. This has also made resource transfer possible to industrial units in urban areas. Today, commercial bank's contribution is more evident than ever before. However, this contribution would be much more significant if this sector could effectively address the issues of rising NPL and good governance more effectively.

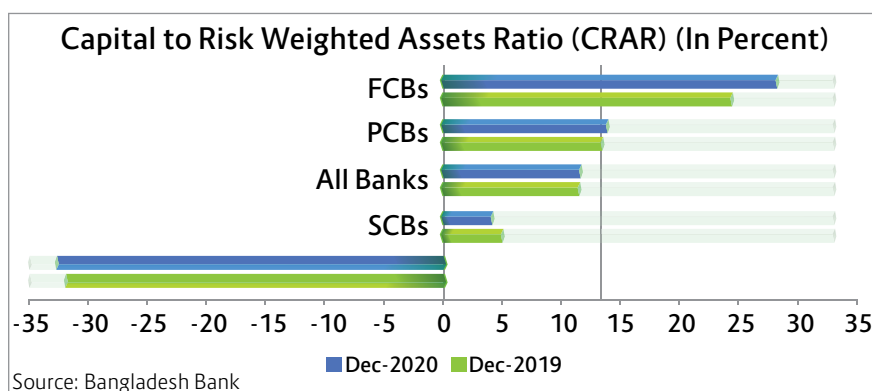
Although the outbreak of Covid-19 reasonably affected the banking sector, several pre-emptive measures taken by the Government and the Bangladesh Bank helped the industry recover from this shock. As a result, the financial indicators (such as capital adequacy, profitability, and asset quality) depicted stable and positive performance of the financial sector. Moreover, the industry has shown continuous signs of recoveries over the last quarter of 2020. However, amid the pandemic situation in 2020, the industry was in a considerable challenge to reduce the accumulated amount of non-performing loans (NPLs).

However, the overall performance of the banking sector reflected some signs of improvements by registering a fall in non-performing loans (NPLs) aided by moratorium facility, rise in capital adequacy, and enhanced provision maintained against classified loans. Favored by the low-interest rates and ample liquidity in the banking sector, rallied capital market, indicated by the substantial rise in share price indices, turnover, and market capitalization (Bangladesh Bank, 2020).



The ratio of overall NPL to total loans of the banking industry contracted to 8.06 percent (with OBU it was 7.66 percent) at the end 2020 from that of 9.32 percent at the end of 2019. The development partly accounted for loan moratorium facility, loan rescheduling, and loan write-off spree amid the Covid-19 pandemic. The lower NPLs ratio led to an improvement in provision maintained against classified loans in 2020 (Bangladesh Bank, 2020).

Overall capitalization of the banking sector remained broadly stable at the end of 2020. The capital to risk-weighted asset ratio (CRAR) stood at 11.64 percent at the end of 2020 from 11.60 percent at the end of 2019, and remained almost unchanged from the first quarter of 2019.





Due to the pandemic situation, the profitability of the banking industry witnessed a modest profit moderation at the end of December 2020 compared to that of last year, as reflected by both return on asset (ROA) and return on equity (ROE). The RoA and RoE in the banking sector moderated, partly driven by regulatory forbearance not to transfer all interest receipts from loans to income account directly during moratorium era, one percent additional provision for uncollected loans and advances and reduced interest rates of loans and prevailing excess liquidity in the banking system. In 2020, RoA and RoE of the banking sector dropped to 0.25 percent and 4.28 percent compared to 0.43 percent and 6.83 percent, respectively, in 2019.

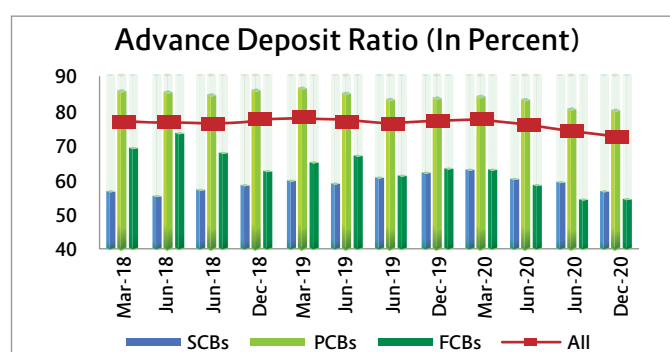
The banking sector witnessed a huge surplus of liquidity because of the weak demand for loans originated from the Covid-19 pandemic. Overall liquidity conditions in the banking sector remained well-adequate and stable at the end of 2020. Excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), edged up to 14.60 percent in December 2020.

BDT in Million

	As on 31-12-2019			As on 31-12-2020		
	Urban	Rural	Total	Urban	Rural	Total
Deposits	9,601,344.60	2,543,208.40	12,144,553.00	10,848,676.90	2,942,827.60	13,791,504.50
Advances	9,000,507.00	1,034,980.10	10,035,487.10	9,777,811.90	1,185,276.50	10,963,088.40

Total deposit liabilities (excluding interbank items) of the scheduled banks stood at BDT 13,791,504.50 million at the end of December 2020, as compared to an increase of 13.56 percent from the last year. The increase in deposits during the quarter was due to a rise in urban deposits to BDT 10,848,676.90 million and rural deposits to BDT 2,942,827.60 of December 2019.

Besides, Banks' advances stood at BDT 10,963,088.40 million, registering a sharp growth of 9.24 percent from December 2019. Banks' advances in urban areas increased by BDT 9,777,811.90 million and in rural areas to BDT 1,185,276.50 million during the year under review. At the end of December 2020, Banks' advances exhibited a sharp increase by BDT 92,760.12 million or 9.24 percent over December 2019. The advance deposit ratio (ADR) declined to 72.7 percent at the end of 2020 from 77.34 percent in 2019.



## Discussion on Operating Performance-2020 of Trust Bank Limited

### Summary

The Bank earned a consolidated operating income of BDT 11,889.76 million for the year 2020. After keeping BDT 2,995.47 million as provision against classified and unclassified loans and advances, diminution in the value of the investment, off-balance sheet exposure, and other assets. The pre-tax profit stood at BDT 4,380.58 million for the year 2020, and the net profit of the Bank after tax stood at BDT 1,798.67 million for the year 2020.

### Interest Income

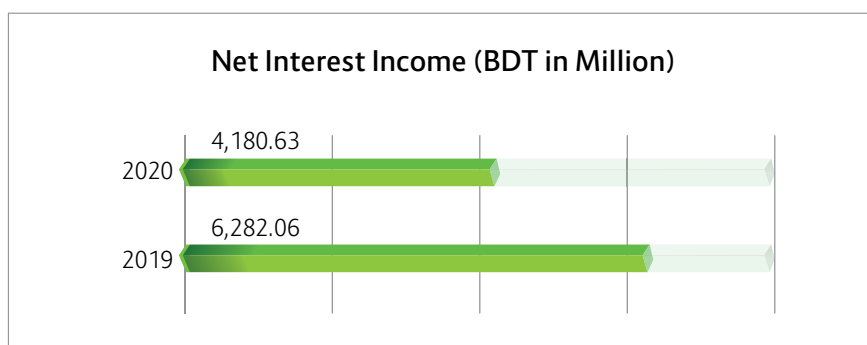
Trust Bank earned consolidated interest income plus profit on Islamic Banking investment for BDT 17,859.10 million during 2020 as against BDT 19,755.96 million in 2019, registering a negative growth of 9.60 percent or BDT 1,896.86 million. This negative growth came from lowering the lending rates to single digit following the Government's decision.

### Interest Expenses

In 2020, consolidated interest and profit paid on deposits and borrowings measured at BDT 13,678.47 million against BDT 13,473.91 million in 2019, showing an increase by 1.52 percent or BDT 204.56 million. This increase in interest expenses was due to the growth of deposits of the Bank during the year.

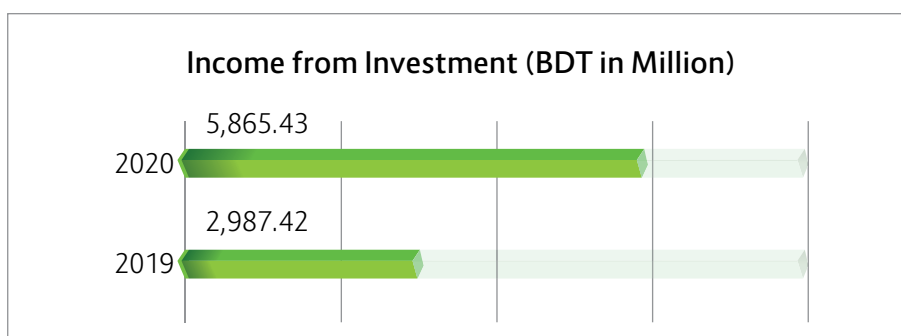
### Net Interest Income

The consolidated net interest income showed BDT 4,180.63 million as against BDT 6,282.06 million in the preceding year. During the year, net interest income decreased by BDT 2,101.43 million, representing a negative growth of 33.45 percent due to the implementation of single-digit interest rates according to the Government's decision.



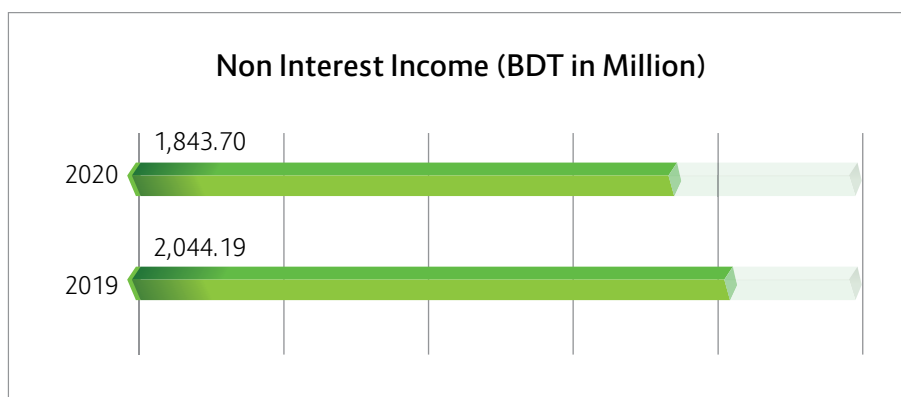
### Income from Investment

Consolidated income from investment was BDT 5,865.43.15 million for the year 2020, whereas it was BDT 2,987.42 million for the year 2019. The income was increased by BDT 2,878.01 million or 96.34 percent from 2019 to 2020.



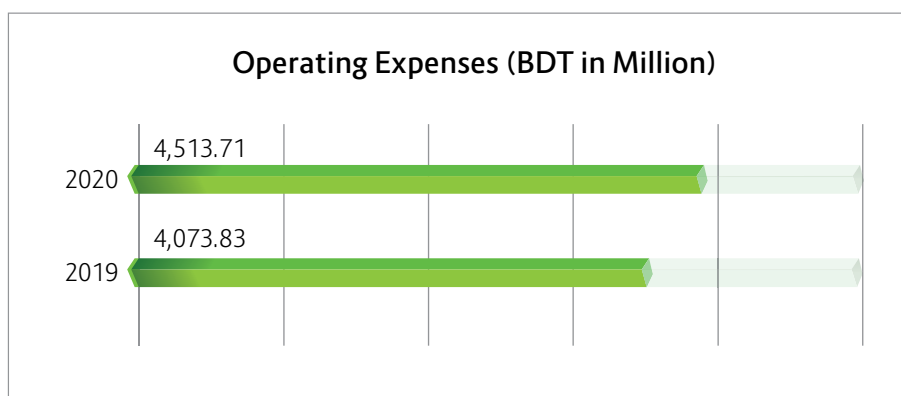
### Non-interest Income

The non-interest income consists of the commission, exchange, and other operating income of the Bank. The consolidated non-interest income of the Bank was BDT 1,843.70 million in 2020; whereas, it was BDT 2,044.19 million in 2019.



### Total Operating Expenses

The consolidated operating expenses shown in the Profit and Loss account was amounting to BDT 4,513.71 million in 2020 compared to BDT 4,073.83 million in the previous year. Salary and allowances constituted 52.06 percent of total operating expenses in 2020, and there was 8.04 percent increase in salary and allowances in the year 2020 from the year 2019. The total operating expenses of the Bank was increased by 10.80 percent from the previous year.



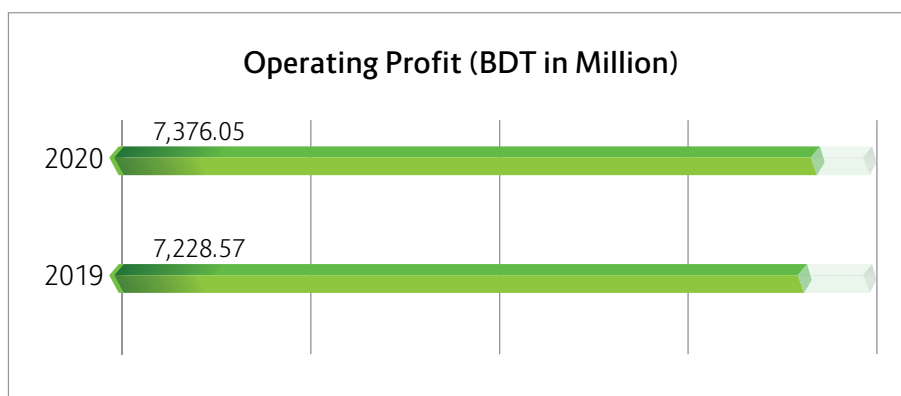
### Income Mix and Growth

BDT in Million

Particulars	2020	2019	Growth
Interest income / Profit on investment	17,859.10	19,755.96	-9.60%
Interest / Profit paid on deposits and borrowings etc.	13,678.47	13,473.91	1.52%
Net interest income	4,180.63	6,282.06	-33.45%
Investment Income	5,865.43	2,987.42	96.34%
Non-Interest Income	1,843.70	2,044.19	-9.81%
Total operating income	11,889.76	11,313.67	5.09%
Total operating expenses (Excluding Contribution to Special Reserve Fund)	4,393.71	3,965.09	10.81%
Profit before provision	7,496.05	7,348.57	2.01%
Provision for loans & advances / investments, Diminution in value of investment and Others	2,995.47	2,493.54	20.13%
Contribution to Special Reserve Fund	120.00	120.00	0.00%
Total Profit before Taxes	4,380.58	4,735.03	-7.49%
Provision for Taxation (Current & Deferred)	2,581.91	2,698.37	-4.32%
Net Profit after Taxation	1,798.67	2,036.66	-11.69%

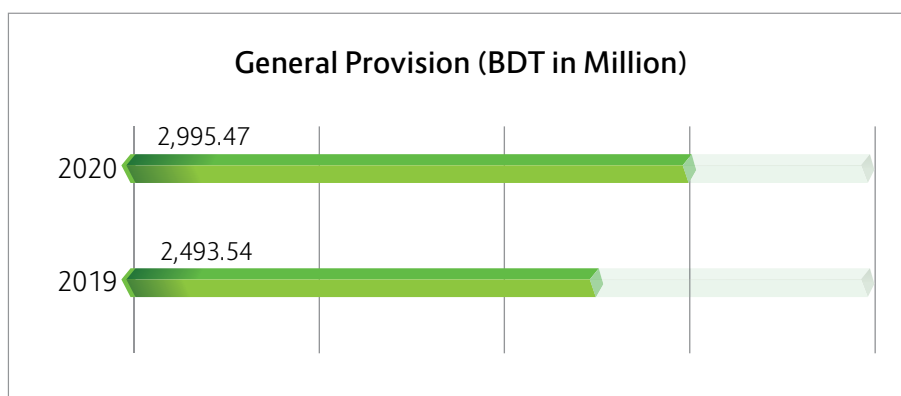
### Profit Before Provision (Operating Profit)

Consolidated operating profit before provision was BDT 7,496.05 million in the year 2020; whereas, it was BDT 7,348.57 million in the year 2019 before considering contribution to Special Reserve Fund. After accounting for contribution to Special Reserve Fund of BDT 120.00 million in 2020, the operating profit stood at BDT 7,376.05 million in 2020 compared to BDT 7,228.57 million in 2019.



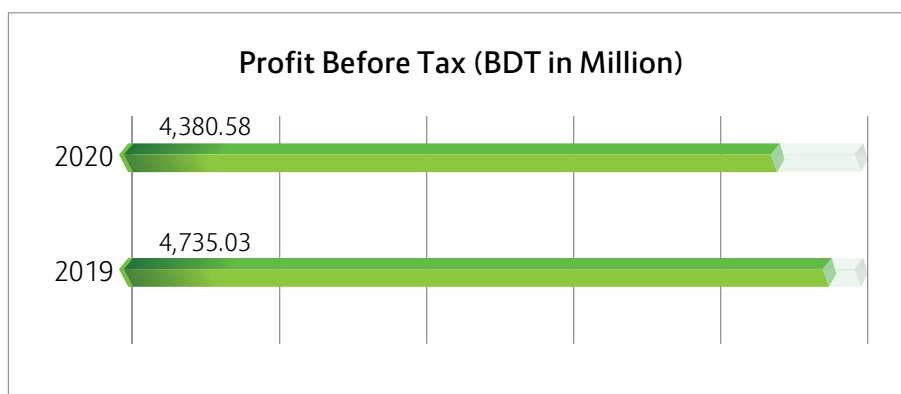
### Provision for Loans and Advances, Off-balance Sheet Exposure and Others

During the year 2020, consolidated provision for loans and advances was BDT 2,995.47 million compared to BDT 2,493.54 million in 2019 and increased by BDT 501.93 million.



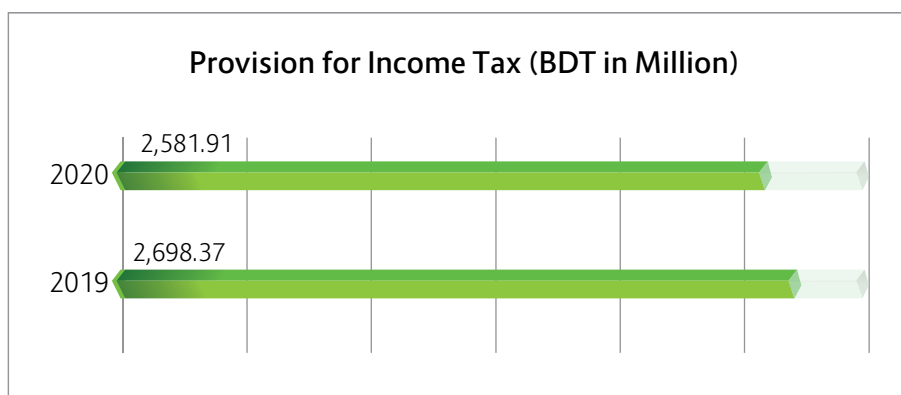
### Profit Before Taxes

After keeping aside the above provision, the consolidated net profit before tax of the Bank stood at BDT 4,380.58 million in 2020 compared to BDT 4,735.03 million in 2019, which refers to a negative growth of BDT 354.45 million or 7.49 percent.



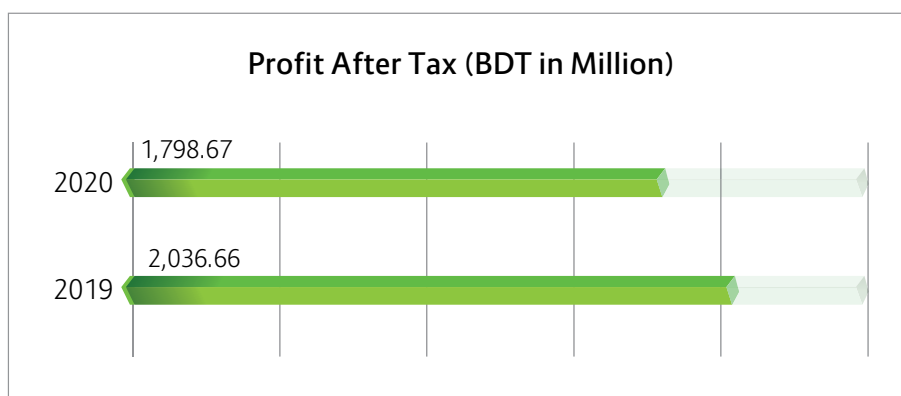
### Provision for Income Tax

Consolidated Provision for Income Tax for 2020 stood at BDT 2,581.91 million against BDT 2,698.37 million in 2019. However, the net provision for income tax was BDT 2,588.48 million after accounting for Deferred Tax (asset) of BDT 6.57 million in 2020.



### Net Profit After Tax

The consolidated net profit after tax stood at BDT 1,798.67 million in the year 2020 from BDT 2,036.66 million in the year 2019, and earnings per share (EPS) was BDT 2.80 in the year 2020, whereas it was BDT 3.17 in the year 2019.



### Dividend

The Board of Directors in its 321 (05/2021) Meeting held on 14 June 2021 recommended 10 percent Cash Dividend and 10 percent Stock Dividend for the approval of shareholders at the next Annual General Meeting (AGM) to be held on 09 August 2021.

### Review of Financial Position of Trust Bank Limited

#### Summary

Despite various external challenges, the Bank's overall businesses grew significantly in 2020 amid the pandemic. Deposits of the Bank increased by 18.66 percent and stood at BDT 286,934.69 million at the end of 2020. Consolidated loans and advances increased by 4.88 percent compared to the year 2019 and stood at BDT 223,230.90 million at the end of the year 2020.

### Total Assets

Consolidated assets of the Bank stood at BDT 356,457.77 million in 2019 as against BDT 296,452.84 million in 2019, registering a growth of 20.24 percent. The increase in assets was mainly driven by the significant growth of the customers deposits. The growth of deposits was used for funding growth in

credit and investment. Loans and Advances constituted 62.62 percent of total assets, while investment in government and other instruments held 26.22 percent of the total assets. Balance with other banks and financial institutions held at 3.81 percent of total assets. Moreover, other assets which are very current in nature made up 1.68 percent of total assets leaving only 0.57 percent of total assets tied up in fixed assets, including premises, furniture, and fixtures. The above common size analysis shows that almost 95.09 percent of the Bank's total assets are utilized in different earning assets along with fixed assets and others, leaving 4.91 percent in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio (CRR) requirement of Bangladesh Bank.

### Summary of Property and Assets

BDT in Million

Particulars	Amount		Growth	Asset Mix	
	2020	2019	%	2020	2019
Cash in Hand & Balance with Bangladesh Bank and its Agent Bank(s) (Including Foreign Currencies)	17,515.80	19,454.99	-9.97%	4.91%	6.56%
Balance with Other Banks & FIs	13,580.22	12,547.28	8.23%	3.81%	4.23%
Money at Call and Short Notice	680.00	2,300.00	-	0.19%	0.78%
Investments	93,447.27	43,462.12	115.01%	26.22%	14.66%
Loans and Advances/Islamic Banking Investments	223,230.90	212,835.60	4.88%	62.62%	71.79%
Fixed Assets Including Premises, Furniture and Fixtures	2,023.59	1,936.95	4.47%	0.57%	0.65%
Other Assets	5,979.99	3,915.90	52.79%	1.68%	1.32%
<b>Total Assets</b>	<b>356,457.77</b>	<b>296,452.84</b>	<b>20.24%</b>	<b>100.00%</b>	<b>100.00%</b>

### Cash in Hand and Balance with Bangladesh Bank and its Agent Banks Including Foreign Currencies

As of 31 December 2020, consolidated cash in hand and balance with Bangladesh Bank and its agent banks (including foreign currencies) stood at BDT 17,515.80 million against BDT 19,454.99 million of 2019. This asset remains 4.91 percent of the total assets in the year 2020.

### Balance with Other Banks and Financial Institutions

Trade Services Division of the Bank has to maintain some Special Notice Deposit (SND) accounts and Current Deposit (CD) accounts with other banks in and outside the country to smooth the treasury operations and international trade finance. The Bank also places excess funds with other banks and financial institutions as term deposits to optimize the Bank's profit. As of 31 December 2020, proper use of the fund, consolidated balance outstanding with other banks and financial institutions was BDT 13,580.22 million compared to BDT 12,547.28 million at the end of 2019.

### Investments

In the year 2020, the Bank's investments stood at BDT 93,447.27 million, showing an increase of BDT 49,985.15 or 115.01 percent as compared to that of 2019. Out of total investments, BDT 85,435.34 million was invested in government securities, and the rest of the amounts, i.e., BDT 8,011.93 million was invested in Preference Shares, Ordinary Shares, and Corporate Bonds.

### Loans and Advances

Consolidated loans and advances of the Bank as of 31 December 2020 was BDT 223,230.90 million against BDT 212,835.60 million in 2019, showing an increase of almost 4.88 percent over the preceding year. The Loans and Advances cover up the areas of corporate (based on both Conventional and Islamic Shariah

Mode), SME, Retail, and Credit Card. The credit portfolio of the Bank also included a mix of scheme loans, namely- Renovation and Reconstruction of Dwelling House Loan (RRDH), Consumers Durable Scheme Loan (CDS), Marriage Loan, Loan against Pension Benefit, Car Loan, HBF Loan, and Commercial Loan. Corporate lending is still the core business of the Bank and continues to remain the significant segment of the business. While providing loans to our customers, the policy of Bangladesh Bank is strictly followed. The portfolio has further been diversified to avoid the risk of single industry concentration and remains in line with the Bank's credit norms relating to risk quality. The Customer Relationship has been strengthened, and frequent visits to the clients have been ensured to cement the existing relationship further.

### Total Liabilities

Total Liabilities of the Bank comprise of broad three items such as Borrowing from other Banks, Financial Institutions and Agents, Deposits and other liabilities. The consolidated balance of liabilities of the Bank stood at BDT 338,848.71 million at the end of the year 2019 as against BDT 281,174.08 million in 2019, representing a rise of 20.51 percent. Deposits constituted 80.50 percent of total liabilities and Shareholders' Equity of the Bank.

Summary of Liabilities and Capital:

BDT in Million

Particulars	Amount		Growth	Liability Mix	
	2020	2019	%	2020	2019
Borrowings from Other Banks, Financial Institutions and Agents	26,444.60	19,776.26	33.72%	7.42%	6.67%
Deposits and Other Accounts	286,934.69	241,822.03	18.66%	80.50%	81.57%
Other Liabilities	25,469.43	19,575.79	30.11%	7.15%	6.60%
<b>Total Liabilities/Non Owner's Claims on the Total Assets</b>	<b>338,848.74</b>	<b>281,174.08</b>	<b>20.51%</b>	<b>95.06%</b>	<b>94.85%</b>
Paid-up Capital	6,432.96	6,126.63	5.00%	1.80%	2.07%
Statutory Reserve	6,979.75	6,579.75	6.08%	1.96%	2.22%
Other Reserve & Share Premium	659.88	24.54	2588.96%	0.19%	0.01%
Retained Earnings	3,319.39	2,547.84	30.28%	0.93%	0.86%
Trust Bank Shareholders' Equity	17,391.98	15,278.77	13.83%	4.88%	5.15%
Non-Controlling Interest	217.08	-	-	0.06%	0.00%
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>17,609.06</b>	<b>15,278.77</b>	<b>15.25%</b>	<b>4.94%</b>	<b>5.15%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>356,457.77</b>	<b>296,452.84</b>	<b>20.24%</b>	<b>100.00%</b>	<b>100.00%</b>

### Deposit Portfolio

In 2020, consolidated deposits of the Bank increased by 18.66 percent and BDT 286,934.68 million from BDT 241,822.03 million as recorded in the year 2019. The combination of competitive interest rates, depositor's trust in the Bank, and mobilization efforts of the Bank Management resulted in the growth of deposits. The mix of deposits showed that fixed deposits contributed 53.24 percent of total deposits. The Bank's deposits include deposits from both conventional and Islamic Banking deposit vehicles.



BDT in Million

Type of Deposits	Amount		Growth	Deposit Mix	
	2020	2019	%	2020	2019
Current / Al-Wadeeah Current Accounts and Other Accounts	30,412.62	35,149.69	-13.48%	10.60%	14.54%
Bills Payable	5,756.65	3,316.47	73.58%	2.01%	1.37%
Savings Bank / Mudaraba Savings Deposits	48,906.17	36,085.27	35.53%	17.04%	14.92%
Fixed Deposits / Mudaraba Term Deposits	152,762.83	133,753.12	14.21%	53.24%	55.31%
Short Notice Deposits / Mudaraba Short Notice Deposits	27,116.54	15,000.09	80.78%	9.45%	6.20%
Special Deposits Scheme	21,979.87	18,517.38	18.70%	7.66%	7.66%
<b>Total</b>	<b>286,934.68</b>	<b>241,822.02</b>	<b>18.66%</b>	<b>100.00%</b>	<b>100.00%</b>

### Borrowing from Other Banks, Financial Institutions and Agents

Borrowings from Other Banks, Financial Institutions, and Agents were increased by 33.72 percent. Borrowing represents the Long-Term Borrowings from Unsecured Subordinated Non-Convertible Bond, Perpetual Bond, borrowing from offshore banking unit, and Bangladesh Bank Refinance, EDF, IPFF, LTFF. The balance stood at BDT 26,444.60 million at the end of 2020 as against BDT 19,776.28 million in 2019.

### Shareholders' Equity

Total Consolidated Shareholders' Equity increased by 15.25 percent and stood at BDT 17,609.06 million at the end of 2020 as against BDT 15,278.76 million in 2019. Item wise details of Shareholder's equity are given below:

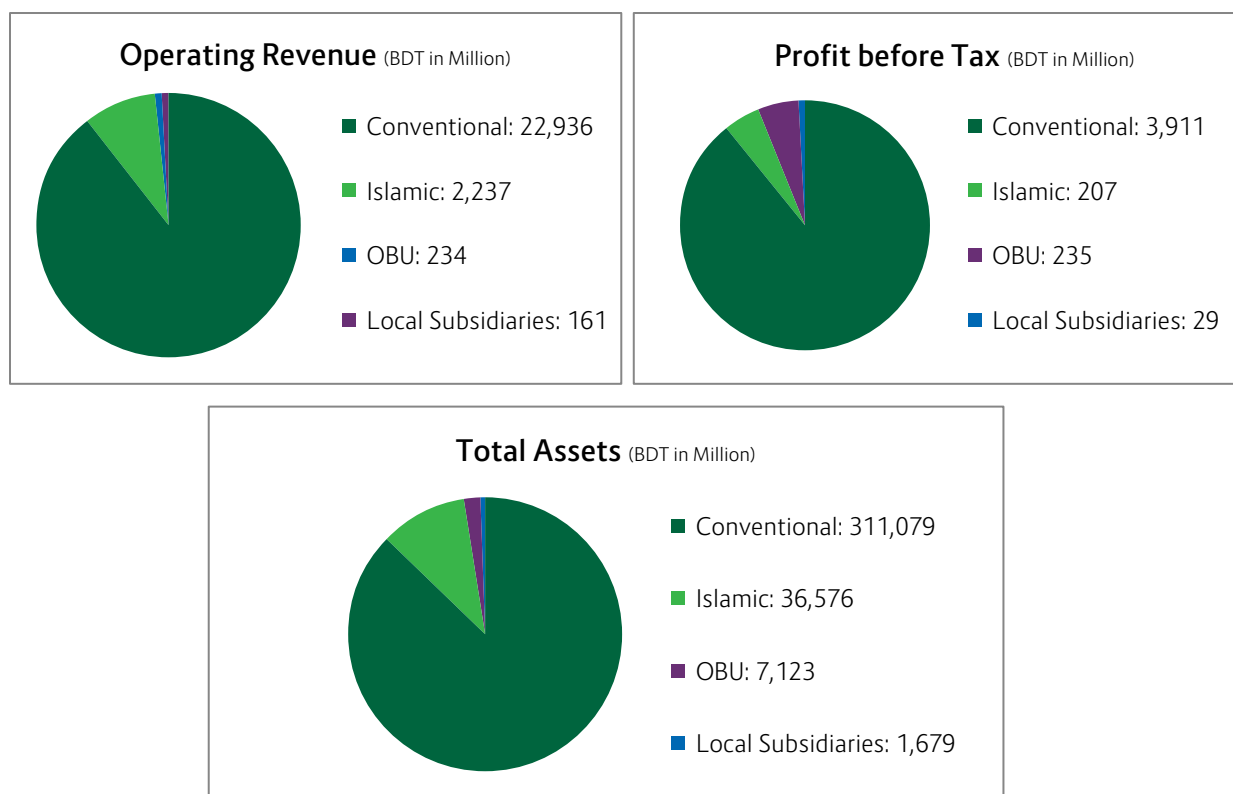
BDT in Million

Particulars	Amount		Changes
	2020	2019	%
Paid-up Capital	6,432.96	6,126.63	5.00%
Statutory Reserve	6,979.75	6,579.75	6.08%
Other Reserve & Share Premium	659.88	24.54	2587.82%
Retained Earnings	3,319.39	2,547.84	30.28%
Trust Bank Shareholders' Equity	17,391.98	15,278.76	13.83%
Non-Controlling Interest	217.08	0.00	0.00
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>17,609.06</b>	<b>15,278.76</b>	<b>15.25%</b>

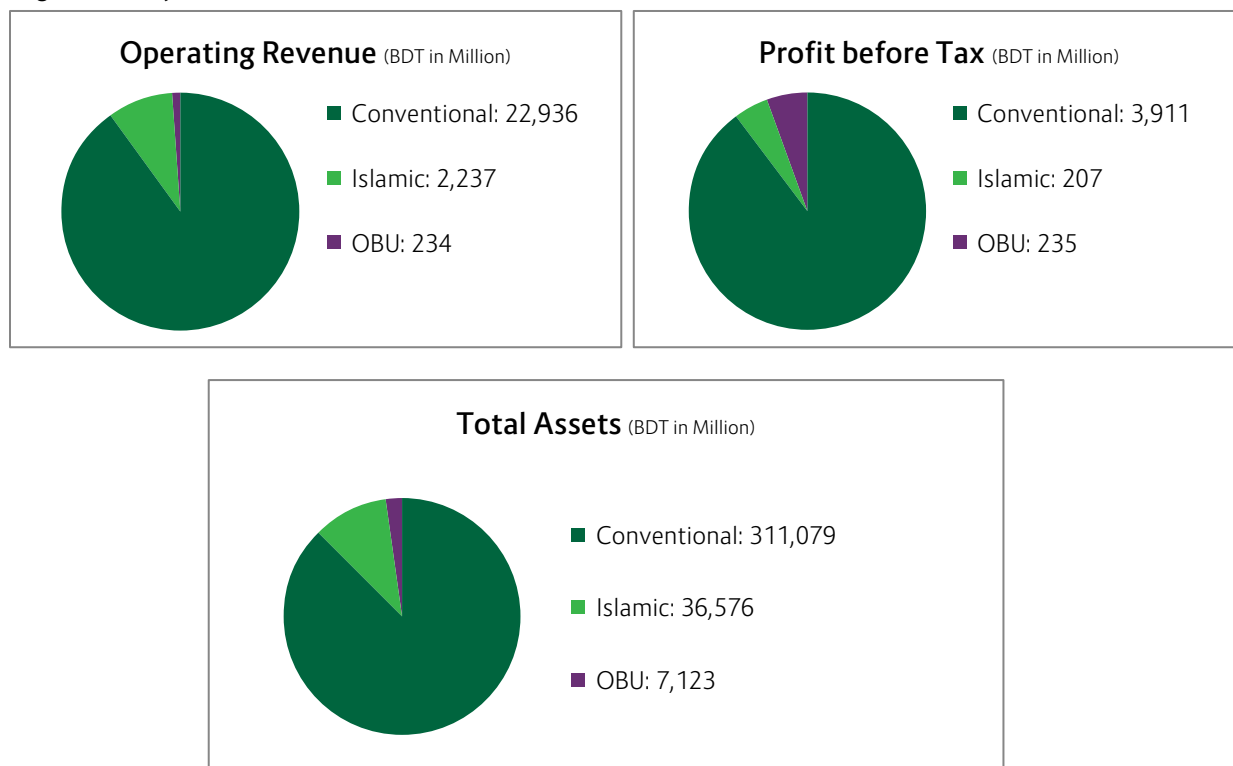
### Statutory Reserve

As per the provision of the Bank Companies Act 1991, maximum 20 percent of operating profit before tax is required to be transferred to the Statutory Reserve. In the year 2020, an amount of BDT 400.00 million was transferred to Statutory Reserve, and thus the balance of Statutory Reserve stood at BDT 6,979.75 million at the end of the year 2020.

## Segment Analysis (Consolidated)



## Segment Analysis (Solo)



## Five years Financial Performance

BDT in Million (Where Applicable)

Particulars	2020	2019	2018	2017	2016
<b>Operating Results (SOLO Basis)</b>					
Total Operating Income	11,728.76	11,133.40	10,085.71	9,535.77	8,237.29
Total Operating Expense	4,443.59	4,019.88	3,784.00	3,723.75	3,784.90
Operating Profit	7,285.17	7,113.52	6,301.71	5,812.02	4,452.39
Provision for Loans, Investment and Other	2,933.16	2,407.40	2,186.46	1,871.64	983.83
Profit Before Tax	4,352.02	4,706.12	4,115.25	3,940.38	3,468.56
Profit After Tax	1,788.20	2,031.56	1,892.58	1,729.61	2,008.84
<b>Financial Positions (SOLO Basis)</b>					
Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid-Up Capital	6,432.96	6,126.63	5,569.66	5,569.66	5,063.33
Total Shareholders' Equity	17,039.03	14,939.70	12,887.61	12,112.18	11,175.16
Deposits	288,403.90	242,024.76	212,680.61	200,453.45	173,059.88
Loans And Advances	221,063.69	210,766.74	197,128.06	184,910.70	141,987.43
Total Liabilities	337,739.30	279,952.43	246,750.76	227,658.45	199,066.35
Investments	90,944.85	41,041.91	32,305.01	28,545.46	30,739.01
Fixed Assets	1,936.60	1,929.69	578.01	704.06	802.07
Earning Assets	302,608.03	245,622.16	217,173.55	206,183.14	168,285.82
Total Assets	354,778.33	294,892.13	259,638.37	239,770.63	210,241.52
<b>Other Business</b>					
Import	72,201.38	66,079.04	119,622.46	85,196.90	72,571.62
Export	34,680.82	37,732.85	36,552.45	42,819.45	48,350.02
Foreign Remittance	10,291.57	48,864.86	50,112.60	29,494.11	23,171.76
Guarantee Issued	16,663.10	21,734.68	16,834.27	27,867.05	14,698.04
<b>Capital Measures (Consolidated Basis)</b>					
Total Risk Weighted Assets	198,678.15	186,163.22	175,796.56	160,906.95	135,455.40
Tier-I Capital	17,413.35	15,079.62	13,059.63	12,329.40	11,362.23
Tier-II Capital	10,485.72	9,267.16	11,613.50	8,466.75	8,435.52
Total Capital	27,899.07	24,346.78	24,673.13	20,796.15	19,797.75
Tier-I Capital Ratio	8.76%	8.10%	7.43%	7.66%	8.39%
Tier-II Capital Ratio	5.28%	4.98%	6.61%	5.26%	6.23%
Total Capital Ratio	14.04%	13.08%	14.04%	12.92%	14.62%
<b>Credit Quality (SOLO Basis)</b>					
Non-Performing Loans	9,966.15	11,577.08	15,580.01	6,192.03	4,556.10
% Non-Performing Loans	4.51%	5.49%	7.90%	3.35%	3.21%
<b>Share Information</b>					
Market Price Per Share	33.40	27.40	32.50	42.60	23.80
Earnings Per Share	2.78	3.16	3.09	3.11	3.61
Price Earnings Ratio	12.02	8.26	10.52	13.72	6.59
Net Asset Per Share	26.49	24.38	23.14	21.75	22.07
<b>Other Information</b>					
Cost-to-Income Ratio	37.89%	36.04%	37.52%	39.05%	45.95%
Return on Average Assets	0.55%	0.73%	0.76%	0.77%	1.03%
No of Branches	107	106	104	104	102
No of SME/AGRI Branches	6	6	6	6	6
No. of Foreign Correspondence	24	21	21	23	24

## Risk and Concerns

Trust Bank believes that effective management of risk is a critical component for the survival and long-term success of the Bank. Therefore, the Board and management always uphold a sound and responsible approach to risk to ensure that the sustainable performance and standing of the Bank are not threatened while conducting its regular course of business.

The Board is regularly assisted by the Risk Management Committee (RMC) to review and monitor the overall risk management system of the Bank. The risk Management system of the Bank has been described in the 'Risk Management Report' of this Annual Report.

## Discussion on Continuity of any Extra-Ordinary Gain or Loss

There is no history of any extraordinary gain or loss.

## Related Party Transactions

The Bank records business transactions with its directors and subsidiaries, affiliated and associated companies where the Bank has an interest with significant influence. Details of the transactions are given in notes 46 to the Financial Statements as disclosure and placed separately, as per guidelines of Bangladesh Bank.

For the purpose of Transactions with Bank-Related Persons, the Bank follows the Bank Company Act, 1991 (amended up to 2018) and guidelines of Bangladesh Bank, especially the BRPD circular no. 04, dated 23 February 2014.

## Utilization of Proceeds from Public Issues, Right Issues and/or through Any Other Instruments

Trust Bank floated its shares through Initial Public Offering (IPO) in 2007. The proceeds of the IPO were utilized in accordance with the disclosures of the then approved Prospectus. However, the Bank also raised capital through Right Issue in 2008 and 2012.

Trust Bank issued several Subordinated Bonds after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission. The proceeds of these Bonds were utilized to generate liquidity and provide an additional capital cushion in light of the Capital to Risk-Weighted Asset Ratio of the Bank.

## Financial Results after the Raising Capital

The Bank has constantly been growing since its inception, then since IPO, and then since the issuance of Subordinated Bond, no adverse situation has arisen to date.

## Significant Variances between Quarterly and Annual Financial Statements

Despite the challenging circumstances of 2019, Trust Bank showed impressive growth compared to the performance of the year 2018. There is no significant deviation of the operating results from that of last year.

## Directors Remuneration

As per section 18 (1) of the Bank Company Act, 1991 (amended up to 2018), the Directors are entitled to regular fees for participation in the meetings of the Board and its sub-committees. Therefore, the non-executive directors (other than the Managing Director) of the Board representing shareholders only take fees for attending meetings. The fee for attending a meeting is regulated as per BRPD circular Letter No. 11, dated 04 October 2015. As per the BRPD circular, the Board members receive only BDT 8,000/- for attending the Board/Committee meetings. A disclosure on the fees given to directors is included in note 28 (a) to the financial statements.

Other Benefits provided to the Directors and Managing Director: The Directors avail the following facilities from the Bank:

Incumbent	Bangladesh Bank Guidelines	Practice in Trust Bank
Chairman	An office-room, a personal secretary/ assistant, one peon/MLSS, one telephone at office, one mobile phone to use inside the country and a vehicle in the business interest of the Bank subject to the approval of the Board [BRPD circular no. 11, dated 27 October 2013]	Only meeting fees.
Directors	Fees and other facilities for attending each meeting of the Board or its any Committee [BRPD circular no. 11, dated 04 October 2015]	
Managing Director	Salary and allowances as per Service Contract [BRPD circular no. 18, dated 27 October 2013]	Salary and Allowances as per Service Contract.

### Preparation of Financial Statements

The financial statements of the Bank present its state of affairs, the result of its operations, cash flows, and changes in equity fairly.

In the preparation of quarterly, half-yearly, and annual financial statements, the Bank complies with the requirements of the Companies Act 1994, Bank Company Act 1991 (amended up to 2018), Bangladesh Financial Reporting Standards (BFRSs), and rules and regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges.

### Maintenance of Books of Account

Proper books of account of the Bank have been maintained. The external auditors have reviewed all books of account and they are in our opinion that, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books.

### Application of Appropriate Accounting Policies

The Bank has consistently applied appropriate accounting policies to prepare the financial statements, and that the accounting estimates are based on reasonable and prudent judgment.

Accounting policies supported by judgments, estimates, and assumptions in compliance with BAS and BFRS are applied because the Bank will continue as a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties.

### Application of Reporting Standards

In accordance with Company Law, the Directors are responsible for the preparation of the annual financial statements. The Board acknowledges that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparing the financial statements, and any departure therefrom has been adequately disclosed.

The annual financial statements conform to Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and fairly present the affairs of the Trust Bank and its subsidiaries.

Based on the information and explanations given by management and the internal auditors, the directors believe that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements. The 2020 annual financial statements were approved by the Board of Directors on 14 June 2021.

### Effectiveness of Internal Control System

The internal control system is sound in design and effectively implemented and monitored. The Board regularly reviews the Bank's system of internal control and its effectiveness. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. The Internal Control framework of the Bank encompasses risk control function and compliance function and covers the whole organization, including the activities of all business, support, and control unit. The Risk Management Division is responsible for recommending and monitoring the Bank's risk appetite and policies and following up and reporting on risk-related issues across all risk types. The Internal Control and Compliance Division is working towards mitigation of operational and compliance risk of the Bank and providing assurance and informs strength and potentials of the Internal Control functions.

The Board of Directors of the Bank is responsible for the Bank's system of internal control. It has set appropriate policies on internal control and seeks regular assurance that the system is functioning effectively. Through the establishment of the Audit Committee, the Board of Directors regularly monitors the adequacy and effectiveness of the internal control system of the Bank.

The MANCOM also reviews the overall effectiveness of the control system of the Bank and provides a certificate on a yearly basis to the Board of Directors on the effectiveness of internal control policies, practices, and procedures.

### Protection of Shareholders' Right

In Trust Bank, all members enjoy equal rights and are subject to the same liabilities compared to all other members of the same class. The members are entitled to exercise their fundamental rights on an equitable basis and actively participate in General Meetings and exercise their voting rights to decide important matters. Moreover, the members are regularly apprised by the Board on the success/failure in achieving business and targets set out in Bank's annual work plan, plans, and strategies. The members' have the rights to sell, purchase or transfer of shares, access to information, and share the profitability/income of the Bank, etc.

The Board acknowledges that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have adequate means of redress.

### Going Concern

There are no significant doubts about the Bank's ability to continue as a going concern. The Bank has adequate resources to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Directors have a reasonable expectation that the Bank and its subsidiaries will have adequate resources to continue in operational existence and as a going concern for the foreseeable future. A separate statement on the Going Concern Status of the Bank is appended in this report.

### Operating Results

There is no significant deviation of the operating results from that of last year.

### Declaration of Dividend

The Bank's policy is to maximize the value of shareholders. The Bank distributes optimum profit to the shareholders for each year after payment of income tax, transfer of the fund to regulatory reserve, provision for loans and advances, etc. To maintain a steady growth of the business, the Bank always tries to invest in profitable and thrust sectors, scrutinizing industry growth, financial soundness, prospects, etc.

Trust Bank sustained its commitment to the shareholders. In this regard, the Board of Directors, in its 321 (05/2021) meeting held on 14 June 2021, has recommended 20 percent Dividend (10 percent Cash and 10 percent Stock) subject to the approval of the shareholders at the Annual General Meeting to be held on 09 August 2021.

### Declaration of Interim Dividend

The Board of Directors of Trust Bank Limited did not declare any interim dividend during 2020.

### Meetings of Board of Directors

The Board of Directors met several times in 2020. The statistics of the meetings are given below:

Type of Meeting	Number of Meetings
Board Meeting	11
Executive Committee Meeting	50
Audit Committee Meeting	10
Risk Management Committee Meeting	05

A separate statement on the attendance of the Board of Directors in several meetings is appended in the Corporate Governance Report (under respective types of meeting).

### The Pattern of Shareholdings

The Corporate Governance Report contains a detailed discussion on the pattern of shareholdings of Trust Bank Limited.

### Brief Resume of the Directors

Brief profile of directors and their representation in other companies have been presented in the Board of Directors' section of this report.

### Management's Discussion and Analysis Signed by CEO/ MD

Please see the Message from MD & CEO and Management Discussion and Analysis sections of this annual report.

### Certification by the CEO and CFO

The certification of MD & CEO and CFO has been presented on page 58 of this annual report.



## Compliance of Conditions of Corporate Governance Code by Trust Bank Limited

Trust Bank has complied with the conditions of the Corporate Governance Code as imposed by the Bangladesh Securities and Exchange Commission in line with the rules and regulations of the primary regulator, i.e., Bangladesh Bank.

## Certificate on Compliance of Corporate Governance Code

The certificate issued by K. M. Hasan & Co., Chartered Accountants, has been presented with the corporate governance report.

## State of the Bank's Affairs

A detailed report on the Financial Performance Trust Bank has been appended in the Management Discussion and Analysis section of the Annual Report.

## Changes in Bank's Activities, Subsidiaries' Activities etc.

The Bank and Subsidiaries experienced no significant change in strategy and actions in 2020.

## Directors' Responsibility Statement

It is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs to ensure good governance in the bank management. In the Bank Company Act, 1991 (amended up to 2013), the newly included Section 15 (Kha) and (Ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.

### a) Work-planning and Strategic Management

The Board determines the objectives and goals and, to this end, chalk out strategies and work plans on an annual basis. The Board primarily engages itself in making procedures consistent with the determined objectives and goals and the issues relating to structural change and reformation to enhance institutional efficiency and other relevant policy matters. The Board analyze/monitor, at quarterly rests, the development of the implementation of the work-plans.

The Board sets the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO and evaluates them from time to time.

### b) Credit and Risk Management

The policies, strategies, procedures etc., in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule, and write-off thereof are made with the board's approval under the purview of the existing laws, rules and regulations. The board distributes the power of sanction of loan/investment explicitly, and such distribution is desirably made among the CEO and his subordinate executives as much as possible. No director, however, interfere, direct or indirect, in the process of loan approval.

The board frames policies for risk management and gets them complied with and monitor the compliance at quarterly rests and review the concerned report of the risk management team, and compiles in the minutes of the board meeting. The board monitors compliance with the guidelines of Bangladesh Bank regarding key risk management.

### c) Internal Control Management

The board is vigilant on the bank's internal control system to attain and maintain a satisfactory qualitative standard of its loan/investment portfolio. The board establishes such an internal control system to conduct

the internal audit process independent from the management. It reviews the reports submitted by its audit committee at quarterly rests regarding the compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

#### d) Human Resources Management and Development

Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules are framed and approved by the board. The chairman and the directors are in no way involve themselves or interfere in or influence any administrative affairs, including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors is involved in the selection committees for recruitment and promotion to different levels. However, recruitment, promotion, transfer, and punishment of the officers immediately two tiers below the CEO; however, rest upon the board. Such recruitment and promotion are carried out complying with the service rules, i.e., policies for recruitment and promotion.

The board focuses its special attention on developing skills of the bank's staff in different fields of its business activities, including a careful appraisal of loan/investment proposals, and the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board gets these programmes incorporated in its annual work plan. Moreover, the board promotes a healthy code of conducts for developing a compliance culture.

#### e) Financial Management

The annual budget and the statutory financial statements are finalized with the approval of the Board. The Board, at quarterly rests, reviews/monitors the positions in respect of Bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans, including legal measures.

The Board frames the policies and procedures for the Bank's purchase and procurement activities and accordingly approves the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures rests on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles, etc., for the Bank's business is adopted with the Board's approval.

The Board reviews the Asset-Liability Committee (ALCO) and its working according to Bangladesh Bank guidelines.

#### f) Appointment of Chief Executive Officer (CEO)

In order to strengthen the financial base of the bank and obtain the confidence of the depositors, one of the significant responsibilities of the Board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. Accordingly, the Board acts with the approval of the Bangladesh Bank.

### Thanks and Gratitude

The Bank closed the year 2020, displaying substantial improvement in core business areas in terms of volume of business and net profit. This was possible due to the dedicated efforts of the employees of the Bank and sincere cooperation of all concerned. Above all, a solid liquidity base, prudent fund and credit management, continued guidance and inspiration to the Management by the members of the Board immensely contributed to the overall development. The Board of Directors is indebted to the valued clients, shareholders, business associates, and numerous well-wishers at home and abroad for their continued support, patronage and trust they reposed on the Bank. The Board of Directors expresses gratitude and thanks to the Government of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange, Chittagong Stock Exchange and other regulatory bodies for their valuable guidance from time to time.

The Board of Directors also likes to record the warm appreciation for sincere and dedicated service rendered by the executives, officers, and staff of the Bank that played an instrumental role in sustaining the Bank's growth.

The Bank aspires to do better in future, and with this expectation, we place before the esteemed shareholders the accounts of the Bank for the year 2020 for approval.

On behalf of the Board of Directors'



**General Aziz Ahmed**, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD  
Chairman

*Note: The Board in its 321 (05/2021) meeting held on 14 June 2021 approved the Directors' Report and authorized General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD, the then Chairman to sign the report on behalf of the Board.*



## Report of the Audit Committee

In compliance with BRPD circular # 12 dated 23 December 2002 of Bangladesh Bank, the Audit Committee of the Board of Directors was at first formed on 05 February 2003 in the 64<sup>th</sup> Board Meeting. Major objectives of the Audit Committee are:

- a. To assist the Board in fulfilling its oversight responsibilities, including implementation of the objectives, strategies, and overall business plans set by the Board for effective functioning of the Bank; and
- b. To review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

### Composition of Audit Committee

As per the Corporate Governance Guideline of BSEC, the Committee was last constituted on 22 February 2020 with consistence of the following members of the Board:

Name	Status with Committee
Mr. Shahedul Islam	Chairman
Mr. Arshad Jamal	Member
Brig Gen Saleem Ahmed Khan, SGP, ndc, afwc, psc, te, PhD	Member
Mr. Md. Mizanur Rahman, FCS	Secretary

### Roles and Responsibilities of Audit Committee

The purposes, authority, duties, and responsibilities of the Audit Committee are clearly mentioned in the Audit Committee Charter. To recognize the importance of oversight responsibilities of the Board enunciated in the aforementioned BRPD circular with special emphasis on ensuring compliance in the light of all applicable legislation, the prime responsibilities of the Audit Committee, among other things, are as follows:

#### a) Internal control

1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;
2. Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerization system, and its applications
3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
4. Review the existing risk management procedures for ensuring an effective internal check and control system;
5. Review the corrective measures taken by the management as regards the reports relating to fraud-forgery, deficiencies in internal control, or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the Board on a regular basis;
6. Review Management Letters/Letter of Internal Control weakness issued by statutory auditors;
7. Monitor choice of accounting policies and principles, internal control risk management process, hiring of external auditors and its' performance;
8. When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue, the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales, and marketing expense, working capital, etc.), on a quarterly basis, as part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document /prospectus;

9. Review the Norms/Practices/Investigation on the current issue of trading of foreign currency;
10. Review activities of any division/department/unit of Head Office and recommend to Board to set better layout/guideline for improvement.
11. Review CSR activities;
12. Review the financial statements, in particular the investments made by the subsidiary company.

## **b) Financial Reporting**

1. Review the annual, half-yearly, and quarterly financial statements before submission to the Board for approval and determine whether they are complete and consistent with the accounting standards set by the regulatory authority;
2. Meet with management and the external auditors to review the financial statements before their finalization.

## **c) Internal Audit**

1. Review the activities and organizational structure of the internal audit function and ensure that no unjustified restrictions or limitations are made;
2. Review the efficiency and effectiveness of internal audit function;
3. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

## **d) External Audit**

1. Review the auditing performance of the external auditors and their audit reports;
2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
3. Make recommendations to the Board regarding the appointment of the external auditors.

## **e) Compliance with Existing Laws and Regulations**

Review whether the laws and regulations framed by the regulatory authorities (i.e., Bangladesh Bank, BSEC, and other bodies) and internal rules approved by the Board have been complied with or not.

## **f) Other Responsibilities**

1. Place compliance report before the Board on a quarterly basis regarding regularization of the errors & omissions, fraud and forgeries, and other irregularities as detected by the internal and external auditors and inspectors of regulatory authorities;
2. Perform other oversight functions as requested by the Board and evaluate the committee's own performance on a regular basis.

## **Meeting of the Committee**

During the year 2020, total Ten (10) meetings were held. In these meetings, the Managing Director, Head of IC&C, Head of Credit Administration, Chief Financial Officer and representatives of External Auditors of the Bank were invited to attend as and when the Committee required their presence.

## **Activities**

During the year under review, the Audit Committee focused on the following major issues:

1. Review and approval of annual audit plan of IC&C Division of Head Office;
2. Review of significant audit reports of different branches and divisions/departments of Head Office and compliance thereof submitted by IC&C Division, Head Office.

3. Review the status of classified loans of the Bank;
4. Review the external auditors' report and their Management letter and compliance thereof;
5. Review management's actions in computerization of the bank and its applications and Management Information System (MIS) of the Bank;
6. Review of summary report containing reasons of high NPL of different branches of the Bank;
7. Review of overall functions of Credit Administration Division;
8. Review of report on loss incurring different Branches of the Bank;
9. Review the summary report on Internal Audits of Branches & Divisions of Head Office.

### Review of Financial Statements

The committee regularly reviews the financial statements each year. While reviewing audited financial statements, representatives of external auditors also remain present. The external auditors express their opinion regarding financial statements and other issues that require immediate attention of the Management for ensuring the quality of the Bank's assets. Based on the review and discussion in the meeting, the Audit Committee recommends the financial statements for approval by the Board of Directors.



**Shahedul Islam**  
Chairman, Audit Committee



## Evaluation of the Quarterly Financials by the Audit Committee and the Board

In accordance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC), Trust Bank prepares and presents quarter-ended Financial Statements complying with the BAS (Bangladesh Accounting Standards). The financial statements are initially sent to the Audit Committee for review. The financial statements are finally submitted to Bangladesh Securities and Exchange Commission (BSEC) after obtaining approval from the Board. Afterward, the Quarter Ended Financial Statements are published in several daily newspapers. The financial statements are also posted on the website of the Bank.

As recommended by Audit Committee, the Board approved the consolidated financial statements in 2020 and disclosed, among others, the followings:

Particulars	2020	2019	2020	2019	2020	2019	2020	2019
	01 Jan to 31 Dec	01 Jan to 31 Dec	01 Jan to 30 Sep	01 Jan to 30 Sep	01 Jan to 30 Jun	01 Jan to 30 Jun	Jan 01 to 31 Mar	Jan 01 to 31 Mar
	4th Qtr.	4th Qtr.	3rd Qtr.	3rd Qtr.	2nd Qtr.	2nd Qtr.	1st Qtr.	1st Qtr.
<b>Balance Sheet</b>								
Cash	17,516	19,455	14,828	20,643	17,079	23,604	28,576	20,149
Money at Call and on Short Notice	680	2,300	2,544	9,300	3,673	10,380	-	-
Loans and Advances/Islami Banking Investments	223,231	212,836	204,479	204,479	217,942	205,607	213,243	206,718
Fixed Assets Including Premises, Furniture and Fixtures	2,024	1,937	1,911	506	1,715	562	1,836	566
Other Assets	5,980	3,916	8,604	5,911	8,823	5,068	4,997	4,225
<b>Total Assets</b>	<b>356,458</b>	<b>296,453</b>	<b>342,911</b>	<b>291,131</b>	<b>334,583</b>	<b>289,508</b>	<b>309,212</b>	<b>264,489</b>
Borrowings from Other Banks, Financial Institutions and Agents	26,445	19,776	25,993	19,500	23,922	20,184	23,070	22,616
Deposits and Other Accounts	286,935	241,822	277,719	239,595	272,869	237,834	248,669	212,535
Other Liabilities	25,469	19,576	21,341	17,161	21,188	17,183	21,610	15,695
<b>Total Liabilities</b>	<b>338,849</b>	<b>281,174</b>	<b>325,053</b>	<b>276,256</b>	<b>317,979</b>	<b>275,201</b>	<b>293,349</b>	<b>250,846</b>
Paid-up Capital	6,433	6,127	6,433	6,127	6,127	6,127	6,127	5,570
<b>Total Shareholders' Equity</b>	<b>17,609</b>	<b>15,279</b>	<b>17,858</b>	<b>14,875</b>	<b>16,604</b>	<b>14,307</b>	<b>15,863</b>	<b>13,643</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>356,458</b>	<b>296,453</b>	<b>342,911</b>	<b>291,131</b>	<b>334,583</b>	<b>289,508</b>	<b>309,212</b>	<b>264,489</b>
Off- Balance Sheet Items	92,091	85,182	89,038	96,990	83,413	94,045	87,250	93,198
<b>Profit and Loss Account</b>								
Net Interest Income/Net Profit on Investments	4,181	6,283	3,134	5,083	2,498	3,709	1,560	1,752
Total Operating Income (A)	11,890	11,313	8,925	8,305	5,709	5,574	3,044	2,726
Total Operating Expenses (B)	4,514	4,085	3,018	2,907	2,001	1,923	945	936
Profit Before Provision (C=A-B)	7,376	7,229	5,907	5,398	3,708	3,651	2,099	1,790
Net Profit After Taxation	1,799	2,037	2,626	1,655	1,285	1,086	586	422
Earnings Per Share (Eps)	2.80	3.17	4.08	2.70	2.10	1.77	0.96	0.76

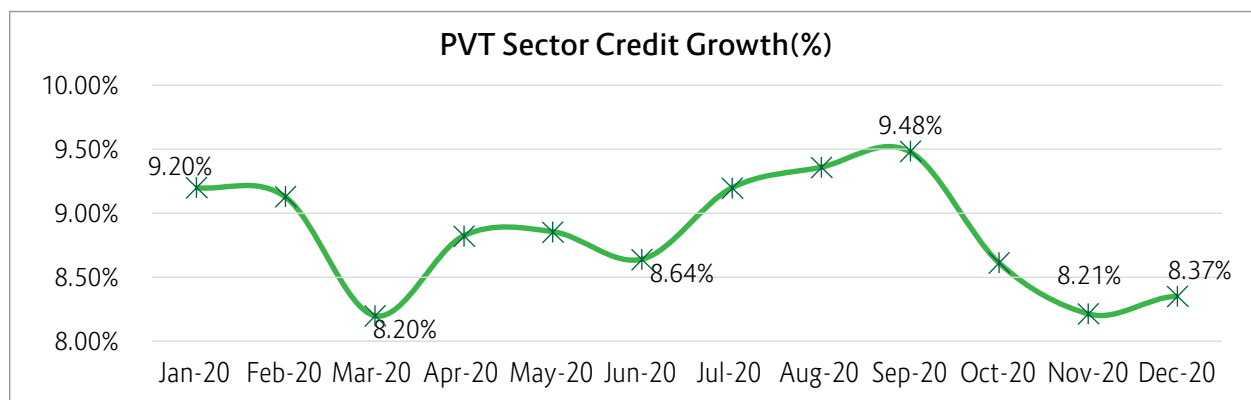




## Management Discussion and Analysis

### How was 2020?

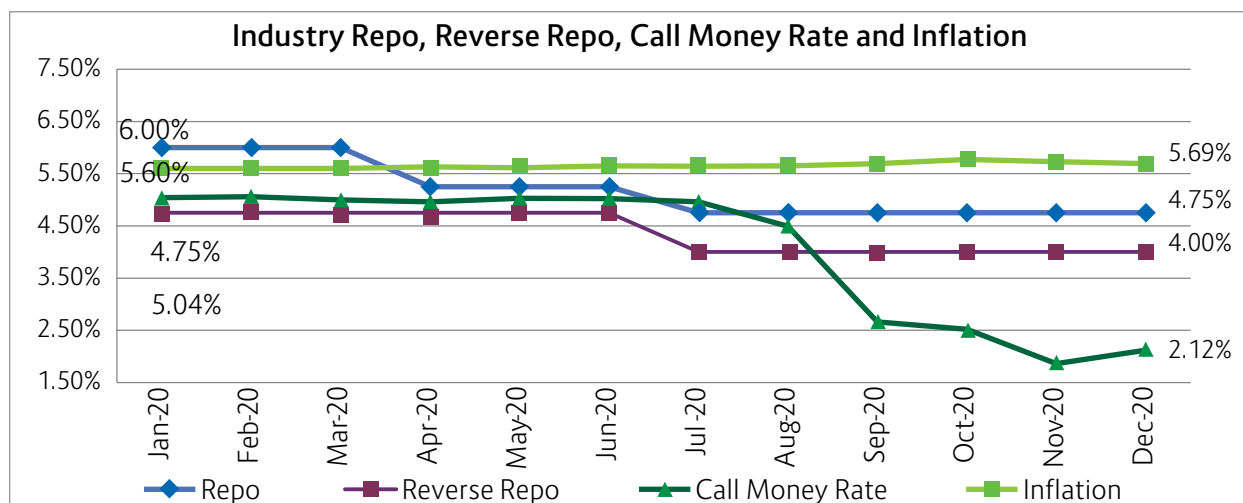
The world economy has been struggling as consequences of the Covid-19 pandemic that started to unfold and worsen from the end of the first quarter of 2020. Since then, Robust economies of the world have been coming up with different expansionary and supportive policies that ultimately slashed the indicative rates to a 'history repeating' low level. As such, the overall business environment observed in the country was relatively calm. In total, considering the geopolitical situation, especially the international relations and the existing regulatory framework, Banks were watchful about the investments in most of the year, which was witnessed through a decline in private sector credit growth.



However, in 2020 the Local Money Market was quite liquid throughout the year. This was mainly due to Bangladesh Bank's expansionary policy measures that consisted of the followings;

- Reduction of CRR by 150 basis points for all Banks
- Purchase of FCY from Banks
- Introduction of long-term repo and
- Adoption of numerous refinance schemes and stimulus packages

This resulted in a highly liquid local money market. All these steps and the prudent monetary policy adopted by Bangladesh Bank ensured sustainable economic growth in 2020 while containing inflation within 5.69%.



## Bangladesh Economic Outlook for 2021

After years of steady advances, GDP growth declined in the fiscal year 2020 (FY2020, ended 30 June 2020) as the Covid-19 pandemic upended economic activity globally. Disruption to supply chains pushed inflation slightly higher but remained under control, and the current account deficit narrowed. Assuming prudent macroeconomic management and proper implementation of timely announced stimulus packages to mitigate the impact of Covid-19, GDP growth is expected to pick up, inflation to moderate, and the current account deficit to narrow further in FY21.

GDP growth is projected at 6.8% in FY2021 because Covid-19 and its impacts are lingering longer than expected, and government stimulus packages have had little time to take hold. With the cautious reopening of the economy since May 2020 and subdued global economic conditions, recovery is expected to be gradual in the first half of FY2021. Then a strong manufacturing base will enable more rapid recovery in tandem with projected strengthening of growth in the advanced economies and import demand from them. As factories gradually accelerate production, growth in exports and imports will revive. Growth in agriculture is projected at 3.5% in FY2021, aided by government subsidies for seed, fertilizer, innovation, farm mechanization, irrigation, and central bank refinancing facilities to provide working capital for small and medium-sized farms affected by the pandemic. Growth in the industry is forecast at 10.3%, assuming improved consumer demand, strong export growth following recovery in major export markets, and expected growth in private investment. Supported by sustained growth in agriculture and industry, services are expected to grow by 5.5%. Inflation is projected steady at 5.5% in FY2021. Monetary policy will continue to be expansionary and accommodative in FY2021 toward achieving the government growth target while containing inflation. The main risks to attaining monetary goals are uncertainty surrounding Covid-19, natural calamities, worsening nonperforming loans, and unexpected inflationary pressure.

With focus shifting to economic recovery, the FY2021 budget aims to raise revenue collection to the equivalent of 11.9% of GDP and spending to 17.9%. The budget deficit is targeted lower at 6.0% of GDP, nearly 60% of it to be financed domestically. Exports are expected to grow by 8.0% in FY2021, with a gradual recovery in the first half, accelerating in the second and the expected upturn in the global economy. Export recovery will be aided by government stimulus measures and efforts to improve the business climate, as well as using duty-free trade opportunities extended by the People's Republic of China. Imports are expected to grow by 5.0% as the readymade garment industry returns to normal operations and require substantial imports of input materials. In addition, the accelerated implementation of large infrastructure projects should boost imports of capital equipment and materials. Growth in remittances is likely to moderate to 4.5% in FY2021 as job opportunities for migrants shrink in traditional job markets in the Persian Gulf and Southeast Asia. The trade deficit will be broadly stable as both exports and imports increase. The current account deficit is thus expected to equal 1.1% of GDP in FY2021.

Despite government subsidies to agriculture this year and efforts to expand arable area and mechanization, rice imports may need to be larger than earlier expected to replace the harvest that may be lost to floods. Therefore, Consumer caution and underutilized production capacity should calm any fear that fiscal and monetary stimulus may drive up prices.

### Performance Highlights of Trust Bank (Consolidated)

Particulars	2020	2019	Growth (%)
Loans and Advances	223,230,903,873.00	212,835,603,597	4.88%
Deposits	286,934,678,076.00	241,822,025,112	18.66%
Investment	93,447,270,433.00	43,462,118,884	115.01%
Interest Earning Assets	304,775,261,301.34	245,622,164,491	24.08%
Total Assets	356,460,809,140.00	296,452,837,831	20.24%
Total Shareholders' Equity	17,609,057,132.00	15,278,755,675	15.25%
Total Capital	30,446,341,164.72	26,767,290,915	13.74%
Tier-I (Core Capital)	17,413,354,664.72	15,079,615,915	15.48%
Retained Earnings	3,319,387,820.00	2,547,843,316	30.28%
Statutory Reserve	6,979,751,092.00	6,579,751,092	6.08%
Net Asset Value (NVA)	17,609,057,132.00	15,278,755,675	15.25%
Operating Income	11,889,763,362.00	11,302,398,976	5.20%
Operating Profit	7,376,048,488.00	7,228,572,453	2.04%

## Review of Operations of Trust Bank Limited

### What We Do in Treasury?

The function of the Treasury is to optimize liquidity as well as the capital of the Bank while administering the financial assets. Treasury is also responsible for making sound financial investments while reducing financial risks. As such, if managed correctly, Treasury can be a flexible and a significant contributor to Banks financial performance. Headline attention on business performance does tend towards the income statement side in terms of revenue growth and profitability since the core purpose of doing Banking business is to provide returns to its shareholders, of which return on equity (ROE) is the standard metric. However, if the components of ROE are analyzed, the broader role that treasury plays can be seen clearly.

1. Net Profit Margin (Profit/Sales): Searching for cheaper borrowing costs increases contribution margin = **more competitive**
2. Asset Turnover (Sales/Assets): Getting more yield out of assets through ALM and portfolio management = **more revenue**
3. Financial Leverage (Assets/Equity): Managing debt to optimal levels = **more opportunities**

Again nowadays, the Banking industry is constantly facing changes in technology, regulation, and compliance, which as a result, is ministering Treasury becoming a strategic business partner across all the areas of Banking Business. Trust Bank Treasury is also not an exception. Over the last couple of years, Trust Bank Treasury has been performing very well despite the adversaries and economic turmoil globally as well as within the country.

Trust Bank Treasury primarily focuses on the followings:

- Expanding transaction volume
- Utilizing different market opportunities within all risk and regulatory limits
- Strengthening ALM operations
- Creating a diversified fund management channel
- Minimizing market, liquidity and interest rate risks
- Enhancing profitability

Trust Bank Treasury has the following desks through which it offers a complete and well-diversified package of Treasury solutions to its customers both in the interbank and corporate market.

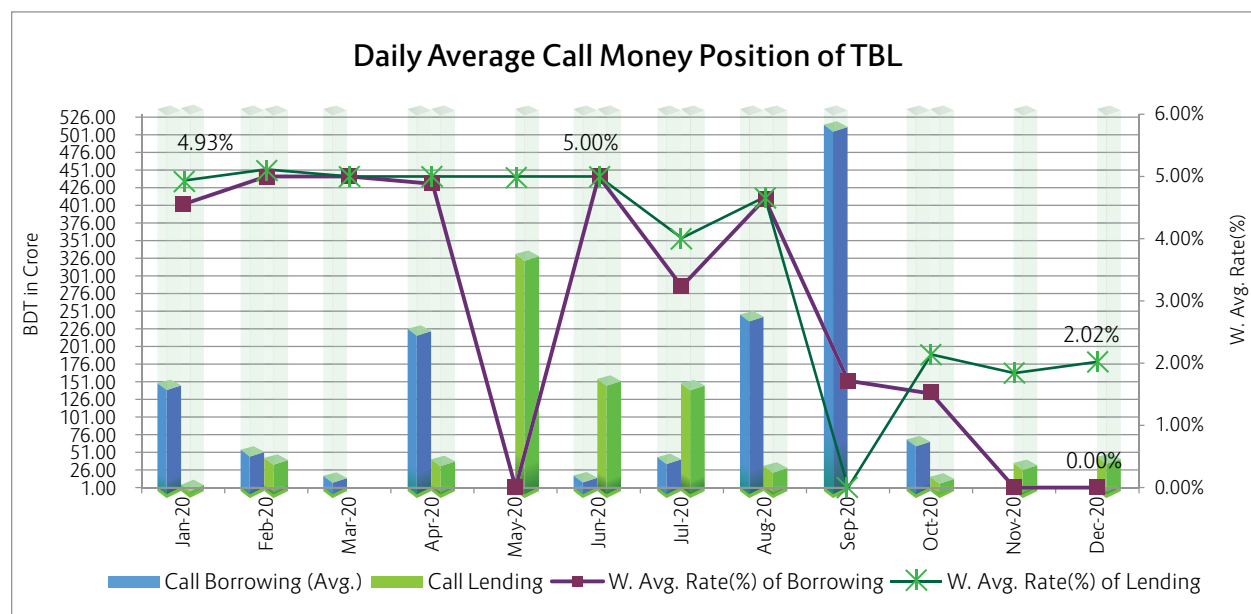


### Treasury performance in 2020 and Market forecast for 2021

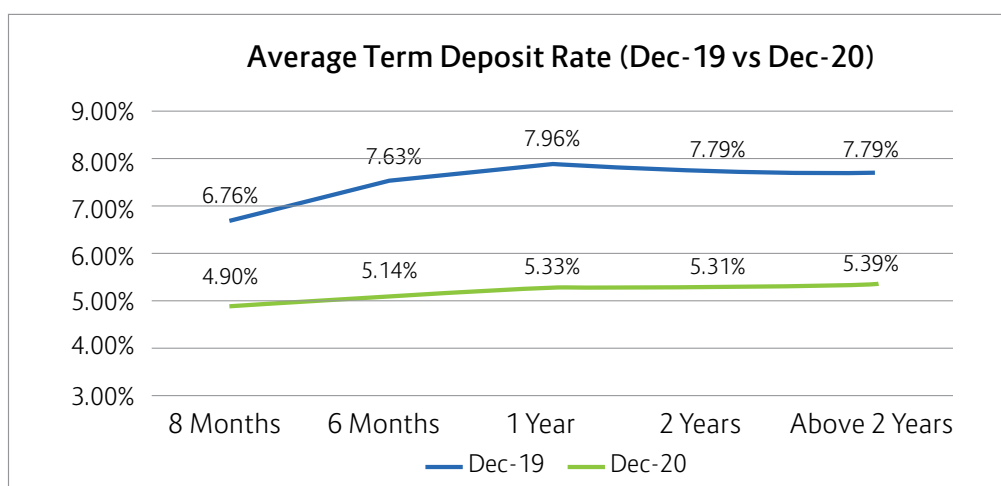
Treasury, as a major contributor to bank's revenue line, contributed sufficiently in 2020. All our strategy and policies that were adopted in 2020 paid us very well and helped us achieved all the KPIs of 2020 successfully. Overall Treasury revenue numbers in 2020 from different Treasury Desks are briefed below:

## Money Market Desk

Over most of the period of 2020, the interbank money market experienced a liquid scenario. The number of days when the money market felt a bit stretched was very limited. This happened due to the accommodative monetary policy stance adopted by Bangladesh Bank. Call money rate hovered around 0.50% - 2.00% throughout the majority period of 2020. The revenue generated by MM Desk in 2020 was BDT 560.23 million compared to BDT 329.28 million in 2019.



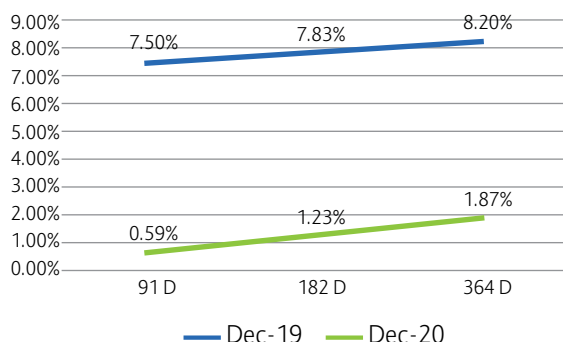
Given that the existing policy of Bangladesh Bank remains unchanged, the scenario of the money market is expected to also remain liquid in 2021; this is because the industry can comfortably accommodate the targeted private sector credit growth, which again is dependent on several macro-economic factors. However, with money being available in the market, there might be an inflationary pressure in the coming future, and term deposit's negative real interest rate may push the cash away to alternative savings/investment instruments.



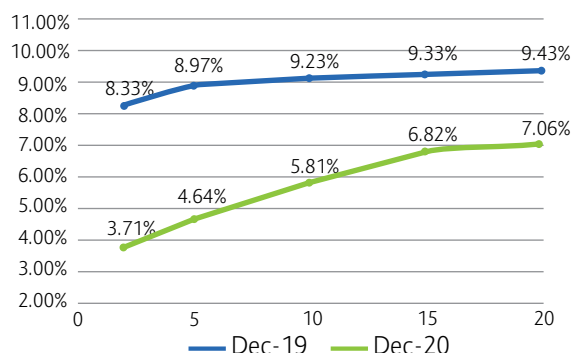
## Fixed Income Desk

In the year 2020, Fixed Income securities saw a sharp decline in their yield. This was mainly due to the availability of huge liquid funds and the non-presence of adequate other fixed income instruments in the market. As a result, government treasury bills and bonds became the most attractive instruments for Banks to hold.

**Yield Curve of T-Bill (Dec-19 vs Dec-20)**

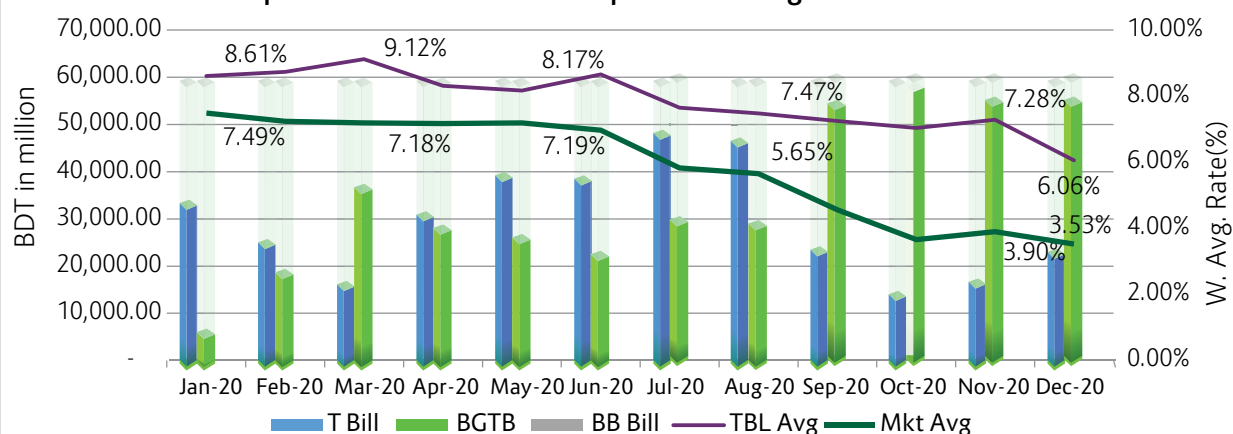


**Yield Curve of T-Bond (Dec-19 vs Dec-20)**



Trust Bank Fixed Income Desk is mainly responsible for investment in Government Securities (G. Sec) and other investments. The desk anticipated the situation very correctly during the year 2020 and adopted an investment and fund management strategy accordingly, which eventually resulted in a very profitable year for the Fixed Income desk. The Government Securities portfolio of Trust Bank Ltd. as of 31 December 2020 stood at BDT 82,643.62 million, which was BDT 34,913.50 million at the end of 2019. Trust Bank also had other investment portfolios of BDT 4,296.00 million in 2020 compared to BDT 4,128.00 million in 2019.

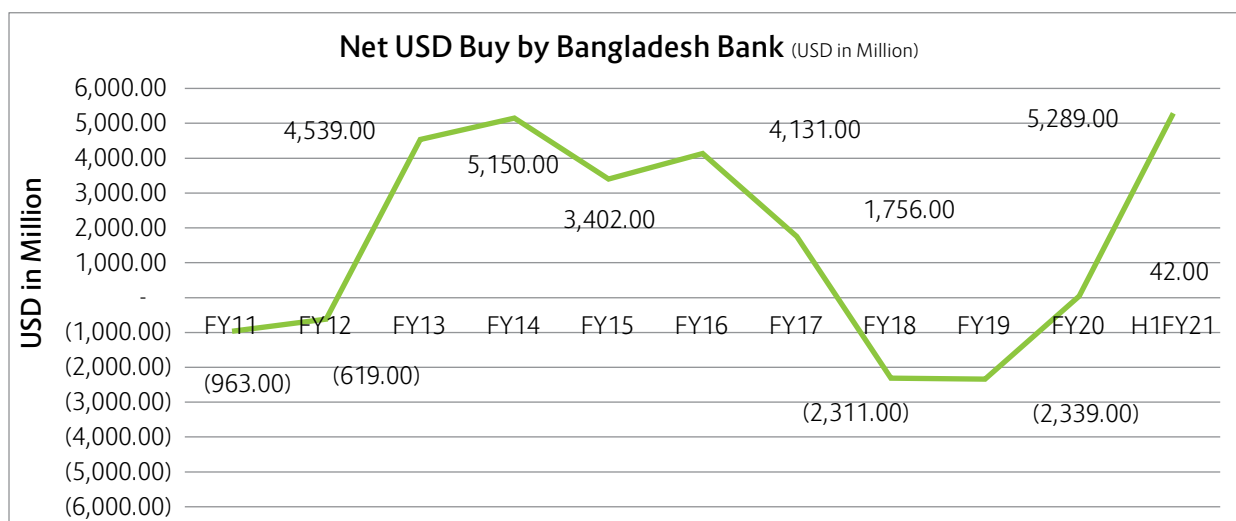
**Trust Bank G.Sec portfolio and Yield in Comparison to Avg. Market Yield of G.Sec in 2020**



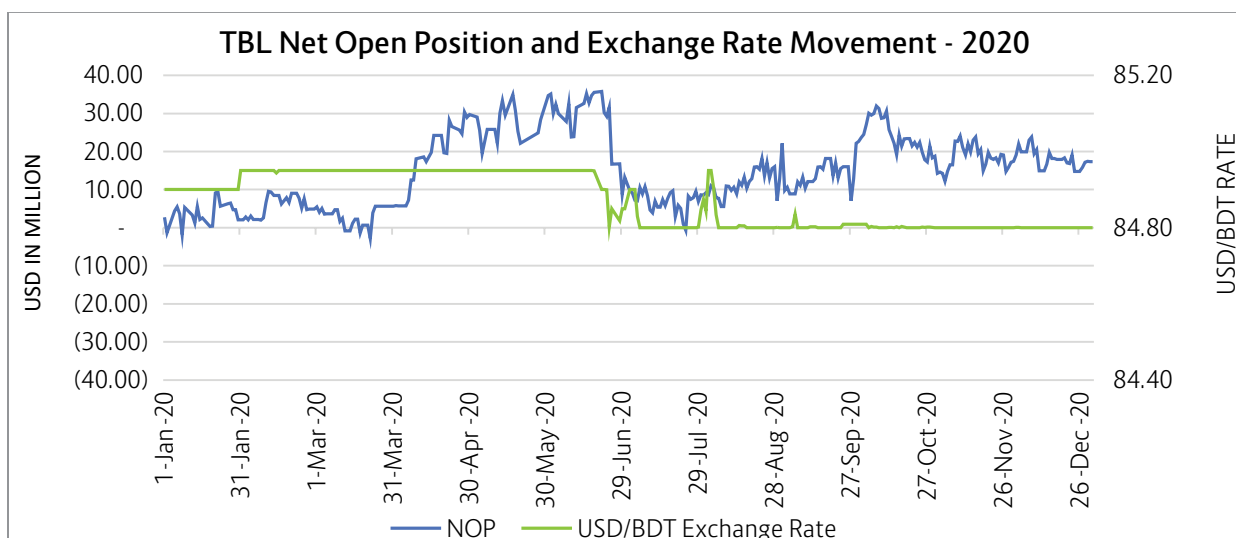
Considering (i) the growth of NSC issuance in the upcoming months, (ii) slow growth of ADP implementation (around 18% till Nov'20), (iii) emergence of SUKUK bond, and (iv) continuation of market liquidity, the rate of return from Govt. fixed income instruments might not shift upward in most of the part of 2021. Minor corrections in short-term Treasury bill rates are possible which again will enable the government to borrow at a cheaper rate from the Banks.

## Foreign Exchange Desk

In the FX market, the Interbank Foreign Exchange rate was quite stable all through the year 2020. USD depreciated against BDT and stood at 84.80 level as of 31 December 2020, which was 84.95 at the very beginning of 2020. Due to the Covid-19 pandemic and subsequent FX policies adopted by the Central Bank, the demand of foreign currency dropped significantly; as a result, Bangladesh Bank had to purchased USD 6.06 billion (net) [equivalent to BDT 513,705.90 million] from the commercial Bank in 2020 which again drove the liquidity in local taka market.



In 2020, FX Desk in this stalled FX market was able to generate BDT 568.30 million as Exchange Gain compared to BDT 605.10 million of 2019. Again, at the end of 2020, Treasury funding to OBU reached to USD 75.44 million, which at the end of 2019 was USD 6.09 million, registering a 1138.75% growth.



The ongoing liquid scenario of the FX market is expected to prolong for the rest of FY21. As the second half of the year 2021 is in question, there are several factors to be considered, such as (i) worldwide success of vaccination for Covid-19, (ii) normalization of public movement and day to day life in western countries, (iii) wage earners' prospect in the Middle East (iv) commodity wise international demand, etc. Above all, the current Foreign Currency Reserve of the country stood at a record high of USD 43.17 billion, which indicates central banks increased capacity to normalize the market in adverse scenarios.

## Asset Liability Management (ALM) Desk

Asset Liability Management (ALM) is an integral part of Bank Management. The Head of Treasury is the member secretary of ALCO. Therefore, through ALM, Bank mainly aims to achieve the following objectives:

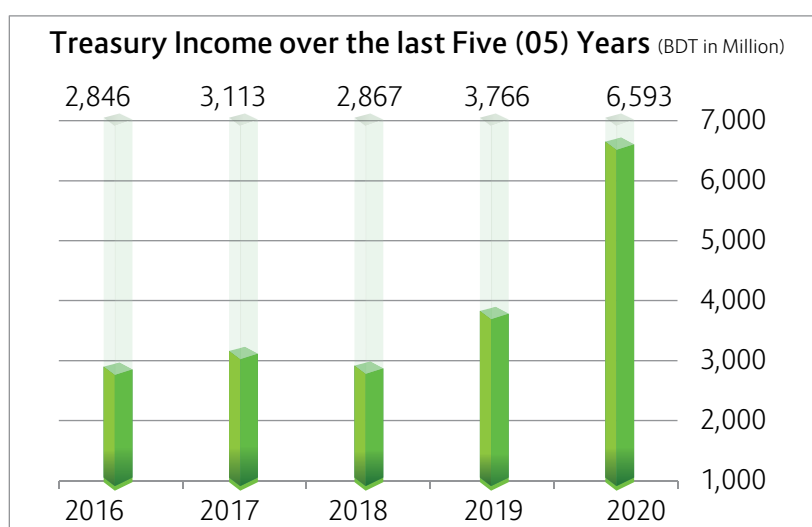
- Growth in assets and liabilities
- Containment of risk in a coherent manner
- Stability and consistency in earnings and
- Profitability

ALMdesk, through its own market research and market intelligence, presented the market outlook throughout the year; it also provided its forecasts about the local currency and foreign currency rate movement with facts and figures. This gave Management an explicit idea about the market liquidity for availing market opportunities for loans and advances, investments, and fund deployment in alternative forms in 2020. The desk helped in pricing the products of both assets and liabilities to gain the competitive advantage from the market movement throughout the year. The desk also presented the Bank's overall financial position in front of the ALCO members to formulate an effective investment and fund management strategy.

In 2020, Treasury operated within all regulatory limits. There was no single instance where the Treasury violated any regulatory limit that reflects Trust Bank Treasury's commitment to operate within the rules and regulations of the Bank and other regulatory bodies.

## Treasury Income in 2020

Treasury, as a major contributor to the bank's revenue line, contributed significantly in 2020. Overall Treasury revenue numbers in 2020 is given below with a comparison of 2019, 2018, 2017, and 2016 to show the growth in its business horizon and revenue line.



## Treasury Priorities in 2021

- Maximizing Treasury Portfolio return through retaining existing and exploring new areas of business
- Emphasizing on developing market research expertise under ALM Desk
- Establishing Foreign Exchange corporate sales desk
- Emphasizing on cross currency trading desk
- Strengthening relationship with all counterparts (both Interbank and Corporate)
- Managing Balance sheet in the most efficient way
- Special Emphasize for building awareness among corporate customers regarding hedging and its benefits
- Updating the policies related to treasury in line the changed/modified/amended policies as endorsed by Bangladesh Bank from time to time
- Organizing knowledge sharing programs e.g. Trainings, Seminars on Treasury and Market Risk Management

## Trade Services

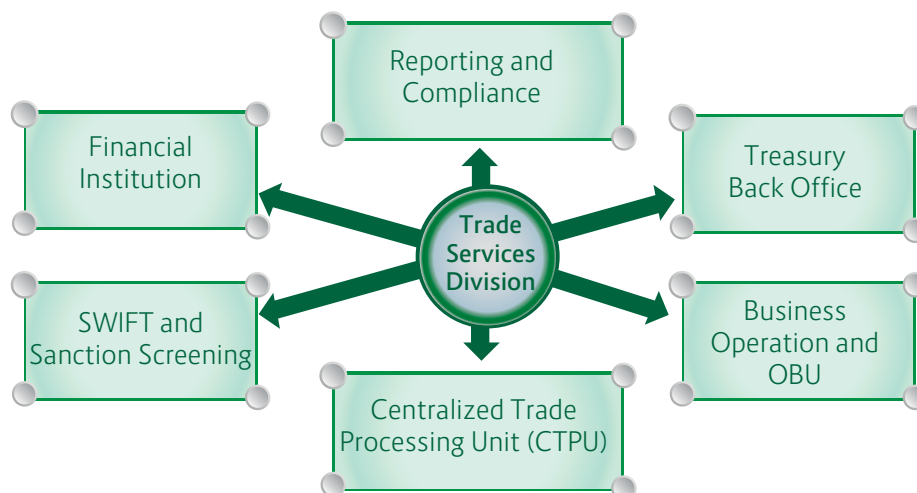
2020 started with the horror of a global pandemic, Covid-19, nothing like which could jolt the economy of the world in the recent past. Despite having a global shutdown and business discontinuity, Trust Bank achieved



9.27% growth in the import business. These happened due to prudent decisions taken by TBL management and aligning its strategies with different steps taken by the regulators and stimulus packages declared by the government. In 2020, new correspondent banking relationship was established, Nostro account was opened, several automations were completed and continued for processing international trade.

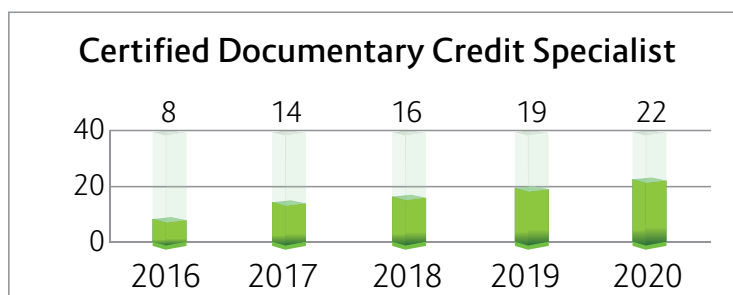
Trade Services Division (TSD) of TBL plays a pivotal role in facilitating trade operation of AD Branches, OBU Operations, Treasury Back Office Functions, and Centralized Trade Processing Unit (CTPU).

Functional area of TSD at a glance:



TBL is committed to providing diversified, best fit, and pragmatic trade solutions to trade clients. With a view to achieving these objectives, TBL is continuously reengineering its internal business process, developing new products, improving IT-based solutions, and focusing on on-the-job learning and off-the-job training of its human resources. As such number of CDCS (Certified Documentary Credit Specialist) of TBL over the past few years are have grown:

With a view to liberalize Trade, Bangladesh Bank allowed open account transactions for international factoring - which is a long demanding issue of the exporters of the country. TBL is well prepared to be a part of this historic journey towards open international trade.



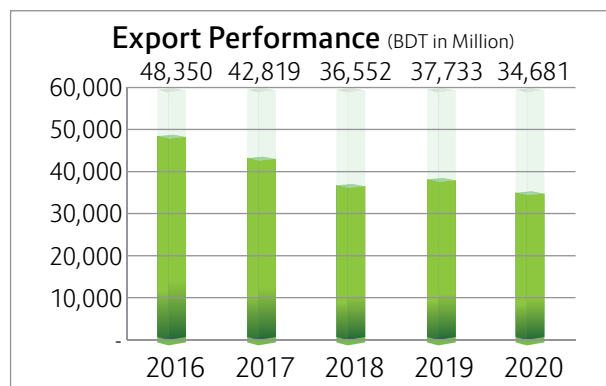
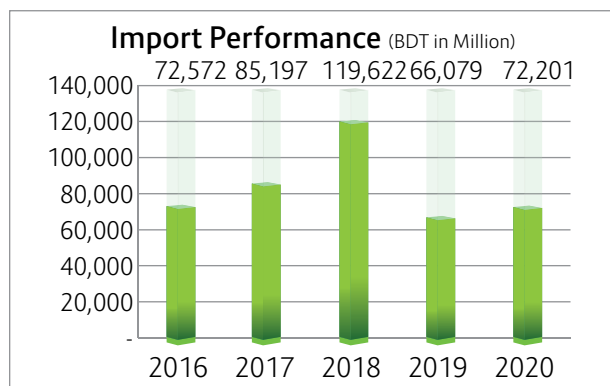
Reporting and compliance issues shape to new dimensions over the year. Trade-Based Money Laundering (TBML), Cyber Attacks on SWIFT system creates anxiety in the banking arena. On the other hand, local regulation on international trade and commercial remittance is being relaxed. Trade Services Division addresses these issues on the right time, disseminating information to the trade partners and foreign trade officials of the bank to cope with the new horizon and challenges of international trade.

## Import Related Services

Trust bank offers a wide variety of import-related services to customers. Some of them are mentioned below:

- Issuance of LC - sight, deferred, BTB, UPAS
- Import under contract - DA and DP
- Add confirmation, discounting, acceptance and refinance
- Post import financing like LTR, OD, Time Loan etc.

Commonly used imported items are capital machinery, industrial raw materials, machineries and spares, food-grains, petroleum, etc.



## Export related services

Complete packages for export-related services are available at the counter of all branches of TBL. Some of the mentionable export-related services are as follows:

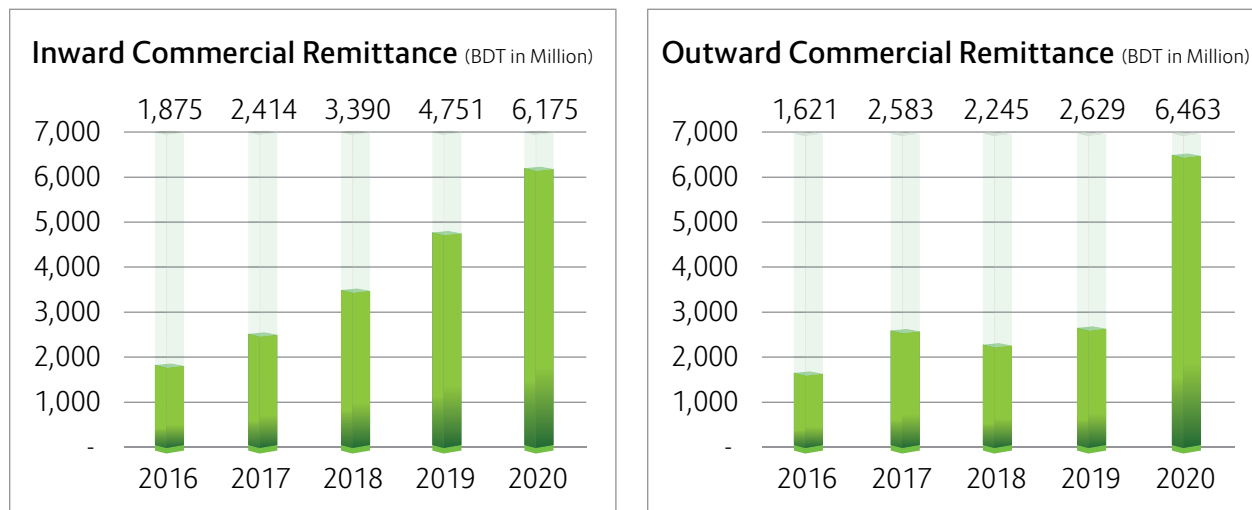
- Advising, transfer and lien of export LC
- Facilitate export against contract
- Documentary collection
- Export financing like FDPB, IBP, Packing Credit, Discounting of Direct and Deemed export bills
- Issuance of PRC and cash incentive claim handling

Major export items were RMG, Shrimp and frozen fishes, Food items, Jute and Jute goods, Finished leathers and leather goods, Ceramics, Handicrafts, Pharmaceuticals, etc.

## Remittance and FC account related services

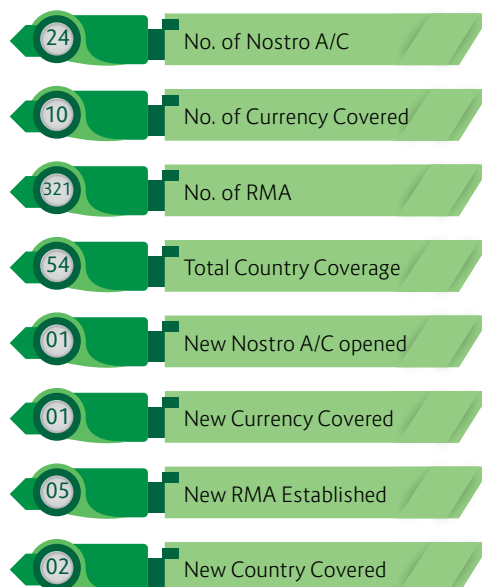
Complying with the existing legal framework, customers can open all categories of FC accounts at TBL. TBL provides professional services related to FC accounts and remittances – private and commercial, inward and outward. These include:

- All types of FC accounts:
  - ▶ Private FC account
    - NFCD
    - RFCD
    - ERQ
  - ▶ FC accounts under general and special permission
- Foreign Direct Investment
- Handling of all sorts of commercial and wage earners remittance
- Private remittance like student file, travel, treatment etc.



### Correspondent Banking Service

FI under the Trade Services Division of the Bank always tries to improve and expand foreign correspondence relationships to smooth the progress of the International trade business of the Bank. This has enabled the Bank to facilitate trade flows through our global network by 321 numbers of Relationship Management Applications (RMA) across the world. For smooth operation of the foreign exchange transactions, Bank is operating 24 Nostro Accounts in 10 major currencies with internationally reputed banks across the globe. A snapshot of FI is depicted below:



### Centralized Trade Processing Unit (CTPU)

Centralized Trade Processing Unit (CTPU) is operated under Trade Services Division located at Head Office, Shadhinata Tower, (Level-8) Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206. The unit is operated with a team of dedicated bankers who are well conversant in International Trade and Foreign Exchange Business. CTPU started its journey on 14 March 2019 by taking over the trade-related transactions of 04 Non-AD Branches. The remaining Non-AD branches transactions came under the purview of CTPU with effect from 01 June 2019. Later on, CTPU took over the foreign trade transactions of 'Elephant Road Branch' (AD Branch) with effect from 03 November 2019. At present, import, export, guarantee, and remittance-related functions of all 99 Non-AD Branches and 01 AD branch are done through CTPU.

Comparative Business Performance of Centralized Trade Processing Unit (CTPU) is as follows:

Particulars	2019		2020		Growth in %
	USD in Million	BDT in Million	USD in Million	BDT in Million	
Import Business	31.87	2,698.69	43.32	3680.30	36.37
Export Business	4.33	366.94	12.22	1023.17	178.84
Inward Remittance	3.68	308.30	5.75	483.06	56.68
Outward Remittance	1.28	107.44	0.91	77.04	-28.30
Guarantee	0.31	26.56	0.60	50.97	91.91

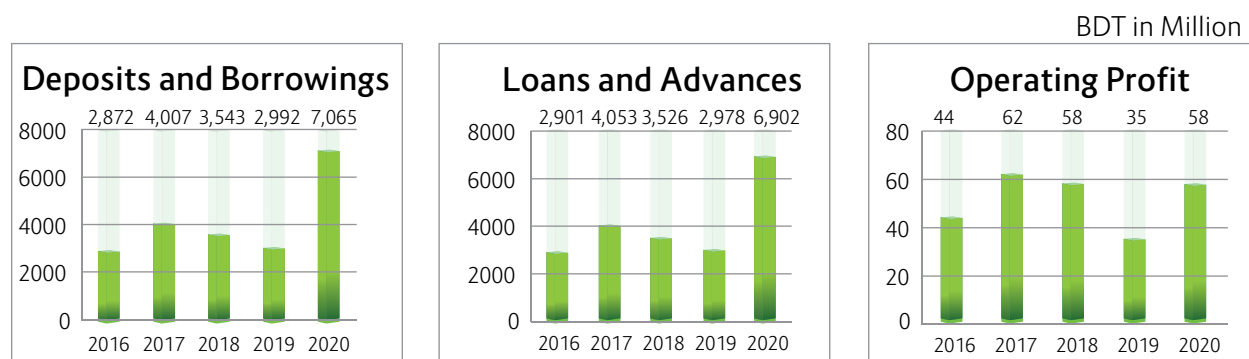
## Offshore Banking Unit

Offshore Banking Unit (OBU) of TBL was licensed on 02 June 2010 and set up at Dilkusha Corporate Branch, 36 Dilkusha C/A, Dhaka - 1000. Throughout 2020, OBU of TBL enjoyed a major boost in terms of assets, revenue, and operating profit. These happened primarily due to easy access to short-term finance at home and abroad due to a drastic fall in the LIBOR rate. Though the margin was not higher than the previous years, handling large volumes supports OBU's bigger profit.

OBU, TBL provides the following products and services to the clients:

- Foreign Currency Deposit Accounts of Non-Residents and EPZ enterprises
- Export-Import services to Type-A industries of EPZ and EZ
- Discounting of Import Bills (UPAS),
- Refinancing of LCs
- Loan to ADs for export bill discounting,
- FC term loan to eligible industrial units

Performances of OBU:



## Swift and Sanction Screening

Connectivity with the SWIFT network enables TBL for secured and authenticated messaging with thousands of Financial Institutions around the world. Foreign exchange transactions with local and foreign banks, correspondent relationships, transferring cross-border funds, etc., are not possible without the existence of SWIFT. Relentless effort of SWIFT and Sanction Screening team facilitates TBL and its customers for smooth, vibrant, and compliant foreign exchange transactions.

Operating under the constant threat from sophisticated criminal and terrorist financing activities, TBL is also facing the increasing challenge of keeping pace with ever-changing regulatory requirements designed to combat such activity. Sanction screening tools of SWIFT help us comply with 30 sanctions lists from all major regulatory bodies, including UN, OFAC, HMT, EU, etc.

## Islamic Banking

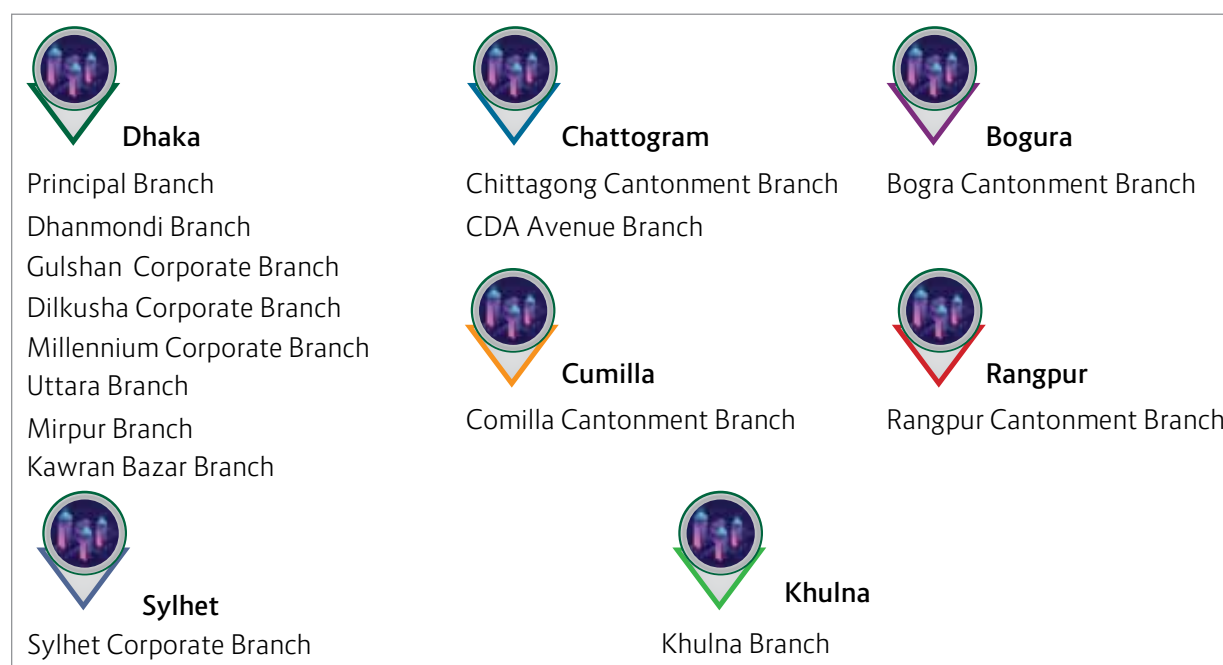
Islam is not a mere religion but a 'deen' meaning 'the way of life'. It touches upon the material as well as spiritual dimensions of human existence. Allah (SWT) emphasized the completeness of Islam in the following Quranic verse; "This day I have perfected your religion for you, complete My blessing on you and approve Islam as the way of life for you" (Al-Maidah: 3)

Islam demands that all economic activities, including banking should run according to the Islamic Shariah, i.e., prohibition of interest from all transactions and dealing in businesses that are allowed (Halal) in shariah. Islamic Banking has potential for earthly returns (earning profit) as well as reward in the Divine world (benefit in the hereafter) by abiding the instructions of the Almighty Allah.

To ensure compliance of shariah guidelines, Islamic banking practices a strong documentary record-keeping system eliminating all vagueness regarding business and responsibilities of the parties involved.

## Trust Islamic Banking

Trust Bank is presently carrying out its Islamic banking operations through the following 15 (fifteen) Islamic banking windows of which 10 (ten) new Islamic banking windows opened in the year 2019 with the Brand name Trust Islamic Banking (TIB):



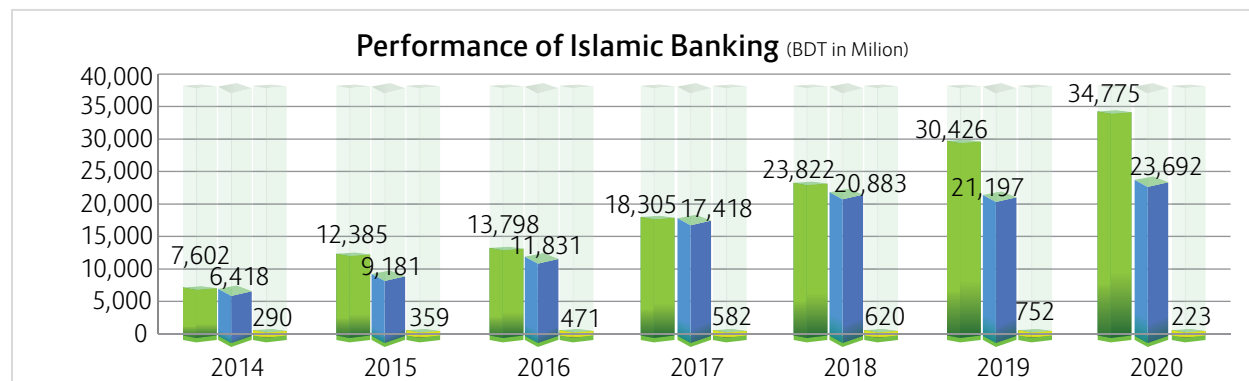
Besides the 15 (fifteen) windows, all TBL branches can provide Islamic banking services through online banking system.

In addition to the Shariah guidelines, Trust Islamic Banking (TIB) strictly complied with the Bangladesh Bank instructions regarding Islamic banking operations and adhered to the followings:

- Completely separate fund management- no mixing of the fund with the conventional banking deposits of the Bank. Investments are made from Islamic Banking deposits only.
- Separate book-keeping, profit and loss account by Islamic Banking Module of the Bank's Core Banking System (CBS).
- TIB has a distinguished Shariah Supervisory Committee (SSC) for guidance on Shariah related issues.
- Profit sharing ratio (Depositor: Bank) is 65:35 for the year 2020.
- Profit distributions are executed as per approved weightage table.

## Deposit and Investment Scenario under Trust Islamic Banking

Due to Covid-19 pandemic, the overall business activities of TIB were hampered. The deposit of TIB has been increased significantly in the year 2020, but the investment scope was very limited. For the excess amount of deposit, TIB has to forego its part of income as deposit expense which ultimately decreased the overall income of TIB for the year 2020 in comparison to the year 2019.



The entire operations of TIB are closely monitored and supervised by a knowledgeable and committed team in Islamic Banking and finance to ensure compliance, development, and growth of TIB business. TIB offers a full range of deposit and investment products and services for Corporate, Retail, and SME sectors.

A separate Balance-Sheet, Profit and Loss Account, and Statement of Cash-Flows are shown in Annexure-E, F and G of this report. The figures appear in the Annexure have been incorporated the related heads of financial statement as recommended by the Bangladesh Bank.

## Trust Islamic Banking Priorities in 2021

- Ensuring the highest level of Shariah Compliance for Islamic Banking activities.
- Major focus on accelerating growth of Trust Islamic Banking Asset (investment) Business through finding new business clients (enterprises).
- Expanding Retail and SME business under Trust Islamic Banking.
- Increasing non-funded business for escalation of income.
- Mobilize low-cost deposit for diversified deposit mix of TIB.
- Management of overdue investment clients by forming a monitoring unit at Head Office, Islamic Banking Division.
- Ensuring final profit distribution among the Mudaraba depositors based on actual rate arrived at the year-end.

## Retail Banking Division

The retail banking segment offers a comprehensive and diverse range of retail products across deposits, loans, payments, and cards. The segment is committed to providing enhanced and everlasting customer relationships. The Retail Banking Division is focused on achieving its objective of being the most vibrant and profitable business line and continuously working towards fulfilling customers' banking needs and has become a key area in the banking industry. Its customer-centric approach enables the bank to tap into various retail financial service opportunities to fulfill the macro themes of financial inclusion and organized banking facilitation.

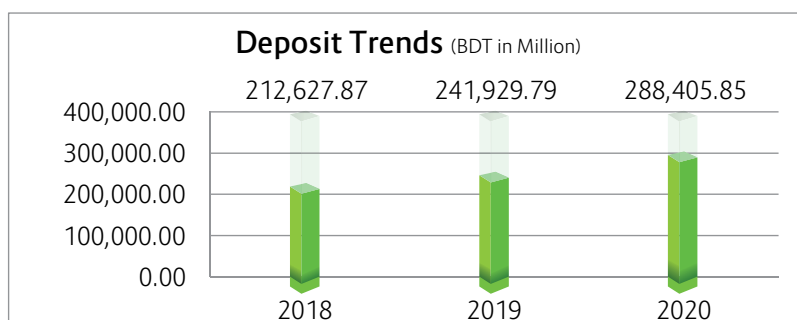
## Business Highlights

Despite Covid-19 pandemic and its devastating blow on the national and global economy, nationwide lockdowns and other restrictions, spontaneous reductions in economic activity by many consumers and producers, the bank continued its business activities after the lockdown was released in June 2020.

Effective fund management strategy and focus on low-cost deposits were the key ingredients for increasing the retail deposit base. The bank also maintained its approach of widening the retail deposit with a well-adjusted deposit mix. On the other hand, to support sustainable growth in the retail asset segment, retail loan products such as Home Loan for financing purchase, construction, or renovation of houses, auto loan for buying Cars, and personal loan for any personal purpose were highlighted to generate revenue.

## Retail Deposit

We are continuously endeavoring for excellence to give the best possible experience to our customers, treating deposit as the lifeblood of the bank. Our deposit breakthrough the previous year's record and stood at BDT 288,405.85 million with a growth rate of 16.11%. Alongside, banks CASA deposit stood at BDT 47,897.18 million with a growth rate of 26.10% than the previous year. The number of accounts also increased by 7.47% than the previous year, with around 7.02 lac accounts. This achievement looks even more impressive that retail customers avail products suitable for individual needs - deposit products like Savings, Fixed, Current, monthly deposit, etc.



## New Deposit products

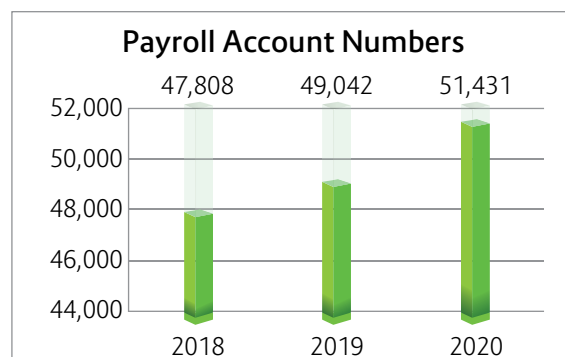
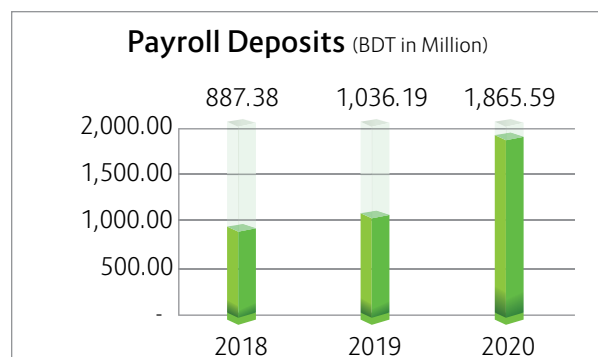
Despite Covid-19 pandemic situations, we have diversified our deposit products, made special customer segmentation and offered unique prepositions to ensure stable deposit growth. We have developed a tailor-made product titled 'Trust Seniors' to cater to the country's senior citizens with two sub-products titled Trust Seniors FDR and Trust Seniors Echo.

## Retail Asset

In 2020, retail assets grew substantially in mortgage loans and personal loans. The core objective of TBL Retail Banking is to maintain robust, resilient, and environmentally sustainable banking by delivering superior value propositions to clients. We have extended our asset business with fierce marketing even though Covid-19 pandemic and nationwide lockdown from March 2020 to May 2020. Thus, retail asset outstanding stood at BDT 34,612.27 million and disbursed BDT 5,587.23 million in the year 2020.

## Payroll Banking

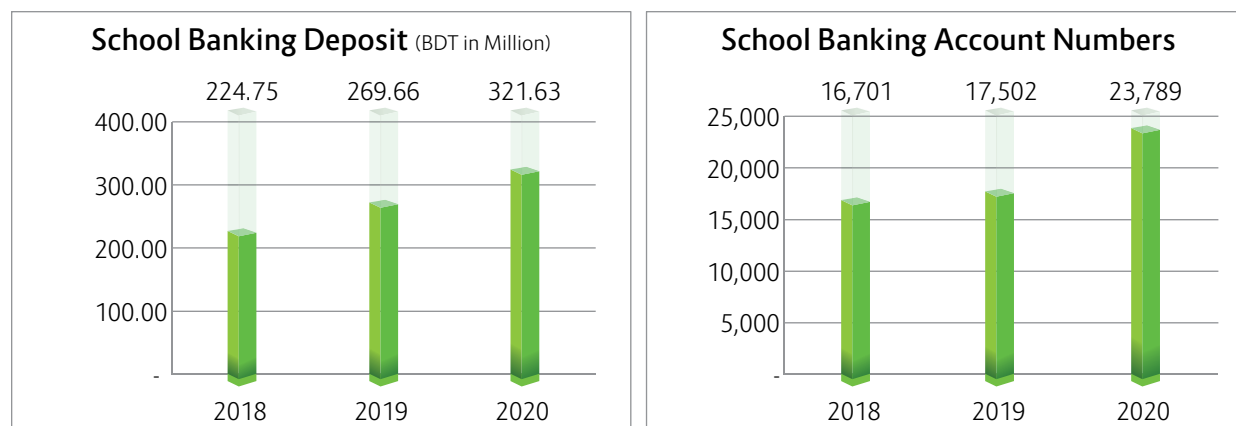
Payroll Banking services are targeted towards facilitating employee payroll accounts for companies. These accounts are given unique benefits and services to carry out their banking transactions conveniently. 44.46% of growth recorded than the previous year with a deposit amount of BDT 1865.59 million.





## Financial Inclusion and Literacy

Trust Bank Retail Banking Division is very keen and in support of conducting financial inclusion activities under the mandate of Bangladesh Bank. We are concentrating on school banking services intending to build savings habits of school-going children. However, due to the Covid-19 pandemic and nationwide lockdown, our branches kept their persuasion to open new accounts, resulting in the number of accounts reaching 23,789 (with 26.43% growth), along with a deposit amount of BDT 321.63 million with 16% of growth than the previous year.



## Trust Youniverse and Loyalty

Among the many initiatives designed to provide advanced customer experience, Retail Banking continued its endeavor to add value for the clients by maintaining a relationship with different organizations.

The customer value proposition has further been enhanced through a number of new loyalty alliances (EMI and discount facility) with different partners for specialized privileges for Trust Youniverse customers, which include renowned local brands like Bangladesh Eye Hospital, US -Bangla Airlines, Executive Machines (Official 'Apple' products reseller), Butterfly Marketing Ltd. (LG), Best Electronics Ltd., Rangs Industries Ltd., Artisan Outfitters, Gadget & Gear, Hi-Tech Furniture, Creative Marketing Company (Panasonic), etc., which were highly appreciated by its valued Customers that in turn helped enhancing Trust Bank's brand recognition and value.

The Retail Banking Division of Trust Bank strives to serve the nation through financial inclusion and to achieve sustainable growth with a vision to become a market leader soon.

## Priorities in 2021

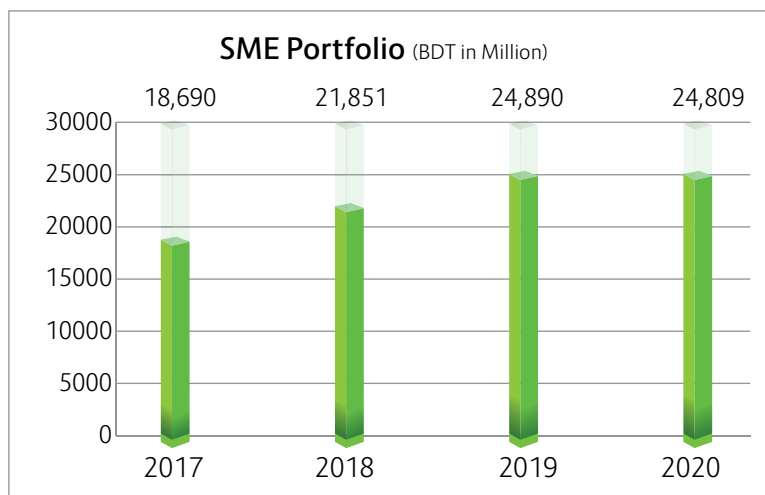
RBD will focus more on swelling its customer base both in the liability and asset segment by captivating ways to dig into uncharted markets. To expand the business, we will look forward to driving digitization which will benefit us to subsidize a superior financial inclusion. We will yield opposite ladders to take the asset portfolio outstanding in a new hype and upsurge the payroll accounts, school banking, and loyalty partners.

## SME Banking

Cottage, Micro, Small and Medium Enterprises (CMSME), popularly known as (SME), is an effective strategy to achieve sustainable economic growth in Bangladesh. It is significant from the perspective of employment generation, poverty reduction, and contribution to GDP. Trust Bank Limited is always at the forefront to participate in the different economic activities of the country. It has taken SME financing as its Business Model to achieve the financial inclusion objective. To this end, a separate department, namely the 'SME and Agriculture Division', was established in 2009. The division is now more structured and matured. It consists of SME Business Unit, Credit Risk Management Unit, Product Development Unit, Monitoring Unit, Women Entrepreneur Development Unit and Agriculture Loan Unit.

## Growth of SME Financing

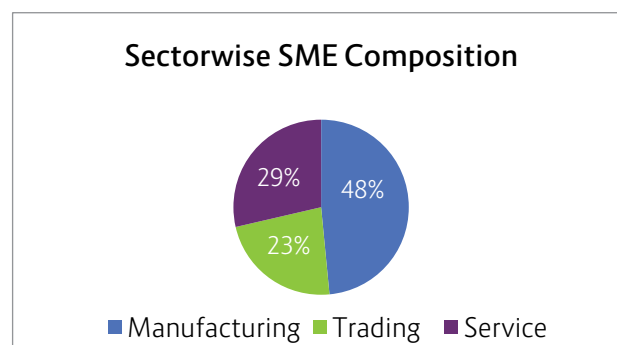
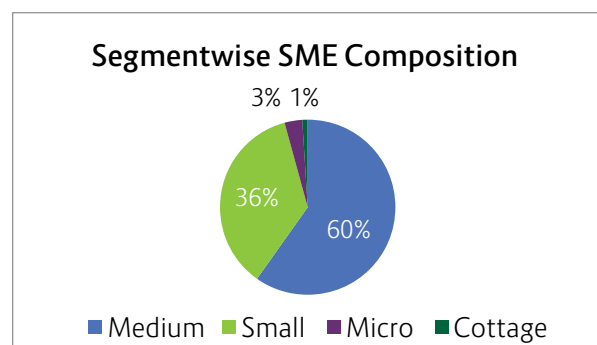
The SME loan portfolio of Trust Bank is growing steadily over the years with exception in 2020. The last four years SME loan growth is depicted as below:



*Note: In 2020, negative growth is due to Covid-19.*

## Composition of SME Portfolio

Segment-wise as well as sector-wise composition:



Trust Bank SME and Agriculture Division participated in the “Banker-SME Women Entrepreneur Conference and Product Fair 2020” held on 05-08 March 2020 at BIMB, Dhaka.

## SME Products and Services

TBL has 12 tailored-made SME products to cater the demand of different customer segments covering different geographical areas in the country. Some of the popular products of TBL are highlighted as below:

### Trust-Nondini: Loan for Women Entrepreneurs

- Term Loan and Working Capital Finance
- Loan facility up to BDT 1.50 Crore
- Single digit interest rate
- Collateral free up to BDT 25.00 Lac
- Easy documentation

### Trust-Ekota: Group Cmsme Area and Cluster Based Finance

- Credit facility for a group up to BDT 3.00 Lac
- Term loan for maximum 30 months
- No mortgage is required
- Easy documentation

### Trust-Muldhon: Loan for Shopkeepers and Traders

- Term Loan and Working Capital Finance
- Loan facility up to BDT 5.00 Crore
- Grace period facility
- Collateral free up to BDT 10.00 Lac
- Easy documentation

### Trust-Shufola: SME Loans for Rural Entrepreneurs

- Loan facility for Biogas plant, Solar system, Fisheries, Poultry and Livestock, Agro based product processing
- Term Loan and Working Capital Finance
- Single digit interest rate under agricultural credit
- Easy documentation

## Agriculture Financing

Although industrialization has become the main economic activity, agriculture remains the lifeblood for the economy of Bangladesh. Agriculture has been functioning as a catalyst for sustainable development and growth in Bangladesh for a long. However, despite having many prospects in the agriculture sector, some challenges are still remain there. In order to address the challenges, several collaborative and coordinated actions are required to be initiated. One of such notable initiatives taken by the Central Bank is introduction of a mandatory agriculture loan disbursement policy for the Banks.

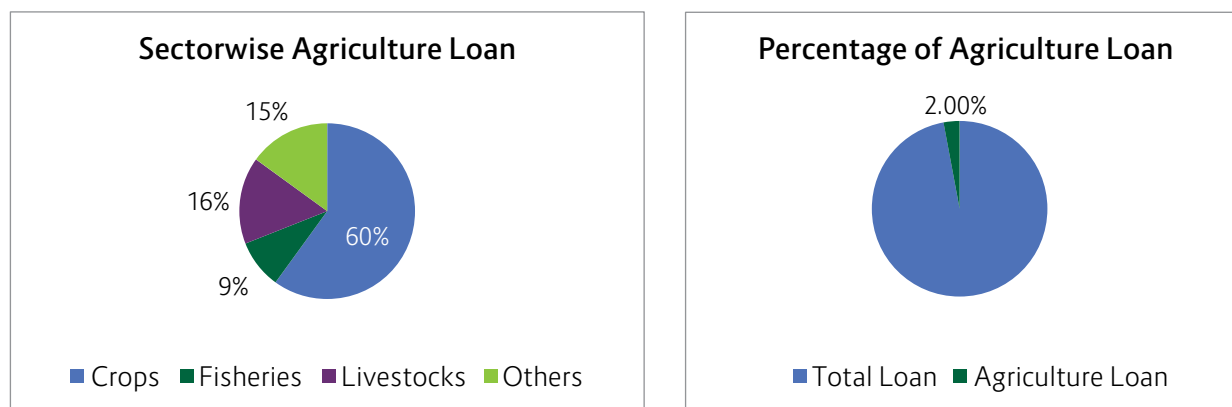
TBL performance with Bangladesh Bank

BDT in Million

Financial Year (July-June)	Target	Achievement	Percentage of Achievement
2020-21 (up to Dec.2020)	3880	1497	39 %
2019-20	3650	3853	106 %
2018-19	3540	3594	101 %
2017-18	2890	3032	105%

## Composition of Agriculture Loan Portfolio

Trust Bank's financing in agriculture sector well-distributed in different sub-sectors, which are shown by the following pie chart:



## Priorities in 2021

The first and foremost priority for the year 2021 is to introduce an Integrated Loan Approval Template (LAT) to ease the loan processing system for approval, which is a prerequisite for SME business development. By implementing LAT, the efficiency level will be improved, and loan processing time and cost will be reduced to a great extent. Secondly, more emphasis will be given to increase SME loan portfolio, particularly in the medium segment. To this effect, a number of new loan products will be introduced by 2021.

## Credit Risk Management

Credit Risk Management of the Bank is embedded in such a manner that all the material risks are recognized and measured to exercise appropriate control mechanisms. It is essential to perform consistently and sustainably for the sake of our stakeholders, and therefore, Trust Bank considers credit risk management as a core job besides its core business. CRM Division is delegated with the duties to maintain the quality asset, assess risk in lending to a particular customer, sanction credit, and formulate policy and guidelines for lending operation.

In 2020, Credit Risk Management was mainly affected by the break out of the Covid-19 pandemic. The coronavirus pandemic is a humanitarian crisis that continues to affect lives and livelihoods around the world. It has forced regional and national economies to close for weeks and months, causing hardship-sometimes of existential gravity for the majority of the populations. Considering the situation, Trust Bank Ltd. tried to handle the situation in the purview of the guideline of Bangladesh Bank from time to time. Trust Bank Ltd. was granted with a substantial amount of funds from Bangladesh Bank under different Stimulus Packages declared by Govt. of Bangladesh. Meantime, we have already disbursed BDT 7921.00 million under Stimulus Packages to our borrowers who were adversely affected by the pandemic. The support assists to constant financial health of the borrowers to overcome this unwanted situation.

Considering the adverse economic condition in 2020, we focus on consolidating our existing credit portfolio by maintaining regular customer visit, monitoring the improvement plans, close monitoring of the repayment performances considering different risk indicators, timely review of the facilities, oversight on the improvement areas, Periodical Stock verification and insurance coverage before approving or renewing any credit proposals.

Trust Bank has been consistently maintaining its loan portfolio over the last five years in terms of business volume and profitability. At the end of 2019, the total Loans and advances of the Bank were BDT 210,767 million, whereas, at the end of 2020, it stood at BDT 221,064 million, registering a growth of more than 4.89 percent.

## Syndication & Structured Finance Department

Syndication & Structured Finance Department is engaged in various and divergent functions under Business Division. This Department is one of the most adept structured finance solution providers with institutionalized capabilities to successfully manage the unique and multidimensional process of project finance transactions. We provide services as:

- Syndication fund arrangement for different projects
- Term Loan, Short Term Loan and Working Capital financing
- Refinance/expansion to existing/new clients' as per their financial requirements
- Structuring, documenting, and closing the financing deal
- Provide specialized funds i.e., IPFF and FSSP of Bangladesh Bank
- Bridge Finance
- Agency Services
- Trusteeship services
- ECA Financing
- Advisory Services

## Portfolio

As of December 2019, the SSFD is dealing with 54 accounts with the outstanding of BDT 31,198.36 million. SSFD has also significant exposure in capital and money market through Bond of BDT 4,650 million, Preference Share of BDT 296 million. Besides this, SSFD has been functioning the agency services for BDT 20,040 Million of 06 accounts. SSFD is also carrying out Trusteeship services for BDT 11,650 Million of Four Bonds of different Banks and Corporate Houses.

## Major Achievements

- Trust Bank Limited is the highest fund recipient of Investment Promotion and Financing Facility (IPFF) of Bangladesh Bank to help alleviate constraints in infrastructure financing.
- TBL has already set strong foothold in capital and money market investment mechanism.
- TBL is currently involved in establishment in largest private sector refinery plant in Bangladesh
- The Syndication and Structured Finance Department (SSFD) has introduced venturing new modality of financing i.e., ECA Financing, LTTF etc. for TBL

We maintain an efficient portfolio management i.e., maintaining significantly low NPL ratio by strict monitoring of existing accounts.

## Retail Finance Centre

Since the inception of retail banking in 2006, it has created a remarkable position in the industry with commendable portfolio growth. Retail business still has the opportunity to boom in this segment through the existence of market competitors. Considering the scope of business and the competitive market scenario, a specialized division called Retail Finance Centre (RFC), a One-Stop-Center for Retail Financing, was established in 2018 to provide superior service and banking experience. RFC encompasses 03 (three) separate units, Retail Credit Underwriting, Retail Operation, Retail Collection working simultaneously to serve the retail asset clients:

The Retail Credit Underwriting team is responsible for assessing and approving retail loan proposals (including Defence) and credit cards forwarded from the various business groups. MIS, centralized CPV management, reporting, and issuance of NOC (Defence Personnel) are also part of the underwriting team. In 2020, the division had received and assessed 6,949 files, out of which a total of 5920 (Five Thousand Nine Hundred and Twenty) proposals were approved; thus approval ratio is 85%, and the total approved loan

amount stands BDT 6184.77 million as of 31 December 2020. Moreover, in 2020, RFC has issued 12,804 (approx.) no. of NOC favoring different levels of Defence Personnel.

Retail Operation is a separate cell for Retail Loan Disbursement and CIB generation. In the year 2020, Retail Operation has disbursed 13,857 no. of Retail Loan. CIB Team has generated 22,133 no. of CIB report in the year 2020.

The Retail Collection unit is responsible for all activities related to the collection and recovery of the retail portfolio (RBD sales and 38 branches). As of 31 December 2020, the total amount recovered is BDT 354.73 million and BDT 360.64 million from retail loans and credit cards, respectively. Apart from this, the collection unit of RFC has successfully recovered an amount of BDT 10.29 million only from the Write-Off loans.

In a nutshell, the RFC team has provided their level best to ensure its services despite the various barriers in 2020.

## Credit Administration Division

Credit Administration Division (CAD) is one of the core Divisions of Trust Bank Ltd. entrusting with the task of coordination and control of implementation of documentations and covenants as per approval of loans by CRM. Besides, CAD ensures that branches follow policy guidelines, comply with rules and regulations vis-a-vis complying with MIS to maximize utilization of credit, protecting the Bank's interest with the following structures:

### i) Credit Policy Circular, Compliance, and MIS Issue

To facilitate credit operations, CAD prepares and updates credit circulars, the latest guidelines and policies of the Bank following the Bangladesh Bank, different relevant authorities, and organizations. The credit database/MIS is compiled and maintained by CAD to find out the mitigation of credit risk of the Bank. In this regard, collection and preparation of various reports including Loan Classification and Provisioning, SBS, CDLC, ISS, Sector-Wise Loans and Advances in respect of public and private component, Directors Loan, etc. are done and placed to Bangladesh Bank, Board of Directors within the regular schedule.

### ii) Documentation and Disbursement

Before disbursement of loans to the client, CAD ensures that all security documents (standard facility agreements, guarantees, transfer of title of collateral, etc.) are prepared and executed in compliance with the terms and conditions of sanction advice and are legally enforceable. CAD engages its enlisted panel lawyers for legal vetting of security documents. If there is any deviation from the approval, Credit Administration asks the branches to update pending documentation formalities. Disbursement becomes effective after protecting Bank's interest through documentation formalities as per approved conditions certified by the enlisted lawyer.

### iii) Credit Monitoring

Credit monitoring is an integral part of maintaining a healthy portfolio. Banks have a high responsibility to maintain the quality of assets and sustain profit and growths. Credit Administration Division starts account monitoring soon after disbursement and accordingly advises the branches to adopt appropriate actions as per sanction terms and conditions based on findings. CAD also arranges periodical valuation of assets and collateral, uses loans, identifies early alert accounts, and monitors timely repayment position against UC and SMA accounts with detailed analysis of past dues and their length.

### iv) CIB Issues

The CIB cell under Credit Administration Division is involved in regularly providing CIB reports to the branches as per their requirements. Besides, the CIB cell is updating and rectifying CIB Database communicating with the Bangladesh Bank as and when required.

## Recovery and Monitoring Division

Recovery from NPL and Written-Off (WO) loans was one of the most challenging tasks in 2020 under the pandemic situation that has almost paralyzed the world, including Bangladesh affecting our economy heavily. Covid-19 has disrupted the production, distribution, and consumption of almost all the industrial



sectors in Bangladesh, forcing shut down or operate at a level much lower than their minimum capacities. In this situation, recovery from NPL became an unfriendly and terrible assignment.

Despite the pandemic state, TBL has been justifiably successful in recovering a creditable cash amount of total BDT 687.72 million, out of which BDT 605.54 million against NPL and BDT 82.18 million from WO accounts. Besides, we also regularized BDT 2,431.56 million through rescheduling. TBL could tighten the NPL quite effectively, bringing down the classified loans from 5.49% of last year to 4.51% in 2020. However, Bangladesh Bank policy helped us keep the NPL percentage lower since there was no new inclusion and degradation of classified loans.

## Priority of 2021

Like past years' cash recovery from NPL and WO, accounts would remain the top priority future task of R&MD. We will continue to engage our division effusively to expedite the recovery process. Intense supervision, follow-up, and monitoring of the classified and WO accounts will be ensured through a pointed approach, extensive visits/meetings with the borrowers for amicable settlement. Our defined strategies, including diverse alternative strategies would be applied against the capricious defaulters and absconders alongside the legal measures. We would take all necessary steps to keep the NPL below 5%.

## Legal Division

As one of the leading commercial banks of the country, Trust Bank Limited is strengthening its Legal Division to face the challenges of the modern banking system. Legal Division is responsible for providing guidance on corporate governance, negotiating and drafting contracts, risk management, and developing strategic plans and policies of the Bank. This Division has a significant role not only in following up all the cases/suits but also as a supporting Division in all banking activities, including but not limited to providing a legal opinion, vetting of agreements and contracts, ensure credit document perfection in liaison with CRM, advising on disciplinary procedures to support HRD, assisting Recovery & Monitoring Division in implementation of a recovery strategy to mitigate NPL. Legal Division provides day-to-day legal supports to branch operations that ensure due diligence, customer compliance, prevent fraud and forgery, etc. Legal Division also fulfills immediate and regular legal compliance requirements of Inter-Departments of the Bank, the Regulator (i.e., Bangladesh Bank), the Ministry of Finance, and the Government of Bangladesh.

### Key Stats of 2020:

- BDT 875 million recovered from accounts under litigation.
- 77 cases disposed of from Lower Court cases amongst 660 cases.
- 19 cases disposed of from the High Court Division among 61 pending cases.

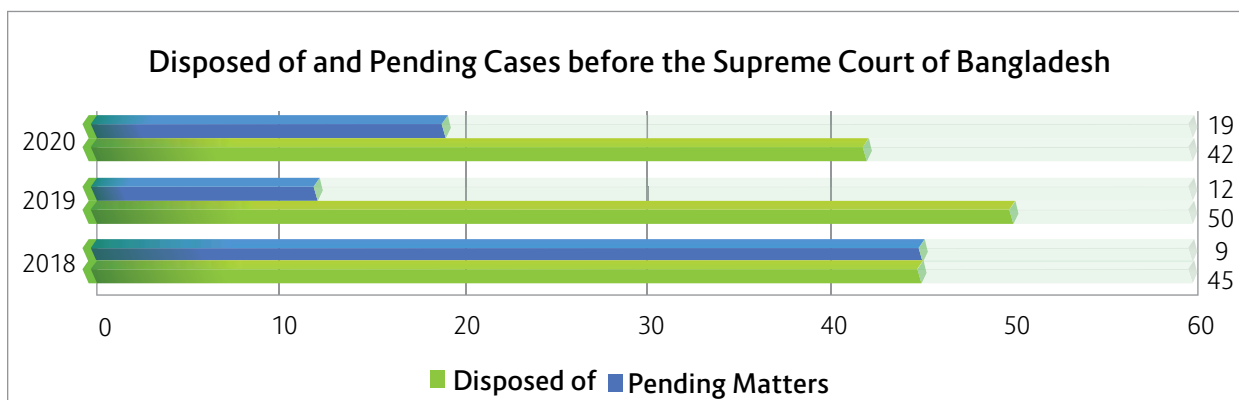
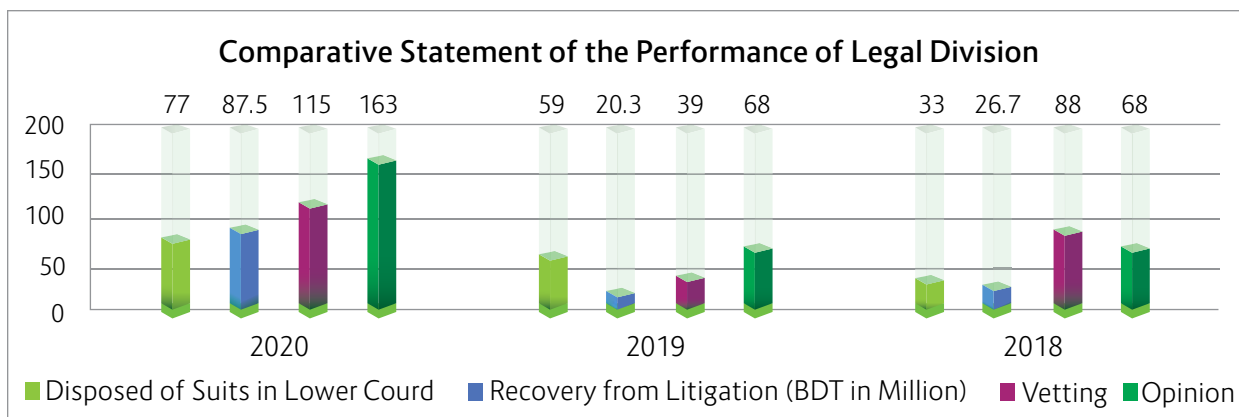
Status of pending and disposed of cases/suits in Lower Court:

Year	Number of Pending Cases	Disposed of Cases	Recovered Amount from Accounts under Litigation
2020	660	77	87.50 Cr
2019	586	59	20.28 Cr
2018	461	33	26.71 Cr

List of Vetted Documents/Agreements and Opinion:

Year	Total No. of Vetted Documents/Agreements by In-house Counsel	Total No. of Opinion provided by In-house Counsel
2020	115	163
2019	39	68
2018	88	68





## Banking Operations of Trust Bank

Operations Division is entrusted with the overall operational risk management of the Bank. The primary objective of operations is to ensure a high level of product and service delivery standards from all branches within a control culture.

Trust Bank has implemented an operational risk umbrella encompassing all aspects of potential risks- Bank protection, fraud prevention, business line risk oversight, regulatory compliance, business continuity, contingency plan, loss of physical assets, etc.

At Trust Bank, Operation Risks are managed based on the following principles:

- Supporting the Units of the Bank on-demand basis.
- Ensuring that the management system for operating risk complies with regulatory norms and legislative standards.
- Developing risk management tools.
- Separating authority and responsibility among Bank employees and establish Dual-Control Culture.
- Clarifying definitions and communicating the policies.
- Evaluating performances periodically based on Internal and External Reports.
- Developing mechanisms for storing databases.

## Information Technology

In recent days of high risk created worldwide by Cyber Attacks, the financial institution is combatting with upcoming solutions. Trust Bank Limited is also part of this and consistently upgrading its security features

and services to keep pace with the emerging technology. Since its long journey since inception, the Bank has taken several steps to improve its services by emphasizing IT. IT, being the business enabler, aims to reduce cost, increase the probability, improve internal efficiencies and ultimately improve the internal and external customer service experience.

The Bank has integrated technology with its business and continuously upgrades its technological aspects to keep pace with the modern banking arena. With the centralized online banking solution, the Bank can now serve its customers from anywhere, anytime. At present, internet banking, Call Center, Debit and Credit Card, System Integrated Payment facilities such as tuition fees, utility bills, passport fees, web-based mobile banking facilities, and automated e-statement solutions are available. The Bank rolled out several projects of Bangladesh Bank like BACH-II, RTGS, NPSB as per regulatory guidelines.

In recent years, the Bank has invested in technology, especially in enhancing IT Security to ensure maximum security for customer information and protect from risks of threats that are constantly changing globally. In the pandemic situation, the Bank has enhanced security and enabled working from home. Some achievements and imminent programs of Information Technology are as follows:

### Training and Awareness Programs

In 2020, IT officials were introduced to various training programs to develop skills and awareness of the latest technology trends. The IT officials joined online training programs to develop their skills in this pandemic year. Apart from grooming up for advanced expertise in certain areas, the Bank also conveyed to general users basic ideas on handling the technology platforms on virtual platforms, which helped the users create awareness of the risks of using digital technology. The Bank has introduced an E-learning and E-exam system through different virtual media (IP telephone, desktop sharing, video tutorials, web-based), saved traveling time, resources, and cost. The training academy is presently conducting its training and exams on virtual platforms, which is an excellent achievement for the Bank.

### In-house Developments

Apart from outsourced solution, the Bank has emphasized enriching own software development team. The in-house team has introduced several new applications such as Up-gradation of Leave Application, introduce attendance system, enhancement of extended services, integration of payment gateways for utility and remittance disbursement systems which were elemental in augmenting the Bank's progress towards digitization of services. One of the critical projects of in house team was E-Tender for automation of entire enlistment, tender, and other related processes. Very soon, the team has a plan to introduce a system for corporate loan loans.

### Launching of New Website and Social Media Page

A new website has been launched to make it easier to search content with a new look, a user-friendly menu for easy navigation, and enhanced responsive design adaptable for all devices. The Bank has also launched a new Facebook page where digital marketing is extensively steered. It has become easy for customers to deliver their valuable opinion on social media.

### Enhancing network and server storage infrastructure

As per our IT road map, we are in the process of ensuring enhanced cybersecurity and implemented Layer-7 Security with Next-Generation Firewalls. Accordingly, we have our Next-Generation Firewall (NGFW) to ensure security, confidentiality, availability, and integrity of data across the Bank to achieve our vision, mission, and objective. The new server storage system will enhance the performance and scalability of services. Platform up-gradation is under process, which is a mandatory process for sustainable growth in terms of technology.

## High Availability and Disaster Recovery

The Bank has accomplished extended works for its Data Center with high-end servers and networking equipment to accommodate growing business transactions with adequate security. Besides the data and network securities, various physical security measures like data center access control, environmental safety, civil works, fire prevention, etc., have been maintained adequately. Besides vigilant monitoring with 24x7 NOC, the DR Site has been equipped with advanced technology which can be readily accessed in case of any disaster of DC so that the customer services are not hampered.

## Information and Cyber Security Management

Nowadays, technology-driven issues such as information privacy, information security, and information integrity have become pivotal and have reached the forefront of the policy agenda in the banking industry. TBL, being a bank using IT as a business driver, gives particular emphasis on ensuring security. Practices in building walls to defend against unwanted attempts and make our bank cyber-resilient go on side by side.

The bank has already introduced EMV cards 02-factor authentication (2FA) system to facilitate customers with secure financial transactions for card transactions and Internet Banking or e-commerce transactions. The bank has established enhance vigilance with PAM, SIEM, and Endpoint Security Solution.

The bank has started deploying a consolidated, automated, and optimized Security Layering for the bank. The bank has adopted next-generation SIEM to analyze malicious activities. The event management of SIEM solution stores and interprets logs in a central location and allows analysis in near real-time, which means IT security personnel can take defensive actions much more rapidly.

The activities of system administrators are monitored with Privilege Access Management (PAM) tool. The tool has ensured an extra layer of security for the internal system administrators and will provide better security and management of IT assets.

The bank is willing to enhance end-user protection and in the process of implementation of endpoint security solutions with encryption technology. The solution has Data Loss Prevention (DLP) technology to protect internal information in a more advanced methodology.

## ICT Security Governance

The 'ICT Security Committee' and 'ICT Steering Committee' have been formed to strengthen existing ICT security governance and accountability, to ensure the implementation of information security throughout the bank. TBL also updates its policy regularly to deal with evolving changes in the ICT environment, regulatory requirements within the bank. Besides, the committees also supervise to ensure that all units and users are aware, understand and perform their roles and responsibilities as stated in the policy.

## Information System Audit Team

TBL is entirely dependent on information technology. Therefore, a number of inherent risks such as data collapse, data loss, data modification, unauthorized access to data, etc., may arise within the bank. For such, TBL has established a dedicated Information System Audit team under Internal Control and Compliance (IC&C) to identify the inherent risks and manage those risks effectively and efficiently. IT audit team follows the prescribed guidelines, solves the unsettled issues, and suggests higher management for needful action.

## IT Risk Management

IT Risk Management is embedded with an organizational internal control system which is used as part of the management control for risk management in the organization. The IT Risk Management deals with risk management operations, policy documentation, IT risk and security compliance, IT awareness and training, etc. The objective of IT Risk Management is to achieve the highest levels of technology-driven service quality with minimum operational risk.

In the backdrop of increased reliance on complex IT systems and operations in the financial sector, the risk of cyber-attacks and systems disruptions is high, and the same is increasingly alarming. In this regard, TBL has constantly been extending its technology risk management capabilities by adopting a strong ICT Security Policy.

## Internal Control and Compliance Risk Management

Internal control refers to a permanent mechanism to control the activities in an organization. In its absence, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds and forgeries, technology failure, and documentary lapses may surface. The primary objectives of the internal control system are to help the Bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same, and ensure compliance with the regulatory framework, including applicable laws and regulations.

The Bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the Internal Control processes are in place. As per instruction of Bangladesh Bank, the Audit Committee of the Board has been constituted to assist the Board in fulfilling its oversight responsibilities, including implementation of the objectives, strategies, and overall business plans set by the Board for effective functioning of the Bank. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, the health report of the Bank, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2020, 10 meetings of the Audit Committee were held. The Bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determine how much follow-up, monitoring, and periodicity of internal audit would be required to bring a particular branch back to normalcy. If the branch's performance is not satisfactory, it is presumed that the branch has some weakness that may pose a potential threat for the Bank.

IC&C Division set out an audit plan for the year 2020, which was approved by the Audit Committee of the Board (ACB) of the Bank. In 2020 IC&C Division conducted comprehensive audits in 95 branches and 31 divisions/departments at Head Office. In the same year IC&C Division carried out 23 Spot Inspections and 28 IT audits in different branches. In addition, the audit was also conducted in 06 TBIL branches and TBIL Head Office and 64 Pay points for Mobile Banking Operations.

IC&C Division of the Bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL), and Quarterly Operations Report (QOR) of the branches and other mechanisms.

## Money Laundering and Terrorist Financing Risk Management

Money Laundering and Terrorist Financing threaten financial and non-financial institutions and societies as a whole. Recently, the global financial sector transforms into modern technology-oriented services. For most countries, money laundering and terrorist financing raise significant issues concerning prevention, detection, and prosecution. Sophisticated techniques used to launder money and finance terrorism have increased the complexity of these issues. Such sophisticated techniques may involve multiple financial transactions, the use of different financial instruments and other kinds of value-storing assets, different types of financial institutions, accountants, financial advisers, shell corporations and other service providers, and a complex web of transfers to, through, and from different countries.

Prevention of money laundering and terrorist financing requires a collective effort from all relevant government and private sectors. An effective AML/CFT regime can only be implemented if all stakeholders comply with the country's AML/CFT laws, rules, and regulations. As major players in the national economy and social system of Bangladesh, all financial organizations of Bangladesh should comply with these Guidelines as a preventive measure to keep themselves safe from both the risk of money laundering and terrorist financing.

To mitigate such risk, Trust Bank has AML and CFT policy which is followed by all the branches and related divisions/departments in business approach and practices. In addition, the Central Compliance Committee of TBL conducts meetings quarterly to fix different issues to mitigate Money Laundering and Terrorist Financing risk.

TBL is following the approaches to control Money Laundering and Financing of Terrorism, and any types of fraud are mentioned below:

1. Mandatory of KYC management.
2. Sanction Screening for all type of customers
3. Monitoring Transaction and identification of STR/SAR to BFIU.
4. Submission of Cash Transaction Report (CTR) to BFIU
5. Adequate training is providing to the officials of TBL on AML & CFT.
6. Customers' Risk Categorization
7. Following Customer Acceptance Policy.
8. Prevention of Trade-Based Money Laundering.

Besides these, TBL maintains a membership of the International Maritime Bureau (IMB) to prevent Trade-Based Money Laundering. Through the IMB, TBL is verifying the shipping documents in case of foreign trade.

## Human Resources Management

As of 31 December 2020, a total of 1951 regular employees are working for TBL. The majority of employees are concentrated in the branches, and the remaining employees support the branches with different operational functions in the head office.

Offices	2020		2019	
	Number	Percentage	Number	Percentage
Head Office	467	23.94	459	23.65
Branches	1484	76.06	1482	76.35
	1951	100.00	1941	100.00

The employees are in a blend of experienced senior officials as well as young talents.

Employee Rank	Number	Percentage
Executive	164	6.97
Officer	1787	93.03
<b>Total</b>	<b>1951</b>	<b>100.00</b>

## Age distribution

TBL has a relatively young segment in its overall employee, where 58.59% of the employees are below 40 years of age.

Age Group	Male	Female	Total
Below 30	142	75	217
31-40	888	285	1173
41-50	321	170	491
51-60	58	11	69
60 and above	1	-	1
<b>Total</b>	<b>1410</b>	<b>541</b>	<b>1951</b>

## Recruitment

TBL is an equal opportunity employer, and our recruitment process is designed to attract and hire people with the best attitude and positive mindset to enrich them and the organization. Our recruitment and selection process aims to find the best recruitment sources, hire the best talents and keep the organization competitive in the job market.

All the advertisements are circulated through renowned newspapers and job portals. At the same time, we have started receiving job applications through our own website in 2020.

In 2020, a total number of 83 regular employees and 30 contractual employees have been recruited. Among 83 employees, 02 Trainee Assistant Cash Officers (TACO) and 14 Trainee Assistant Officers (TAO) have been recruited as fresh entrants and the rest in different positions as lateral entrants. The overall scenario of recruitment status in last two years is as follows:

Employment Type	2020	2019
Regular	83	144
Contractual	30	70
<b>Total</b>	<b>113</b>	<b>232</b>

## Compensation and Benefit Strategy

Compensation and benefits packages of TBL combine the need to maintain a high-performance culture along with market competitiveness. Salary is disbursed on a monthly basis with a combination of basic salary and other fringe benefits.

Employee Benefits	End Service Benefits
<ul style="list-style-type: none"><li>• Employees' Hospitalization Benefit</li><li>• Travelling/ Travelling Allowance Benefit</li><li>• Residential Furniture and Appliances Benefit</li><li>• Loan against Provident Fund</li><li>• Staff House Building Loan</li><li>• Executive Car Scheme</li></ul>	<ul style="list-style-type: none"><li>• Provident fund</li><li>• Gratuity</li><li>• Superannuation</li><li>• Leave encashment</li></ul>

## Leave Facility

As per Bank's policy, employees are entitled to Earned Leave, Sick Leave, Casual Leave, and Maternity Leave. However, some other types of leave facilities, e.g., quarantine leave, pilgrimage leave, leave without pay, etc., are also available for employees at the discretion of management. Employees are also granted study leave (without pay) to pursue higher education with keeping the employment intact.

During the Covid- 19 pandemic, employees were assigned to their job places through rostering. This roster duty was not considered as a leave period. In compliance with the guideline from the central Bank, TBL ensures mandatory leave of minimum ten days at a time for its employees. 89.47% of employees availed mandatory leave in 2020.

## Maternity Leave

A female employee is entitled to 180 (One Hundred Eighty) days maternity leave with full pay. An employee can avail of this leave as per the Bank's policy which complies with the regulatory law of the country. In 2020, 50 female employees availed maternity leave facility. During the Covid- 19 pandemic, TBL encouraged pregnant female employees to stay at home and avail maternity leave along with other applicable leave balances so that they and their expected child can remain safe.

## Separation Policy

We recognize that employees may leave the Bank due to their own career development plan. On the other hand, the Bank may let go its employees for various reasons, including disciplinary reasons and professional incompetency. The Bank would like to ensure a smooth and hassle-free exit procedure for the departing employees. At the same time, the Bank ensures that all departing employees get their dues in full as applicable.

During resignation, confirmed employees need to serve a notice period of 60 days or surrender 60 days' basic salary in lieu if agreed by the management. The notice period is 30 days in case of employees on probation.

**Employee turnover information for the last two years is as follows:**

Year	Number	Employee Turnover Rate
2020	68	3.49%
2019	119	6.19%

## Employee Engagement

Employee engagement is one of the top priorities of TBL HRD. Through employee engagement programs, employees get chances to take their minds off workload and are motivated to provide better output to the bank. These programs spread a positive vibe among the employees and lead to employee satisfaction. Therefore, it ensures a better work environment, stress management, and overall Employee-Management relationship.

## Women's Day Celebration

TBL celebrated International Women's Day to honor the contribution of our female colleagues to the bank. Honorable members of the Board and top management participated in the program along with our female colleagues.

## Bangla Noboborsho Celebration

Due to the Covid-19 pandemic, TBL did not arrange any Bengali new year celebration program. However, Bangla Noboborsho is celebrated with a grand arrangement from the management with the participation of the honourable Board of Directors every year. Branches outside Dhaka also arrange celebration programs and "Meet and Greet" sessions with clients in respective branches.

TBL HRD uses the following intra-communication platforms to boost employee engagement:

## Colors of HR

It is a platform where different types of content are published regularly for employee motivation and engagement. Any achievement of employees is appreciated, and new joiners are introduced to all employees through this platform also.

## HRBL (Human Resources Business Lyrics)

HRBL (Human Resource Business Lyrics) is a platform for individual employees to project fresh business concepts and process improvement, risk mitigation, value addition in existing products, customer service, and cost-efficiency. Employees are rewarded for their innovative ideas.

## Suddhachar

A platform to promote Shuddhachar activities of TBL in compliance with Bangladesh Bank guidelines and create awareness in the form of rhymes to practice integrity in every aspect of the professional environment.

## HR-IT Financial News

This is another initiative of the HR-IT Team that focuses on the circulation of financial and related news to employees to update themselves with the latest financial news.



## Awareness Programs

### Anti-Harassment Policy

TBL employees are protected against any sort of harassment including sexual harassment so that they can serve the Bank with dignity, decency and respect. TBL has a “Zero Tolerance” principle against any sort of harassment as it disrupts organizational harmony. The policy outlines the procedures of raising and investigating any harassment issue and disciplinary measures. The policy also guides management about its role in case of a false complaint.

### Speak Up Policy

TBL encourages employees to raise voice against any suspected misconduct, breach of law or regulation within or outside the organization related to TBL. This practice encourages employees to take Employees are protected from any type of retaliation, as per policy. At the same time, the information of the employee making the disclosure is kept confidential.

### Grievance and Dispute Handling Policy

Human resources management enables employees to effectively deal with issues concerning work, working conditions, treatment in the Bank, or relationships with colleagues. The Bank has put in place a set of procedures to enable employees to raise any grievance that they may have in an appropriate manner, address those issues and, hopefully, resolve them.

### Fire and Safety drill

Firefighting and safety drills are regularly organized at head office and branches to facilitate employees with the knowledge on how to fight against any fire incidents. This awareness program helps employees to be cautious in their day-to-day office and family life regarding fire issues.

### Succession Planning

Our approach to succession planning begins with our overall business strategy and ends with a refined people and leadership plan. Keeping this in mind, Bank has implied succession planning for all of its Executive Management positions in the branch and head office. As part of succession planning, every year, Management Trainee Officers are recruited and nurtured as future bank leaders. They are adequately trained and groomed up to take over responsibilities after necessary knowledge and experience gathering.

In addition, Human Resources Division works with other divisions/departments to create a career path for concerned individuals and consequently establish succession planning for critical positions of the Bank.

### Empowering Women

Financial independence is a prerequisite for women’s empowerment. TBL believes that a financially independent woman is confident and she can deliver as good performance as a man. TBL is an equal opportunity employer, and therefore, a good number of female employees are recruited every year. In 2020, gender-wise recruitment (regular) information is as following:

Gender	Number	Percentage
Male	63	75.10
Female	20	24.10
<b>Total</b>	<b>83</b>	<b>100.00</b>

Overall gender positioning of employees are as follows:

Gender	Number	Percentage
Male	1410	72.27
Female	541	27.73
<b>Total</b>	<b>1951</b>	<b>100.00</b>

A good number of female employees are holding high-level positions in the bank. Out of 164 executive positions of the bank, 34 are women. Besides providing adequate opportunities, we ensure a good and safe work environment in TBL. Our female colleagues are protected against any sexual, physical, or emotional abuse through TBL Anti-Harassment Policy.

## Training and Development

Training strives for imparting applicable knowledge, skills, and attitudes required for a job. It focuses on delivering better performance in the current role and develop to overcome future changes/challenges.

We believe, the cost incurred for training and development is not a cost; instead, it is an investment. Training and development programs can help create a competitive workforce. It is an opportunity for an individual to learn and sharpen one's skills. Therefore, TBL gives high priority to raising the quality and quantity of training and development opportunities. It is ensured that all employees have access to proper training/certification courses to develop themselves and contribute to the overall development of the bank. Employees are provided with different in-house training courses arranged by Trust Bank Training Academy (TBTA). At the same time, they are sent to various competitive training programs organized by renowned organizations.

TBTA always plays a positive role in training and developing employees and assesses training needs. For this; it designs training, prepare training calendar and conduct different training throughout the year, including outreach program in different parts of the country. In 2020, 30 numbers of training were planned, but due to Covid-19, TBTA conducted only 08 training throughout the year, including 3 online courses.

The overall training scenario for the year 2020 is as follows:

Training	2020		2019	
	Number of Training	Number of Participants	Number of Training	Number of Participants
In-house (TBTA)	08	255	36	1314
Local (outside TBTA)	52	163	104	332
Foreign	1	1	9	11
<b>Total</b>	<b>61</b>	<b>419</b>	<b>149</b>	<b>1657</b>

In-house training programs basically comprise of foundation training on banking, training on core banking activities (general banking, credit, foreign trade, etc.), AML and CFT and IT. Employees are also provided with soft skill training arranged by different renowned organizations to grow themselves and help others grow around them.

## Employee Motivation for Professional Certification

Obtaining a professional degree/certification helps an employee grow his/her knowledge and secure a better career progression. Management of the bank always encourages its employees to acquire professional excellence. On completion of certification courses, different honorarium packages are awarded to employees. The bank also reimburses the cost incurred by an employee to acquire professional certifications like CDCS, CSA, etc.

## Review of Business Operations of Subsidiaries

### Trust Bank Investment Limited

Trust Bank Investment Limited (TBIL), a fully owned subsidiary of Trust Bank Limited (TBL), was formed and incorporated on 09 September 2010 as a public limited company under the COMPANIES ACT, 1994 in Bangladesh to handle the capital market operations. The company obtained permission from the Bangladesh Securities and Exchange Commission on 25 October 2010 to operate as a full-fledged Merchant Bank and started its operation on 14 November 2010 by taking over the assets and liabilities of the Merchant Banking Division of TBL. TBIL is entitled to undertake all merchant banking activities viz, portfolio management, underwriting, issue management, and corporate advisory services as a full-fledged merchant bank.

The global stock market entered into a panic attack in 2020 in the wake of the outbreak of Covid-19. There was the speed at which the pandemic escalated, the severity of the lockdowns, the size of the government stimulus measures globally, and the magnitude of the equity market rebounds. Perhaps the biggest surprise is that global equities, as of late December 2020, have gained around 12% since the beginning of the year—an outcome few would have predicted during a global pandemic. With the U.S. election behind us and effective vaccines on the way, investors have become bullish, pushing the S&P 500 Index (USA), which tracks the share prices of 500 of the largest public companies in the United States, to record highs.

Bangladesh stock market, which saw free-fall in March 2020, prompting the regulator to set floor prices amid the Covid-19 outbreak, ended the year better than many peers, including India, Pakistan, and the USA. Despite all the economic uncertainty amid the ongoing coronavirus pandemic, 2020 saw growing investor confidence in the country's stock market. DSEX, the benchmark index of the Dhaka Stock Exchange, stood at 4,453 points at the beginning of the year on 01 January while it was 5,402 by the end of December, registered 21.31 percent growth in the prime index. To curb the spread of Covid-19, the government enforced a nationwide shutdown of all economic activities between 26 March and 30 May. The country's bourses were also shuttered during these two months. However, the DSEX still managed to hit the 5,400 level by the end of the year. The daily average turnover of the year 2020 escalated to BDT 6,489 million or up by 35.10% from BDT 4,803 million in the Year 2019.

The market capitalization soared 32 percent year-on-year to BDT 4,482,300 million from BDT 3,395,510 million in 2019, the highest yet on the back of higher prices of larger-cap stocks, the debut of heavyweight companies like Robi and Walton, and supportive policy measure from Bangladesh Bank. Meanwhile, foreign investors' transactions in the DSE bourse increased to BDT 103,870 million from BDT 78,227 million, which is 7.7 percent of the total transactions at the Dhaka Stock Exchange in 2020.

The IPO market was in a bullish trend amid this pandemic situation. Private companies have offloaded primary shares worth BDT 9,620 million in the outgoing year as against BDT 5,170 million in 2019, the highest amount in the last six years, amid Covid-19 induced sluggish economic activities. With the latest one of Mir Akther Hossain, the country's capital market witnessed eight initial public offerings (IPOs) in 2020, boosting the market capitalization significantly and increasing the depth of the market. Three companies used the book-building method - Walton Hi-Tech Industries (BDT 1,000 million), Energypac Power Generation (BDT 1,500 million), and Mir Akther Hossain (BDT 1,250 million). Five other companies raised funds through using the fixed-price method - Robi Axiata (BDT 5,230 million), Dominage Steel Building Systems (BDT 300 million), Express Insurance (BDT. 260.79 million), Associated Oxygen (BDT 150 million), and Crystal Insurance (BDT 160 million).

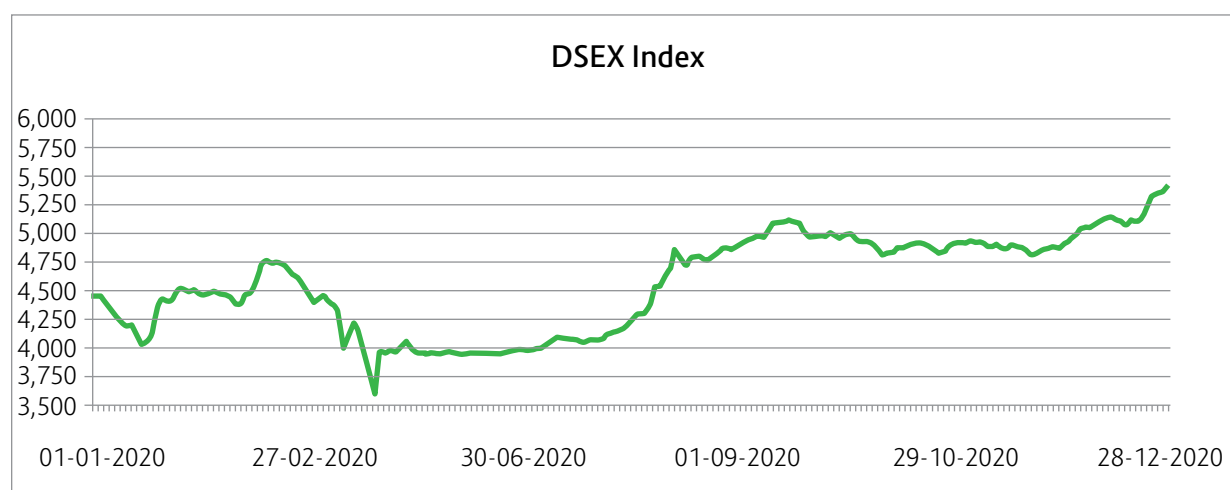
Several indications influenced the upward trend in investor confidence, such as a change to the market regulator's long-standing leadership and policy support from Bangladesh Bank. The major regulatory steps, which restored investors' confidence, included imposing a large number of penalties on wrongdoers, compliance with holding between 2 percent and 30 percent shares by sponsors-directors, and the move to restructure the board of non-performing companies. To help reach the market people's doorstep, the commission also approved the rules for opening digital trading booths at home and aboard.

The performance of TBIL, as of any other merchant bank, purely depends on the capital market of Bangladesh. Though the market posted positive returns on a year-on-year basis depending on few more extensive cap stocks, a large chunk of stocks remained stuck in floor price as set by BSEC in March 2020 after a free-fall of stock price against the first identification of Covid-19 patients in Bangladesh. With two months of a

shutdown of prime bourses along with a bearish trend of the stock market in the first half of the year 2020, TBIL's performance for the first half was somewhat disappointing. However, TBIL managed to generate a handsome amount of operating profit amounting to BDT 76.51 million at the end of the year 2020.

Dividend and Capital Gain from proprietary investment portfolios have become the primary source of revenue for TBIL. TBIL maintains its own portfolio operations in compliance with the TBIL Investment Policy duly approved by the Board of Directors. In the year 2020, TBIL has realized a profit of BDT 65.17 million from its own portfolio investments, including both capital gain and dividend income.

Portfolio management services are the other significant sources of earnings of TBIL. TBIL is providing Portfolio Management Services to its client through IDA, BDA and NIDA accounts. TBIL manages investors' portfolios of its clients worth BDT 3,581.14 million against margin lending of BDT 2,166.14 million as of 31 December 2020. Revenue generating from Portfolio Management Services include Interest on Margin Loan, Portfolio Transaction Fee, Portfolio Management Fee, and Annual Charges for CDBL account maintenance fee. Underwriting is another source of revenue for Merchant Banking Operations. As of 31 December 2020, TBIL has underwriting commitments with 2 (two) issues for a total amount of BDT 60.53 million.



### Business Position of TBIL

SL	Particulars	As on 31 December 2020
1.	No. of Accounts	3,019
2.	Total Loan against Securities (BDT in Million)	2,167.23
3.	Total Portfolio Value at Market Price (BDT in Million)	3,581.14
4.	Average Daily Trade Volume (BDT in Million)	25.84
5.	Average Daily Trade Volume as % of that of DSE	0.40%
6.	Operating Profit (BDT in Million)	76.51

### Initiatives to be taken by TBIL in 2021

Firstly, the Issue Management team of Trust Bank Investment Ltd. (TBIL) works with different companies to bring new IPOs to the market. The Initial Public Offering - IPO is a process where a previously unlisted company sells new or existing securities and offers them to the public for the first time. Issue Manager Like TBIL helps those companies to complete the IPO process. As a result, in 2021, TBIL will bring a new issue to the secondary market.

Secondly, underwriting commission is a great source of revenue for a merchant bank, and TBIL will underwrite several issues under IPO, Right share, and BOND.

Thirdly, an Interactive website is planned to be made and operated by TBIL IT, which will serve different client queries and be a source of Information Hub. SMS alert services are also intended to be started within 2021.

Fourthly, Financial Control and Account Department (FCAD), TBIL plans to implement BEFTN Service to make automated payments to various parties.

Fifthly, there is a plan to upgrade 'mBank' software to manage clients' portfolio to 'Capita' as the support service for 'mBank' is limited and supposed to be stopped by the end of 2021.

Last but not least, new initiatives (i.e., interest rate, management fee to be stopped for negative equity accounts) to be taken for not increasing Negative Equity amount compared with 2020. During the last fall of the market starting from December 2010, most investors who are availing Margin facilities were affected severely, and their portfolio became negative Equity. TBIL Negative Equity Management committee will closely monitor all the portfolios and take necessary steps; and as such, the negative equity amount has reduced from last year.

### Trust Bank Securities Limited

Trust Bank Securities Limited (TBSL) is a fully owned subsidiary of Trust Bank Limited (TBL) is one of the fully complied stock brokerage houses of Dhaka Stock Exchange Ltd (DSE). The principal activities of the company are to act as a Trading Right Entitlement Certificate (TREC) holder of DSE to carry on the business of brokers and dealers in stocks, shares and securities, bonds, debentures, treasury bills and/or any financial instruments. TBSL provides all DP (Depository Participant) related services of Central Depository Bangladesh Ltd (CDBL). The company is also providing real-time online trading through DSE mobile apps.

The capital market is an economic indicator showing the performance of government policies. It plays a crucial role in the economic development of a country. A capital market is for resource intermediation for the financial market in which medium and long-term credit is available for economic growth. The stock market in Bangladesh has begun to reflect the adverse impacts of the coronavirus pandemic since February 2020. The Dhaka and Chittagong stock exchanges had to stay shut from 26 March 2020 to 30 May 2020 to contain the contagion; however, a sharp decline in trading activities was observed due to economic and financial uncertainty.

Defying odds amid the Covid-19 pandemic, Bangladesh's stock market performed well during the July-September period of 2020, emerging as Asia's best-performing capital market. In terms of gains in the key index, Bangladesh's stock market performance was also the highest in the world. According to research by Asia Frontier Capital, DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), posted a double-digit growth by 24.4% in Q3 (July-September), of 2020, the highest gain in key index among the world's top performing stock exchanges. Very attractive valuations, lower interest rates, smothered economic reopening after the shutdown to stop the spread of the coronavirus, better remittance inflow and recovery in export earnings have primarily contributed to this rally, the report findings show.

Stocks extended the winning streak with the key index crossing the 5,400-mark after 18 months, the last trading day of the year 2020. DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 43.80 points or 0.81 % to settle at 5,402. It has been the highest since 30 June 2019, when DSEX was 5,421. The total market cap of the DSE surged to BDT 4,482 billion on the last trading day, recording a fresh all-time high every day, driven by the biggest-ever issue -Robi. Turnover, a crucial indicator of the market, stood at BDT 15.83 billion on the country's premier bourse. Two other indices also closed higher. The DS30 index, comprising blue chips, soared 27.38 points to finish at 1,963 and the DSE Shariah Index rose 8.64 points to close at 1,242.

The investors continued their buying appetite on sector-wise stocks amid growing confidence stemming from regulatory actions and the gradual traction in economic activities. The regulatory moves to build a stable and vibrant capital market and enlistment of quality IPO's in the market also contributed to the index reaching its highest point in 18 months.

The overall performance of TBSL was much better than the previous year. The company achieved a reasonable profit in the year 2020 as the market recovered tremendously after June 2020. The wholehearted effort of the TBSL employees, its management, and the Board of directors lead the company to achieve this success. During the year, the company earned a total income of BDT 39.74 million, where operational income was BDT 31.67 million, and non-operational income was BDT 8.07 million. On the other hand, the total operating expenditure was BDT 16.28 million. Therefore, the net profit before tax stood at BDT 23.46 million. Provisioning of income taxes and others of (BDT 6.01), net profit after tax stood at BDT 17.45 million, compared to BDT 5.09 million of 2019.

The overall performance of TBSL between the year 2019 and 2020 is shown in the following table:

**BDT in Million (where applicable)**

SL	Particulars	2019	2020	Increase/decrease (%)
1.	Total No. of Active BO A/C	696	987	41.81
2.	Total No. of Employees	10	11	10
3.	Total Income	27.96	39.74	42.13
4.	Total Expenditure	16.44	16.28	(0.97)
5.	Profit Before Tax	11.52	23.46	103.65
6.	Provision for Income Taxes and Others	(6.43)	(6.01)	(6.53)
7.	Net Profit/(Loss) after Tax	5.09	17.45	242.83

### Priorities for 2021

To generate more income TBSL has decided to expand its business. Recently, BSEC has given permission to open new branches and trading booth at home and abroad. Therefore, new branches will be opened at Dhaka and some commercially important cities of Bangladesh, like Narayanganj, Chattogram, Sylhet, Khulna, Rajshahi, etc. The company will also open some main office extensions at Gulshan, Uttara, Karwan Bazar, etc.

To introduce foreign trade, TBSL will establish a 'Research and Analyses Wing', which will support the local as well as the foreign clients of TBSL. The company will introduce commission agent/trade associate, which will increase the profitability of the company.

### Trust Axiata Digital Limited (TADL)

With the underlying objective of ensuring a wide range of MFS for the banked and unbanked population of Bangladesh, TADL has executed the soft launch of its MFS product on 30th December 2020 with the brand name 'tap'. TADL offers the most convenient, flexible, secure, and affordable services, and it aims to gain a wide range of financial inclusion of people from all levels of income. TADL's new team is now completing the Software Integration, establishing partnerships with stakeholders, establishing market Footprint and onboarding new services every day. Our projected commercial launching time of 'tap' is May 2021 as the premier 'Lifestyle MFS' in Bangladesh.

Beyond primary access and utilization of Mobile Financial Services, 'tap' aspires to revolutionize our customers' lifestyle by bringing innovation to the sophisticated digital payment movement system. The ultimate focus of 'tap' is to provide innovative services, solidify strategic partnerships with key players in the value chain and become one of the leading Mobile Financial Service providers in the country. It is a complete digitized payment ecosystem of the country. Currently, 'tap' is running through a wide network of agents throughout urban and rural areas of Bangladesh with a fast-growing customer base.

A global leader in brands and technologies - our vision gives us a sense of direction and destination. It captures our aspiration of being the best in everything we do. It is the basis for what we all stand for as one company. Our vision and our values guide the choices and decisions our employees make every day.

Mr. Dewan Nazmul Hasan is the Acting Chief Executive Officer of the Trust Axiata Digital Limited as a Management Team Member.

### Accounting Policies

The consolidated financial statements of Trust Bank Limited and its subsidiaries for the year ended 31 December 2020 has been prepared following IFRS, IAS and the "First Schedule" (section 38) of the Banking Companies Act 1991 as amended, BRPD Circular number 14 dated 25 June 2003 and other Bangladesh Bank Circulars.

The Bank adopted the following requirements of laws and regulations from various Government bodies:

- i) The Banking Companies Act 1991;
- ii) The Companies Act 1994;
- iii) Rules and Regulations Issued by Bangladesh Bank;
- iv) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and 178 IFIC Bank I Annual Report 2018 Exchange Commission IPO Rules 2006 and notifications thereon;
- v) The Income Tax Ordinance 1984 and amendment thereon;
- vi) The Value Added Tax Act 1991 and amendment thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chattogram Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;

If any requirement of the Banking Companies Act 1991 and provisions and circulars issued by Bangladesh Bank deviate from those of IFRS and IAS, the Banking Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such, the Bank has departed from those contradictory requirements of IASs and IFRSs to comply with the rules and regulations of Bangladesh Bank, which are disclosed.

## Use of Estimates and Judgments

The financial statements of the Bank in conformity with IFRSs requires management to make necessary judgments, estimates and assumptions that affect the application of accounting policies and the measurement of assets, liabilities, income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized when the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below:

- a) Provision for loans, advances and investments
- b) Revaluation of land & buildings
- c) Deferred tax assets/liabilities
- d) Useful life of depreciable assets
- e) Measurement of defined benefit obligation (Provision for gratuity)
- f) Provision / accruals for expenses
- g) Provision for the current taxation
- h) Contingent Liability (Letter of Guarantee)

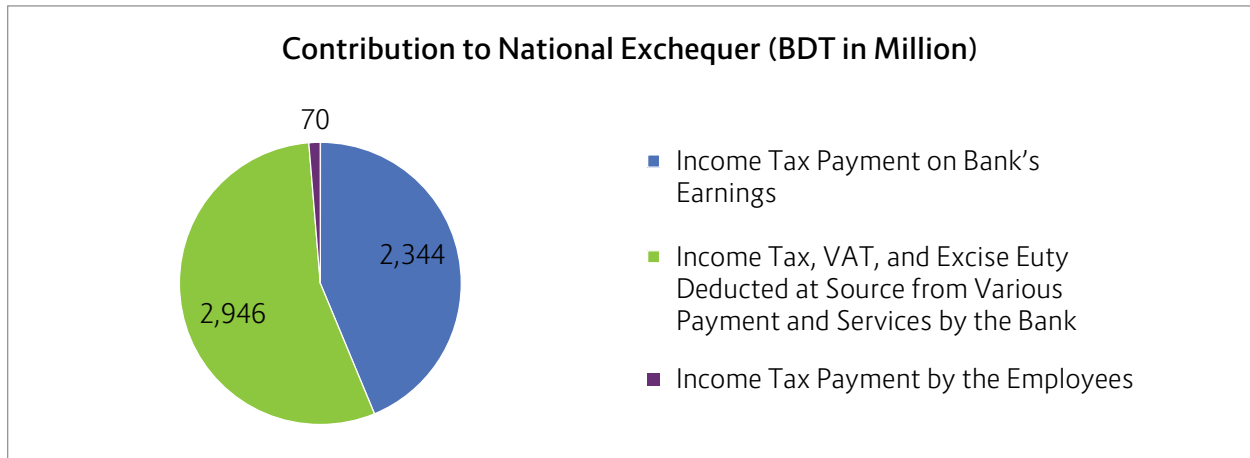
## Changes in Accounting Estimates

Changes are reflected in the assumptions when they occur according to IAS 8, i.e., Accounting Policies, Changes in Accounting Estimates and Errors. The Bank has not adopted any change of accounting estimates during the year, and consistency applies in exact accounting estimates of the previous period.



## Contribution to National Exchequer

TBL made significant contribution to the government in boosting its revenue collection. As per the prevailing law of the country, the Bank being corporate citizen pays tax and VAT on its own income. Besides, the Bank deducts income tax, VAT and excise duty at source from employees, clients, depositors and suppliers, and deposits the same to the national exchequer.



In addition to the Bank's own income tax, the Bank contributed BDT 5,360.00 million to national exchequer as tax, vat, income tax and excise duty deducted at source from employees, clients, and suppliers in the reporting year.

  
**Humaira Azam**  
MD & CEO



## Horizontal Analysis (Solo)

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2016 giving value 100% and after that period any value above 100% means positive growth and below 100% means negative growth compared to base year.

Profit and Loss Account for the last five years

Particulars	2020	2019	2018	2017	2016
<b>OPERATING INCOME</b>					
Interest income	135.16%	149.57%	132.10%	108.93%	100.00%
Interest/profit paid on deposits and borrowings, etc.	156.62%	154.28%	128.35%	101.51%	100.00%
<b>Net interest income</b>	<b>93.06%</b>	<b>140.32%</b>	<b>139.44%</b>	<b>123.49%</b>	<b>100.00%</b>
Income from investment	267.25%	133.35%	99.70%	95.41%	100.00%
Commission, exchange and brokerage	116.48%	131.12%	108.92%	125.92%	100.00%
Other operating income	98.18%	105.09%	99.42%	111.90%	100.00%
<b>Total operating income</b>	<b>142.39%</b>	<b>135.16%</b>	<b>122.44%</b>	<b>115.76%</b>	<b>100.00%</b>
Salaries and allowances	116.11%	107.15%	98.09%	96.79%	100.00%
Rent, taxes, insurance, electricity, etc.	63.87%	60.48%	111.48%	106.62%	100.00%
Legal expenses	101.75%	251.24%	191.23%	89.47%	100.00%
Postage, stamp, telecommunication, etc.	61.59%	57.23%	60.44%	69.92%	100.00%
Stationery, printing, advertisements, etc.	67.71%	82.81%	78.84%	72.62%	100.00%
Managing Director's salary and benefits	100.00%	100.04%	91.39%	100.09%	100.00%
Directors' fees	130.30%	121.69%	123.81%	148.92%	100.00%
Auditors' fees	213.95%	133.72%	132.56%	132.56%	100.00%
Depreciation and repairs of Bank's assets	238.18%	228.93%	98.41%	101.03%	100.00%
Other expenses	146.99%	116.88%	105.11%	102.45%	100.00%
<b>Total operating expenses</b>	<b>117.40%</b>	<b>106.21%</b>	<b>99.98%</b>	<b>98.38%</b>	<b>100.00%</b>
<b>Profit before provision</b>	<b>163.62%</b>	<b>159.77%</b>	<b>141.54%</b>	<b>130.54%</b>	<b>100.00%</b>
Provision for loans and advances/investments	300.14%	255.41%	212.48%	170.84%	100.00%
Provision for diminution in value of investments	-2.99%	-167.33%	-61.03%	29.16%	100.00%
Other provisions	162.41%	-141.99%	388.39%	634.21%	100.00%
<b>Total provision</b>	<b>298.13%</b>	<b>244.69%</b>	<b>222.24%</b>	<b>190.24%</b>	<b>100.00%</b>
<b>Total profit before Taxes</b>	<b>125.47%</b>	<b>135.68%</b>	<b>118.65%</b>	<b>113.60%</b>	<b>100.00%</b>
Current tax	172.94%	181.55%	150.64%	150.51%	100.00%
Deferred Tax	17.23%	84.76%	56.80%	95.77%	100.00%
<b>Net profit after tax</b>	<b>89.02%</b>	<b>101.13%</b>	<b>94.21%</b>	<b>86.10%</b>	<b>100.00%</b>

The above table shows that total operating income, operating expenses and operating profit of Trust Bank Ltd. are growing consistently over the periods. Operating income shows higher growth in 2020 for the growth of loans and advances. Total provision is showing increasing trends over the periods; however, NPL decreases from previous year.

## Horizontal Analysis (Solo)

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here the base period is considered the year 2016 giving a value of 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to the base year.

Balance Sheet for the last five years

Particulars	2020	2019	2018	2017	2016
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	<b>111.95%</b>	<b>124.35%</b>	<b>100.59%</b>	<b>100.57%</b>	<b>100.00%</b>
In hand (including foreign currencies)	135.34%	124.69%	111.20%	95.42%	100.00%
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	105.57%	124.26%	97.69%	101.98%	100.00%
<b>Balance with other banks and financial institutions</b>	<b>91.85%</b>	<b>85.04%</b>	<b>52.74%</b>	<b>27.05%</b>	<b>100.00%</b>
In Bangladesh	96.82%	88.62%	56.19%	18.73%	100.00%
Outside Bangladesh	64.78%	65.58%	34.03%	72.31%	100.00%
<b>Money at call and short notice</b>					
Investments	286.18%	169.16%	133.15%	117.65%	130.98%
Government	293.96%	163.56%	127.45%	114.51%	130.02%
Others	202.89%	165.02%	140.53%	108.58%	100.00%
<b>Loans and advances/investments</b>	<b>155.69%</b>	<b>148.44%</b>	<b>138.83%</b>	<b>130.23%</b>	<b>100.00%</b>
Loans, cash credits, overdrafts, etc/investments	154.05%	149.54%	139.19%	130.22%	100.00%
Bills purchased and discounted	223.58%	102.93%	124.05%	130.62%	100.00%
<b>Fixed assets including premises, furniture and fixtures</b>	<b>241.45%</b>	<b>240.59%</b>	<b>72.06%</b>	<b>87.78%</b>	<b>100.00%</b>
<b>Other assets</b>	<b>170.97%</b>	<b>129.19%</b>	<b>114.76%</b>	<b>110.18%</b>	<b>100.00%</b>
<b>Total assets</b>	<b>168.75%</b>	<b>140.26%</b>	<b>123.50%</b>	<b>114.05%</b>	<b>100.00%</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents	147.30%	110.21%	116.55%	92.16%	100.00%
<b>Deposits and other accounts</b>	<b>166.65%</b>	<b>139.85%</b>	<b>122.89%</b>	<b>115.83%</b>	<b>100.00%</b>
Current/Al-wadeeah current accounts and other accounts	151.15%	167.60%	140.05%	134.41%	100.00%
Bills payable	202.42%	116.62%	148.67%	94.42%	100.00%
Savings bank/Mudaraba savings bank deposits	202.37%	149.32%	132.03%	119.58%	100.00%
Fixed deposits/Mudaraba fixed deposits	161.54%	133.86%	117.64%	112.45%	100.00%
Other liabilities	284.06%	225.13%	163.17%	132.31%	100.00%
<b>Total liabilities</b>	<b>169.66%</b>	<b>140.63%</b>	<b>123.95%</b>	<b>114.36%</b>	<b>100.00%</b>
<b>Total shareholders' equity</b>	<b>152.47%</b>	<b>133.69%</b>	<b>115.32%</b>	<b>108.38%</b>	<b>100.00%</b>
<b>Paid-up capital</b>	<b>127.05%</b>	<b>121.00%</b>	<b>110.00%</b>	<b>110.00%</b>	<b>100.00%</b>
Share Premium Account					
Foreign Currency Translation reserve	488.89%	496.09%	448.89%	395.56%	100.00%
Statutory reserve	173.31%	163.37%	140.00%	119.57%	100.00%
Other reserve	1650.00%	55.95%	4.97%	13.67%	100.00%
Retained earnings	145.12%	108.06%	81.96%	84.13%	100.00%
<b>Total liabilities and shareholders' equity</b>	<b>168.75%</b>	<b>140.26%</b>	<b>123.50%</b>	<b>114.05%</b>	<b>100.00%</b>

The above table indicates that total assets, liabilities, shareholders' equity, investment and loans and advances are showing a consistent growth over the last five years, which indicate a sustainable balance sheet growth of the Bank as a whole.

## Vertical Analysis (Solo)

Vertical Analysis on Income Statement refers to the components of income statement items as a % of total income over the periods, which would be termed as common sizing of the income statement.

Profit and Loss Account for the last five years

Particulars	2020	2019	2018	2017	2016
Operating Income					
Interest Income	70.15%	80.18%	81.79%	78.06%	77.70%
Interest Paid on Deposits and Borrowings, etc.	53.84%	54.78%	52.64%	48.18%	51.46%
<b>Net Interest Income</b>	<b>16.31%</b>	<b>25.40%</b>	<b>29.16%</b>	<b>29.88%</b>	<b>26.24%</b>
Investment Income	22.78%	11.70%	10.14%	11.23%	12.76%
Commission, Exchange and Brokerage	5.21%	6.06%	5.81%	7.78%	6.70%
Other Operating Income	1.86%	2.06%	2.25%	2.93%	2.84%
<b>Total Operating Income</b>	<b>46.16%</b>	<b>45.22%</b>	<b>47.36%</b>	<b>51.82%</b>	<b>48.54%</b>
Salaries And Allowances	9.08%	8.66%	9.16%	10.46%	11.71%
Rent, Taxes, Insurance, Electricity, etc.	1.63%	1.60%	3.40%	3.76%	3.83%
Legal Expenses	0.01%	0.02%	0.02%	0.01%	0.01%
Postage, Stamp, Telecommunication, etc.	0.35%	0.33%	0.41%	0.54%	0.84%
Stationery, Printing, Advertisements, etc.	0.17%	0.22%	0.24%	0.26%	0.38%
Managing Director's Salary and Benefits	0.04%	0.05%	0.05%	0.06%	0.07%
Directors' Fees	0.01%	0.01%	0.01%	0.02%	0.01%
Auditors' Fees	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation and Repairs of Bank's Assets	2.20%	2.18%	1.08%	1.29%	1.38%
Other Expenses	3.99%	3.23%	3.40%	3.84%	4.06%
<b>Total Operating Expenses</b>	<b>17.49%</b>	<b>16.30%</b>	<b>17.77%</b>	<b>20.24%</b>	<b>22.30%</b>
<b>Profit Before Provision</b>	<b>28.67%</b>	<b>28.92%</b>	<b>29.59%</b>	<b>31.59%</b>	<b>26.24%</b>
Provision for Loans and Advances/Investments	11.30%	9.93%	9.55%	8.88%	5.64%
Provision for Diminution in Value of Investments	0.00%	0.07%	0.03%	-0.02%	-0.06%
Other Provisions	0.24%	-0.22%	0.69%	1.31%	0.22%
<b>Total Provision</b>	<b>11.54%</b>	<b>9.79%</b>	<b>10.27%</b>	<b>10.17%</b>	<b>5.80%</b>
<b>Total Profit Before Taxes</b>	<b>17.13%</b>	<b>19.13%</b>	<b>19.32%</b>	<b>21.41%</b>	<b>20.44%</b>
Current Tax	10.11%	10.96%	10.50%	12.15%	8.75%
Deferred Tax	-0.02%	-0.09%	-0.07%	-0.13%	-0.15%
<b>Net Profit After Tax</b>	<b>7.04%</b>	<b>8.26%</b>	<b>8.89%</b>	<b>9.40%</b>	<b>11.84%</b>

On the income side, interest income (70.15%), income from commission, exchange and brokerage (5.21%), and investment income (22.78%) hold significant portions.

## Vertical Analysis (Solo)

Vertical Analysis on Balance Sheet refers to the components of balance sheet items as a percentage of total Assets over the periods which would be termed as common sizing of balance sheet.

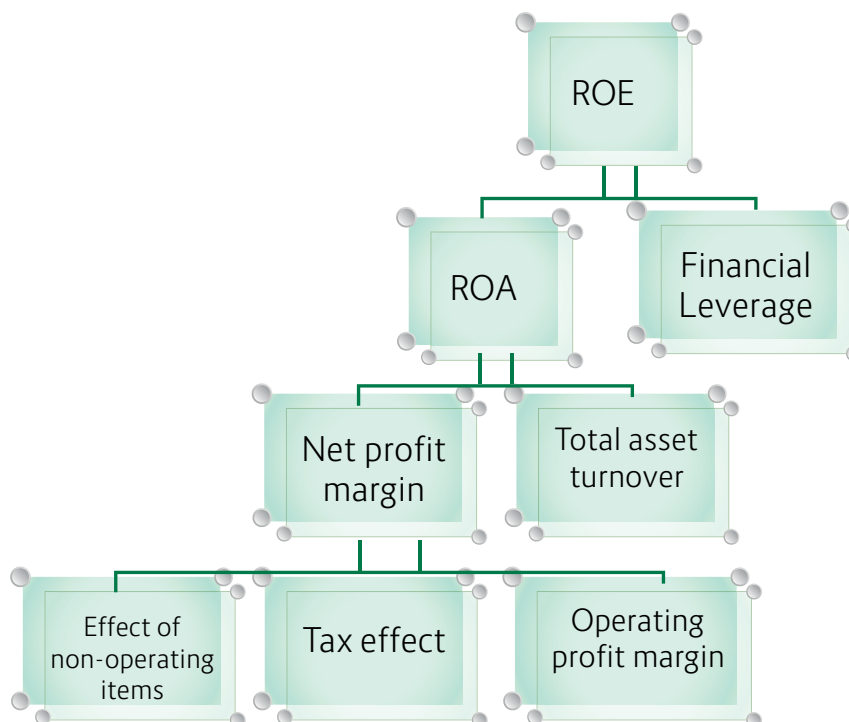
Balance Sheet for the last five years

Particulars	2020	2019	2018	2017	2016
<b>Property and Assets</b>					
<b>Cash</b>	<b>4.94%</b>	<b>6.60%</b>	<b>6.06%</b>	<b>6.56%</b>	<b>7.44%</b>
In Hand (Including Foreign Currencies)	1.28%	1.42%	1.44%	1.33%	1.60%
Balance with Bangladesh Bank and its Agent Bank (Including Foreign Currencies)	3.66%	5.18%	4.62%	5.23%	5.85%
<b>Balance with Other Banks and Financial Institutions</b>	<b>3.80%</b>	<b>4.23%</b>	<b>2.98%</b>	<b>1.65%</b>	<b>6.98%</b>
In Bangladesh	3.38%	3.72%	2.68%	0.97%	5.89%
Outside Bangladesh	0.42%	0.51%	0.30%	0.69%	1.08%
<b>Money at Call and Short Notice</b>	<b>0.19%</b>	<b>0.78%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Investments</b>	<b>25.63%</b>	<b>13.92%</b>	<b>12.44%</b>	<b>11.91%</b>	<b>15.12%</b>
Government	24.08%	12.40%	10.97%	10.68%	13.82%
Others	1.55%	1.52%	1.47%	1.23%	1.29%
<b>Loans and Advances</b>	<b>62.31%</b>	<b>71.47%</b>	<b>75.92%</b>	<b>77.12%</b>	<b>67.54%</b>
Loans, Cash Credits, Overdrafts, etc./Investments	60.20%	70.30%	74.33%	75.30%	65.94%
Bills Purchased and Discounted	2.11%	1.17%	1.60%	1.82%	1.59%
<b>Fixed Assets Including Premises, Furniture and Fixtures</b>	<b>0.55%</b>	<b>0.65%</b>	<b>0.22%</b>	<b>0.29%</b>	<b>0.38%</b>
<b>Other Assets</b>	<b>2.58%</b>	<b>2.35%</b>	<b>2.37%</b>	<b>2.46%</b>	<b>2.55%</b>
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities and Capital</b>					
<b>Liabilities</b>					
Borrowings from Other Banks, Financial Institutions and Agents	7.45%	6.71%	8.05%	6.90%	8.53%
Deposits and Other Accounts	81.29%	82.07%	81.91%	83.60%	82.31%
Current/AI-Wadeeah Current Accounts and Other Accounts	8.99%	11.99%	11.38%	11.82%	10.03%
Bills Payable	1.62%	1.12%	1.63%	1.12%	1.35%
Savings Bank/Mudaraba Savings Bank Deposits	13.78%	12.24%	12.29%	12.05%	11.49%
Fixed Deposits/Mudaraba Fixed Deposits	56.90%	56.72%	56.62%	58.61%	59.43%
Other Liabilities	6.46%	6.16%	5.07%	4.45%	3.84%
<b>Total Liabilities</b>	<b>95.20%</b>	<b>94.93%</b>	<b>95.04%</b>	<b>94.95%</b>	<b>94.68%</b>
<b>Total Shareholders' Equity</b>	<b>4.80%</b>	<b>5.07%</b>	<b>4.96%</b>	<b>5.05%</b>	<b>5.32%</b>
Paid-Up Capital	1.81%	2.08%	2.15%	2.32%	2.41%
Share Premium Account	0.00%	0.00%	0.00%	0.00%	0.00%
Foreign Currency Translation Reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Statutory Reserve	1.97%	2.23%	2.17%	2.01%	1.92%
Other Reserve	0.19%	0.01%	0.00%	0.00%	0.02%
Retained Earnings	0.84%	0.75%	0.65%	0.72%	0.97%
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Loans and advances (62.31%) and investments (25.63%) hold significant portions on the asset side. The deposit has a major portion (81.29%) on the liability side and shows a mixed trend over the last five years. But in 2020, deposit increases, whereas the overall industry deposit growth rate was slow.

## DuPont analysis

DuPont analysis (also known as the “DuPont identity”) is a framework for analyzing fundamental performance popularized by the DuPont Corporation. DuPont analysis is a useful technique used to decompose the different drivers of return on equity (ROE). Decomposition of ROE allows investors to focus on the key metrics of financial performance individually to identify strengths and weaknesses. DuPont analysis covers net profit margin, total asset turnover, and financial leverage. Net profit margin is further broken down to operating profit margin, the effect of non-operating items, and tax effects.



The higher the value of all components of DuPont analysis, the higher the positive impact on return on equity. The operating Profit Margin of 2020 stood at 28.67%, whereas it was at 28.92% in 2019.

Particulars	2020	2019	2018
ROE	11.18%	14.60%	15.14%
Net Profit Margin	7.04%	8.26%	8.89%
Total Asset Turnover	0.0782	0.0888	0.0853
Financial Leverage	20.3157	19.9276	19.9764
Operating Profit Margin	28.67%	28.92%	29.59%
Effect of Non-Operating items	0.5974	0.6616	0.6531
Tax Effect	0.4109	0.4317	0.4599

Effects on non-operating items and Tax effect decreased from the previous year. The combined impact of these three components resulted in a reduction of net profit margin to 7.04% in 2020 compared to 8.26% of last year.

The efficiency of utilization of assets as implied by average total assets turnover was slightly lower than the previous year. Financial leverage decreased slightly to 20.32 from last year's 19.93, mainly for the issuance of bonus shares which increased the share holders' equity to absorb any uncertain risk.

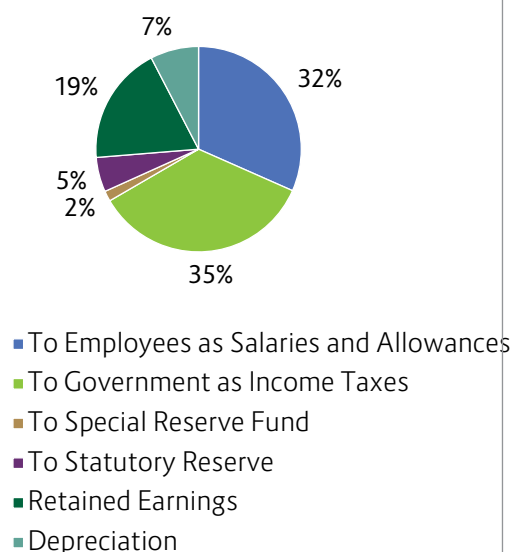
# Value Added Statement

Value addition is the wealth created by Trust Bank Ltd. through its different banking operations during the tenure under consideration. The value-added statement of the Bank shows how the value was created and distributed to meet certain obligations, rewards those responsible for its creation and the portion retained for the continued operation and expansion of the Bank.

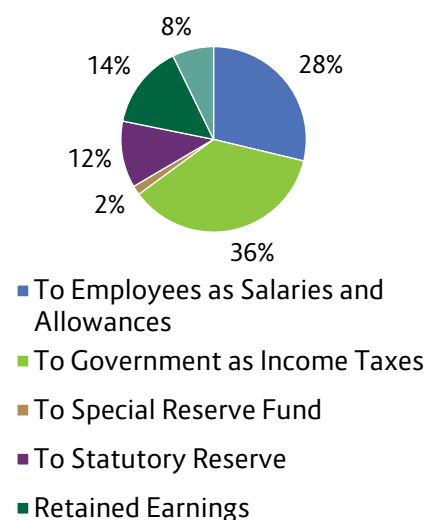
BDT in Million (where applicable)

Particulars	2020		2019		Growth
	Taka	%	Taka	%	%
Income from Banking Services	25,407.23		24,596.04		3%
Less: Cost of Services and Supplies	15,124.15		14,684.33		3%
Add: Deferred Tax Income	4.36		21.44		-80%
<b>Value added by banking services</b>	<b>10,287.45</b>		<b>9,933.15</b>		<b>4%</b>
Less: Provision for Loan Loss and other Provisions	2,933.15		2,407.40		22%
<b>Total Value Added</b>	<b>7,354.30</b>		<b>7,525.75</b>		<b>-2%</b>
<b>Distribution of added value</b>					
To Employees as Salaries and Allowances	2,319.57	32%	2,141.54	28%	8%
To Government as Income Taxes	2,568.18	35%	2,696.00	36%	-5%
To Special Reserve Fund	120.00	2%	120.00	2%	0%
To Statutory Reserve	400.00	5%	941.22	12%	-58%
To Start up Fund	17.89	0%	-		
<b>Total</b>	<b>5,425.64</b>	<b>74%</b>	<b>5,898.76</b>	<b>78%</b>	<b>-8%</b>
Retained Earnings	1,370.32	19%	1,090.34	14%	26%
Depreciation	558.34	7%	536.65	8%	4%
<b>To Expansion and Growth</b>	<b>1,928.66</b>	<b>26%</b>	<b>1,626.99</b>	<b>22%</b>	<b>19%</b>
<b>Total Distribution of Added Value</b>	<b>7,354.30</b>	<b>100%</b>	<b>7,525.75</b>	<b>100%</b>	<b>-2%</b>

Distribution of Added Value 2020



Distribution of Added Value 2019





## Report on the Going Concern Status of Trust Bank Ltd.

### Definition of Going Concern

Under the going concern basis of accounting, an entity is viewed as continuing in business for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis, unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. It includes bringing together the requirements of Company Law, Accounting Standards, and Listing Rules on going concern. The management of Trust Bank Limited has made this assessment based on the accounting period ended on or after 31 December 2020. The assessment considers appropriate inquiries, including review of budgets and future outcomes of inherent risks involved in the business while assessing whether we are on going concern basis.

The Directors confirm that the Bank has adequate resources to continue to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements:

### Financial Results

The financial results that can easily be seen from the financial highlights at the front of this book show that we can preserve our positioning as a going concern.

#### Financial Support from Lenders/Depositors

TBL has a good track record in settlement of its obligation with its lenders/depositors. That is why our total deposit has increased by 5.45%.

### Dividend Payment

TBL is paying healthy returns to its shareholders over the years. Accordingly, we have declared 20 percent dividend (10 percent cash and 10 percent stock) for the year 2020.

### Sincerity in Payment of Obligations

TBL is sincere in payments of its obligations to lenders. We have always been credible in terms of loans and other agreements and have never defaulted.

### Growing Business Portfolio

Our portfolio of good clients is increasing, which shows our intensity of doing ethical business. But, at the same time, we are de-risking our portfolio.

### Human Capital

TBL has invested significantly in training its human resources. We are also hiring the best people in the industry so that momentum can be achieved to become the best Bank.

### Corporate Environment and Employee Satisfaction

Our employees are our core asset. And ensuring a healthy work-life balance is our responsibility. Our office environment is also kept corporate to increase efficiency and satisfaction. This is reflected in our Human Capital section.

### Changes in Government Policy

The management of TBL anticipates no significant changes in legislation or government policy, which may materially affect the business of the Bank.





## Report on Sustainable Finance Activities

Sustainability in the financial sector is becoming increasingly important both nationally and internationally. Sustainable finance is growing as an important issue for growing challenges from climate change and social inequality. Sustainable Finance gives market participants a choice to act in a responsible way and to support positive change in day-to-day business. Increasing pressure on the environment, damages to ecosystems and environmental changes are presenting a global challenge. Integrating sustainability considerations into the financial system can play an important role in meeting the objectives agreed upon in the United Nations' Sustainable Development Goals (SDGs) and the Paris Climate Agreement. Therefore, the inclusion of sustainability criteria in the financial sector is essential to address future challenges. As part of the growing awareness that a shift in the financial industry is needed, sustainable finance is increasingly gaining attention from global financial and political actors as well as the broad public.

Sustainable finance aims at integrating environmental, social or governance (ESG) criteria into financial services. Decisions about investments and capital expenditures should take those criteria into account while being beneficial to both the investor and society at large. Moreover, the sustainability risks that may impact the stability of the financial system should be made transparent. However, the future-oriented investment strategies should be based on valid data as well as medium to long term risks and returns. While this previously was a niche investment strategy, the approach increasingly reaches the mainstream international financial markets.

Trust Bank is taking responsibility by being fully engaged in Sustainable Finance. We are committed to supporting the market with environmental or social benefit. Sustainable Finance Department of Trust Bank was established as per Bangladesh Bank's circular# SFD no. 2 dated 01 December 2016, abolishing the existing Green Banking Unit and Corporate Social Responsibility Unit.

### Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a process that is concerned with treating the stakeholders of a company or institution ethically or responsibly. CSR is about achieving organizational excellence in honouring ethical values and respecting people, communities, and the natural environment. Trust Bank Limited started its CSR activities in 2009 to increase the interests of our external and internal stakeholders like customers, employees, vendors, shareholders, society, government, etc., and ecological and ethical considerations in all aspects of operations. TBL has contributed to the well-being of society through philanthropic activities like promoting healthcare, quality of education, women empowerment, and natural disaster management.

Corporate Social Responsibility means fulfilling legal expectations and going beyond compliance and investing 'more' into human capital, the environment, and rapport-building with stakeholders. Over the past years, we have taken our commitment to a structured and integrated approach to attain sustainable growth by extending CSR activities along with core business target. We want to use our capabilities and competencies not only to have a financial impact but to have a social impact too.

As part of CSR through a direct participation program, the Bank established a special reserve fund named "Trust Bank Limited Special Reserve Fund (TBL SRF)". TBL SRF was approved by the Finance Ministry and National Board of Revenue. An amount not exceeding 5.00 percent of the Bank's operating income is allowed to transfer in this Special Reserve Fund.

Trust Bank has board approved CSR policies, and a dedicated CSR desk carries out CSR activities. Every year, the CSR activities of Trust Bank Limited are audited by the Internal Control and Compliance (IC&C) division of the Bank and an External Auditor (MABS & J Partners, Chartered Accountants audited in 2020).

## CSR Activities in 2020

Since the commencement of the business, Trust Bank Ltd. is very much committed to building trust in the financial industry by increasing integrity and transparency, improving engagement with our customers. Contributing to society through financial assistance to the cause of social concern is key responsibility of Trust Bank Limited. BDT 120.00 million was transferred to the Special Reserve Fund in 2020 for conducting CSR activities. We provided financial assistance of BDT 167.91 million in the year 2020.

At a Glance: CSR Donations of Trust Bank Limited in 2020

Sector	BDT in Million	Percentage
Disasters	39.95	23.79%
Health	76.13	45.34%
Others	50.03	29.80%
Education	1.80	1.07%
<b>Total</b>	<b>167.91</b>	<b>100%</b>

As a part of Disaster management, we donated 50,000 pcs of blankets worth BDT 16.63 million to Prime Minister's Relief and Welfare Fund to relieve the distress of winter-stricken people in the country. We also donated 10,000 pcs of blankets valuing BDT 3.32 million to the poor people in Savar, which was distributed by the 9 Infantry Division, Savar Cantonment, Dhaka.

We donated to Prime Minister's Relief and Welfare Fund BDT 20.00 million for financial assistance to flood-affected people in the country and BDT 50.00 million for fighting against Covid-19 pandemic.

We donated BDT 50.00 million to Bangabandhu Memorial Trust for the celebration of Mujib Year, the 100<sup>th</sup> anniversary of the birth of the father of the nation, Bangabandhu Sheikh Muhibur Rahman.

Trust Bank made a significant contribution to the health sector of the country. To promote healthcare facilities, we donated BDT 18.00 million to Combined Military Hospital (CMH), Dhaka for infrastructural development for Emergency and Casualty Department. CMH, Dhaka is very much renowned for its quality medical treatment and taking care of the healthcare of members of parliament, top government officials and other VIPs in this pandemic situation. The Bank extended financial help worth BDT 6.18 to different individuals to get better medical treatment during the year.

As a mark of respect to the contribution of the families of martyr freedom fighters, we have been providing financial assistance to the victims of martyred families of Surajdi and Shohagpur villages of Nalitabari Upazilla in Sherpur since 2010. The widows of two 'Bidhoba Palli' have been receiving lifelong subsistence allowances on a monthly basis. During the year 2020, we provided BDT 1.05 million of monthly subsistence allowance. Besides these, we also contributed BDT 1.80 million for educational help purpose.

## ট্রাস্ট ব্যাংক শরী'আহ সুপারভাইজরী কমিটি

### চেয়ারম্যান মহোদয়ের বাণী

#### বিসমিল্লাহির রাহমানির রাহীম

সমস্ত প্রশংসা মহান আল্লাহ্ রাক্বুল আলামীনের জন্য যিনি আমাদের সৃষ্টি করেছেন এবং যিনি এক ও অদ্বিতীয়, দয়াবান এবং ক্ষমাশীল। অসংখ্য দরুদ ও সালাম রাহমাতুল্লিল আলামীন প্রিয় নবী হযরত মুহাম্মদ সাল্লাল্লাহু আলাইহি ওয়াসাল্লাম এর প্রতি যিনি সমগ্র সৃষ্টির জন্য রহমত স্বরূপ।

আল্লাহর অশেষ রহমতে শরী'আহ নীতিমালা প্রতিপালনের মাধ্যমে ট্রাস্ট ইসলামিক ব্যাংকিং ২০২০ অর্থ বৎসরের সকল কার্যক্রম সম্পন্ন করায় ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও ইসলামিক ব্যাংকিং এর সহিত সংশ্লিষ্ট সবাইকে শরী'আহ সুপারভাইজরী কমিটির পক্ষ থেকে আন্তরিক অভিবাদন জানাচ্ছি।

কোভিড-১৯ এর কারনে বাংলাদেশসহ সারা বিশ্বের জন্য ২০২০ সাল একটি ঘটনা বহুল বছর ছিল। ২০২০ এর মার্চ মাস থেকে বাংলাদেশে কোভিড-১৯ ছড়াতে থাকে, যার ফলে সকল প্রকার অর্থনৈতিক কর্মকান্ড বন্ধ হয়ে যায় এবং জুন মাস হতে পরিস্থিতি স্বাভাবিক হতে থাকে। কোভিড-১৯ এর ফলে ব্যাংকিং সেক্টর বিশেষ করে ইসলামী ব্যাংকিং ব্যাপক চ্যালেঞ্জের মুখোমুখি হয়। বাংলাদেশ ব্যাংক, শরীয়াহ স্কলার, ব্যাংকারদের আন্তরিকতা সর্বোপরি আল্লাহ রাক্বুল আলামীনের অশেষ কৃপায় ব্যাংকগুলো বিগত বছরে আমানত, বিনিয়োগ এবং মুনাফার প্রবৃদ্ধি ধরে রেখেছে।

ট্রাস্ট ব্যাংক লিমিটেড এর শরী'আহ সুপারভাইজরী কমিটির সম্মানিত সদস্যবৃন্দ ব্যাংকের পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উপস্থাপিত বিষয়াদির উপর দিক-নির্দেশনামূলক সিদ্ধান্ত স্বাধীনভাবে প্রদান করেছে এবং ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম পর্যালোচনা করেছে। শরী'আহ সুপারভাইজরী কমিটি ব্যাংকের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে ট্রাস্ট ইসলামিক ব্যাংকিং এর সার্বিক কার্যক্রম ও এর ব্যবসায়িক অগ্রগতির জন্য আন্তরিক মোবারকবাদ জ্ঞাপন করছে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আপনারা অবগত আছেন যে বিনিয়োগ ও আমানতসহ ট্রাস্ট ইসলামিক ব্যাংকিং এর সকল কার্যক্রম শরী'আহ নীতিমালা অনুসরণের মধ্য দিয়ে ২০০৮ সন হতে পরিচালিত হয়ে আসছে। আগামী দিনগুলোতে গ্রাহক সেবার মান বৃদ্ধি, প্রবৃদ্ধি ও আস্থা অর্জনের জন্য ট্রাস্ট ইসলামিক ব্যাংকিং তার প্রচেষ্টা অব্যাহত রাখবে ইনশাআল্লাহ।

মহান আল্লাহ্ রাক্বুল আলামীন আমাদের জীবনের সর্বক্ষেত্রে ইসলামী শরী'আহ পরিপালনের মাধ্যমে তাঁর সন্তুষ্টি অর্জনে সচেষ্ট হওয়ার তাওফীক দান করুন, আমিন।

মা-আসসালাম

হাফেজ মাওলানা প্রফেসর ডঃ শহিদুল ইসলাম বারাকাতি  
চেয়ারম্যান, শরী'আহ সুপারভাইজরী কমিটি

## Trust Bank Shariah Supervisory Committee Speech of the Chairman

Bismillahir Rahmanir Raheem

All praise is for Allah subhanahu-wa-tayala Who created us and Who is the One and Second to none, Beneficent, the Merciful. Durud and Salam is for our Prophet (SM) who is Rahmat for all the creatures of the World.

By the grace of Almighty Allah Trust Islamic Banking have completed all the formalities of the financial year 2020 and we take the opportunity to express our appreciation to the Board of Directors, the Managing Director and all members of the Management Team for their continuous support for the development of Islamic Banking in TBL.

The year 2020 was the memorable for Bangladesh and whole world because of the Covid-19 outbreak. Covid-19 spread all over the country from March 2020 and all economic activities has been stopped. The situation gradually improved from June 2020. Banking sector especially Islamic Banking faces huge challenge for Covid-19. By the grace of Almighty Allah and also whole hearted support from Bangladesh Bank, Shariah Scholars and Bankers, Trust Islamic Banking has been keeping its growth in comparison to the year 2019 in respect of deposit, investment and profit.

The honorable members of the Trust Bank Shariah Supervisory Committee have expressed their willful opinion presented by the Board of Directors and Management and discussed the activities of Trust Islamic Banking. Trust Bank Shariah Supervisory Committee express their gratitude for the overall actives and business of TIB.

Honorable Shareholders, please be informed that all the activities including Deposit and Investment of Trust Islamic Banking have been operated by abiding Shariah principles from the year 2008. In the upcoming days Trust Islamic Banking will continue its effort to develop customer service, growth and confidence.

We pray to Almighty Allah to give us enough strength to implement Shariah Principles in every sphere of our life. We pray for His unbound blessings on TBL and its stakeholders.

Ma-assalam,



**Hafiz Mawlana Prof. Dr. Shahidul Islam Barakati**  
Chairman, Shariah Supervisory Committee

## বিসমিল্লাহির রাহমানির রাহীম

# শরী'আহ সুপারভাইজরী কমিটির বার্ষিক প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ।

মহান আল্লাহ তা'লার নিকট শুকরিয়া আদায় করছি যে তার অশেষ রহমতে কোভিড-১৯ পরিস্থিতি মোকাবেলা করে ট্রাস্ট ইসলামিক ব্যাংকিং ২০২০ ইং অর্থ বৎসরে সকল কার্যক্রম সম্পন্ন করেছে। ইসলামিক ব্যাংকিং কার্যক্রমে সর্বাঙ্গিক সমর্থন, দিকনির্দেশনা ও আস্থা সহ উদ্যোগের জন্য পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে আন্তরিক মোবারকবাদ জ্ঞাপন করছি।

ইসলামী শরী'আহর নীতিমালা মোতাবেক সার্বিক ব্যবসা পরিচালনার দায়িত্ব মূলতঃ ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের। শরী'আহ সুপারভাইজরী কমিটির দায়িত্ব হচ্ছে ব্যাংকের কার্যাবলী পরিচালনায় শরী'আহসম্মত দিকনির্দেশনা ও সিদ্ধান্ত প্রদান এবং তার ভিত্তিতে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ তাদের যাবতীয় কার্যক্রম পরিচালনা করছে কি না, তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত প্রস্তুত করে আপনাদের নিকট উপস্থাপন করা।

ট্রাস্ট ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি ২০২০ ইং সালে ০৩ টি সভায় মিলিত হয়েছে। শরী'আহ সুপারভাইজরী কমিটি বিগত ২০২০ ঈসায়ী (হিজরী ১৪৪১-১৪৪২) বছরে প্রধান কার্যালয়ের ইসলামিক ব্যাংকিং ডিভিশন ও ব্যাংকের ১৫ টি উইডোর অনুসৃত কার্যক্রম পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র যাচাই বাছাইসহ ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত তথ্যাদি পর্যালোচনা করে নিম্নোক্ত বিষয় সমূহ আপনাদের সদয় অবগতির জন্য উপস্থাপন করছে:

- ক. ২০২০ অর্থবছরে ট্রাস্ট ইসলামিক ব্যাংকিং কর্তৃক অনুসৃত ও পরিচালিত লেনদেনসহ সকল কার্যাবলী এবং চুক্তিসমূহ-যা আমরা যথাসম্ভব পর্যালোচনা করেছি তা ইসলামী শরী'আহর নীতিমালা অনুযায়ী করা হয়েছে।
- খ. কোভিড-১৯ পরিস্থিতি মোকাবেলা করে ২০২০ ইং সালে স্বাভাবিক ব্যাংকিং কার্যক্রম অব্যাহত রেখেছে।
- গ. ব্যাংকের বিভিন্ন শ্রেণীর মুদারাবা ডিপোজিটরদের মাঝে যে লাভ বন্টন করা হয়েছে তা শরী'আহর নীতিমালা অনুযায়ী করা হয়েছে বলে প্রমাণিত হয়েছে।
- ঘ. ইসলামী ব্যাংকিং এর অভ্যন্তরীণ এবং আন্তর্জাতিক শরী'আহ বিধি-বিধান মেনে চলায় ব্যাংকের বিভিন্ন শাখায় বিনিয়োগ সংশ্লিষ্ট কিছু অর্জিত মুনাফা (মোয়াদ উত্তীর্ণ) ও সন্দেহজনক আয় (Doubtful Income) যথাসম্ভব চিহ্নিত করা হয়েছে এবং উক্ত অর্থ ব্যাংকের মূল আয় থেকে পৃথক করে শরী'আহ নির্ধারিত পন্থায় ব্যয়ের জন্য রাখা হয়েছে।
- ঙ. ব্যাংকের কর্মকর্তাদের মাঝে শরী'আহ সম্পর্কে সচেতনতা বৃদ্ধি পাওয়ায় কোভিড-১৯ পরিস্থিতিতেও শরী'আহ পরিপালন করে বিনিয়োগ কার্যক্রম স্বাভাবিক রাখতে সক্ষম হয়েছে।
- চ. ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট ও টাকার উপর ব্যাংক কোন যাকাত প্রদান করে না, তাই ডিপোজিট ও শেয়ারের টাকার উপর যাকাত প্রযোজ্য হলে-তা প্রদান করা যথাক্রমে ডিপোজিটর ও শেয়ারহোল্ডারদের নিজ নিজ দায়িত্ব।

### শরী'আহ সুপারভাইজরী কমিটির পরামর্শ

১. কোভিড-১৯ পরিস্থিতি মোকাবেলায় টেকসই প্রযুক্তি এবং উদ্ভাবনী ব্যাংকিং ব্যবস্থা প্রবর্তনের মাধ্যমে ব্যাংকিং কার্যক্রম স্বাভাবিক রাখতে হবে।
২. গ্রাহকদের সাথে নিয়মিত যোগাযোগের মাধ্যমে বিনিয়োগ বিতরন ও আদায় অব্যাহত রাখতে হবে।
৩. বাই বা ক্রয়-বিক্রয় পদ্ধতির বিনিয়োগের (বাই-মুয়াজ্জাল, বাই-মুরাবাহা ও বাই-সালাম) ক্ষেত্রে পণ্য ক্রয়-বিক্রয় নিশ্চিতকরণ ও গ্রাহককে 'ক্রয়-প্রতিনিধি' নিয়োগে শরী'আহ পরিপালনের ব্যবস্থা আরো জোরদার করা একান্ত প্রয়োজন।
৪. বর্তমান পরিস্থিতি মোকাবেলায় এবং অংশীদারি ভিত্তিক ব্যবসায়িক মডেল দাঁড় করানোর নিমিত্তে মুদারাবা ও মুশারাকা বিনিয়োগ কার্যক্রম স্বল্প পরিসরে হলেও চালু করা যেতে পারে।
৫. অর্থ-সামাজিক উন্নয়নের লক্ষ্যে শরী'আহ নীতিমালার আলোকে নতুন বিনিয়োগ বৃদ্ধির ব্যবস্থা গ্রহণ করা। কর্পোরেট গ্রাহকদের পাশাপাশি এসএমই, রিটেইল ও দেশের অপেক্ষাকৃত দরিদ্র গ্রাহকদের জন্য বিনিয়োগ বৃদ্ধি করা।
৬. ইসলামী ব্যাংকিং পরিসেবা বৃদ্ধির নিমিত্তে গ্রাহকদেরকে ইসলামী ব্যাংকিং বিষয়ে সচেতন করার জন্য ইসলামী অর্থনীতি ও ব্যাংকিং বিষয়ক সেমিনার ও গ্রাহক সমাবেশ-এর আয়োজন করা।

আল্লাহ তা'আলা আমাদের কর্মকাণ্ডের যাবতীয় ভুল-ত্রুটি ক্ষমা করে ভালো কাজগুলি একমাত্র তাঁর সন্তুষ্টির জন্য কবুল করুন এবং ভবিষ্যতে আরো তাক্বওয়া ও যোগ্যতাপূর্ণ কল্যাণমূলক কাজ নির্ভুলভাবে করার তাওফীক দান করুন, আমীন।

হাফেজ মাওলানা প্রফেসর ডঃ শহিদুল ইসলাম বারাকতি  
চেয়ারম্যান, শরী'আহ সুপারভাইজরী কমিটি

# Bismillahir Rahmanir Raheem

## Annual Report of the Shariah Supervisory Committee

### Honorable Shareholders

#### Assalamu Alaikum Wa-rahmatullah

All praise is for Allah subhanahu-wa-tayala for allowing opportunity to complete the financial year 2020 and we take the opportunity to express our appreciation to the Board of Directors, the Managing Director and all members of the Management Team for their continuous support for the development of Islamic Banking at Trust Bank.

The responsibility of the Bank's Board and Management, is to ensure that the business operations under Islamic Banking have adhered to and run in accordance with guidance of the Shariah Principles. The responsibility of the SSC is to extend its direction, opinion and verdict on Shariah Compliance issues and to discuss, whether the Management operating its Islamic Banking business as per guideline and present an independent opinion to the stakeholders.

In the year 2020 Trust Bank Shariah Supervisory Committee met in 3(three) meetings. The SSC observe the activities, check the files and verify the information provided by the bank management in the last year i.e. 2020. To reach and deliver maximum possible level of Shariah compliance, the SSC present the following steps for your kind consideration:

- a. In the year 2020 Trust Islamic Banking have practiced the Shariah principles in its transactions and contracts.
- b. Trust Islamic Banking have continued its usual transaction by facing Covid-19 outbreak.
- c. Bank have followed the shariah principles while distributing final profit among the mudaraba depositors.
- d. Based on internal and external Islamic Banking shariah ruling, some compensations have been realized by the different window braches. However, the amount have been separated from the actual income and kept for CSR purpose.
- e. Due to increase of Shariah awareness of the bank employees, investment activities have been increased in the Covid-19 situation.
- f. It is the sole responsibility of the depositor and shareholders to pay Zakat on the deposit and share as bank don't pay the Zakat on the A/C and balance.

### Opinion of the Shariah Supervisory Committee

1. To face the Covid-19 situation, sustainable technology and innovative banking process should be introduced.
2. Investment disbursement and recovery should be regular by maintaining active communication with the clients.
3. In case of allowing investing in Buy-Sell mode (i.e. Bai-Murabaha, Bai-Muajjal and Bai-Salam) bank should ensure proper buying and selling. In case of appointing buying agent importance should be given in the Shariah principles.
4. To face the current situation and to establish a partnership business model, Mudaraba and Musharaka investment mode should be introduced at least in the small scale.
5. Investment focus should be given for the socio- economic development of the poor people of the rural area of the country. Retail and SME investment should be increased beside the corporate clients.
6. The Management of the bank is advised to arrange seminar and conference periodically for the deposit and investment clients regarding Shariah compliance in banking to enhance the Islamic Banking business and to create awareness.

May Allah forgive our all errors, accept our good deeds and give more awareness to follow taqwa and welfare deeds. Ameen.



**Hafiz Mawlana Prof. Dr. Shahidul Islam Barakati**  
Chairman, Shariah Supervisory Committee



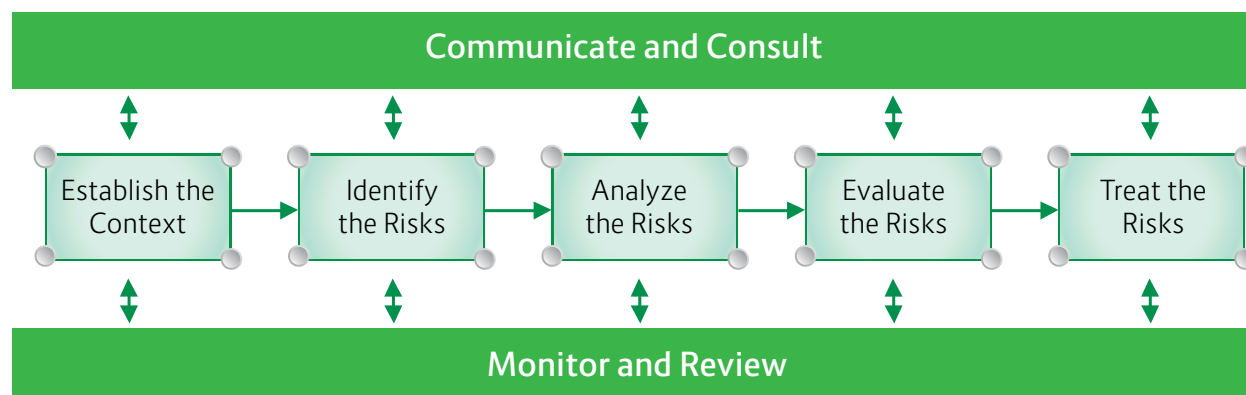
## Risk Management Report

The Bank is exposed to a variety of risks as a result of its ordinary course of business. Effective risk management is at the core of the Bank's value creation model, and we actively monitor the potential impact of current and emerging risks. Significant resources are devoted to this critical function to ensure that it is well articulated, communicated, and understood by all employees of the Bank as it is a shared responsibility.

### Priorities for 2020

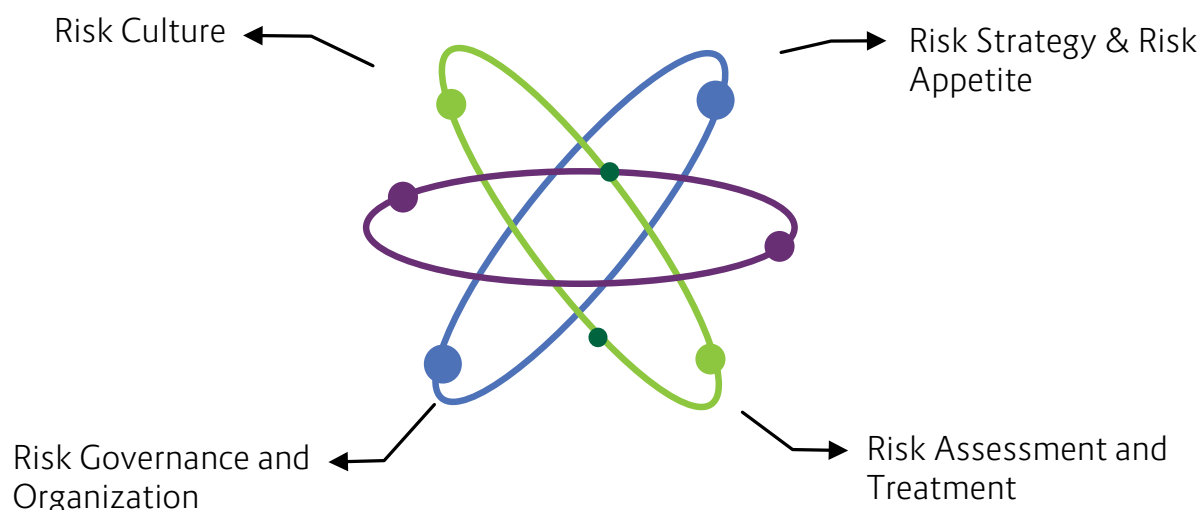
In 2020, our absolute priority was to navigate the risks of Covid-19 pandemic with the least possible impact. The Bank also strived to maintain a stable liquidity profile by conforming all regulatory requirements and sustain any liquidity pressure. Increasing efforts are given to maintaining good asset quality and collection of delinquent loans. In addition, the Bank continued its endeavor to maintain a robust capital base comfortably above the minimum regulatory requirement even under stressful conditions.

### Risk Management Processes



### Dimensions of Risk Management

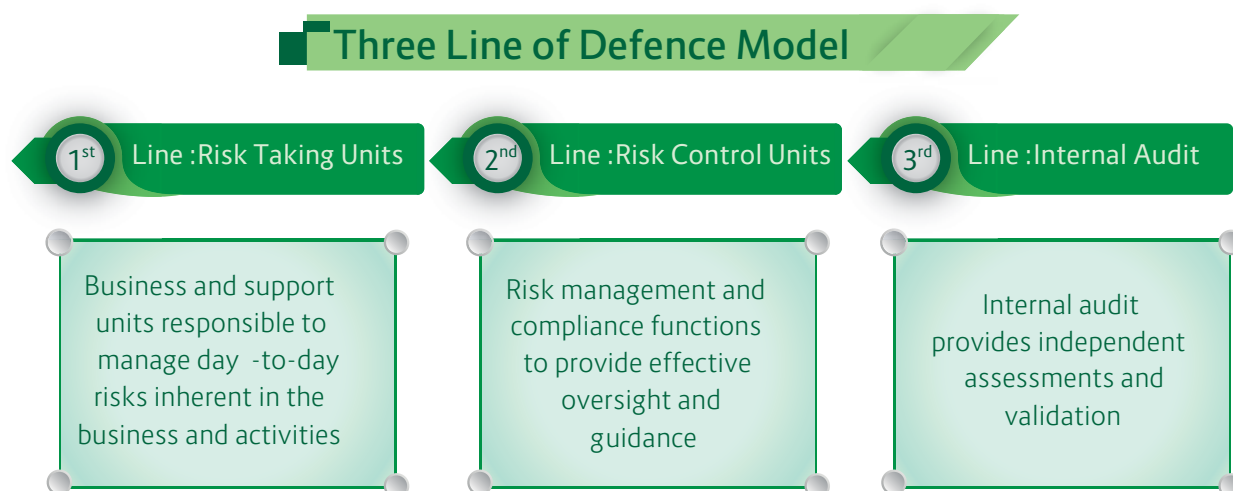
The Bank's risk management dimension is underpinned by a sound and robust risk management framework. The framework is designed in line with global risk management, regulatory standards, and industry best practices.





## Risk Governance

Effective risk governance sets a solid foundation for comprehensive risk management discipline. Our risk governance framework is based on a “three lines of defense” governance model, where each line has a specific role with defined responsibilities and works in close collaboration to identify, assess and mitigate risks.



## Risk Governance Structure of the Bank

### Board Risk Management Committee

The Board Risk Management Committee (BRMC) oversees the risk management functions for identifying, monitoring, and measuring the Bank’s risk profile in a comprehensive and integrated manner.

The Committee approves policies related to risks and reviews various aspects of risks arising from the business undertaken by the Bank, monitors effective execution of core risk management policy and principles, and makes recommendations relating to risk appetite and particular risks or risk management practices.

### Executive Risk Management Committee

Executive Risk Management Committee of the bank is comprising of Heads of all core risk areas of the bank and Head(s) of any other department/division related to risk, if deemed necessary, to monitor and review all risk exposures, risk related policies, procedures affecting credit, market and operational areas in line with the directives from the BRMC.

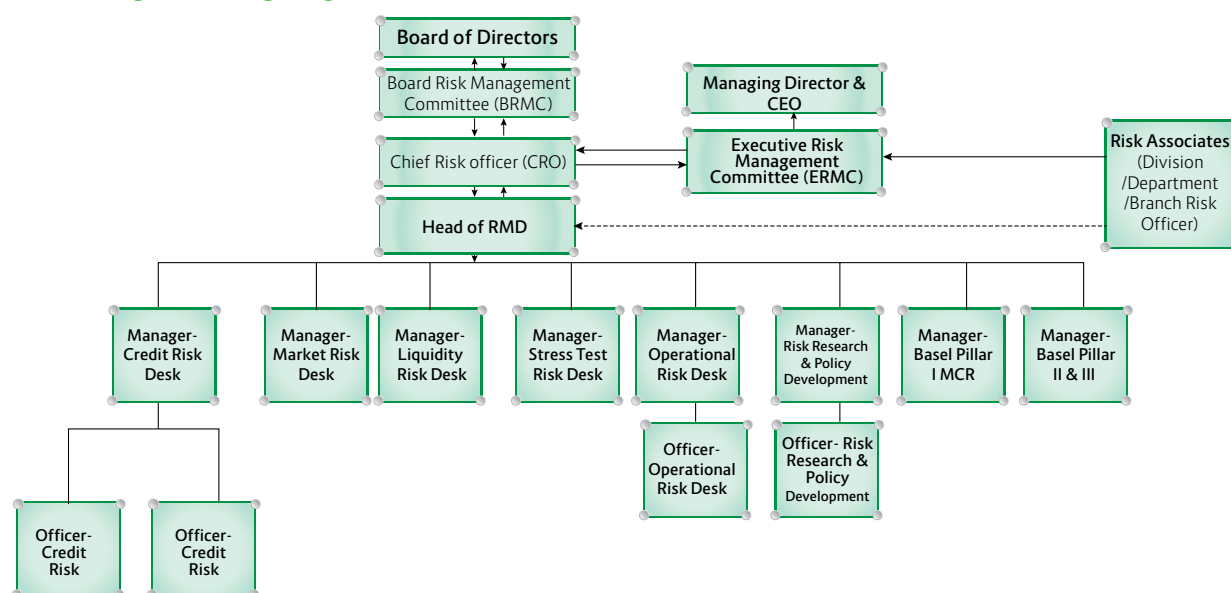
The committee is chaired by the Chief Risk Officer (CRO), who holds meeting at least once in a month based on the findings of risk reports and takes appropriate decisions to minimize, control and mitigate risks.

### Risk Management Division

Risk Management Division is assigned with the responsibility of carrying out the overall risk management function at strategic and operational levels.

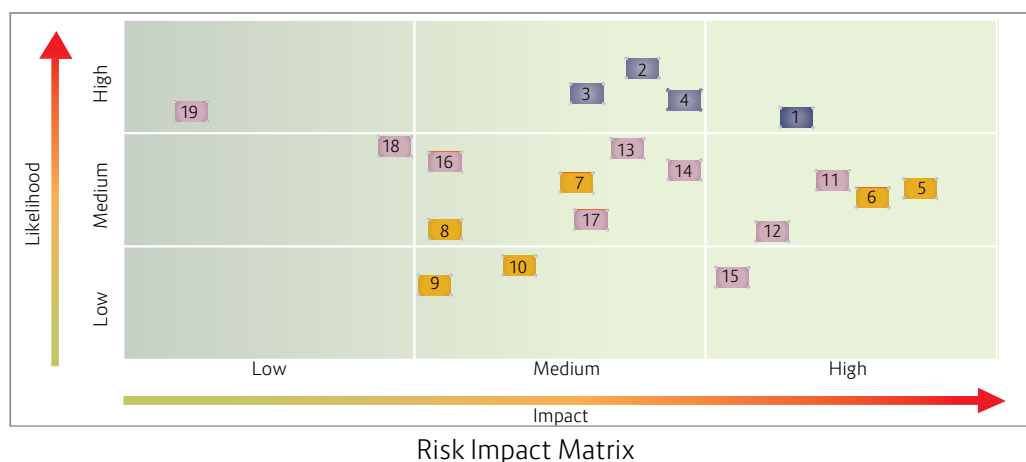
RMD consists of separate desks, which are devised for managing Credit Risk, Market Risk, Liquidity Risk, Stress Test, Operational Risk, Capital Management & Basel Unit and Risk Research & Policy Development.

## Risk Management Organogram



## Risk Assessment and Treatment

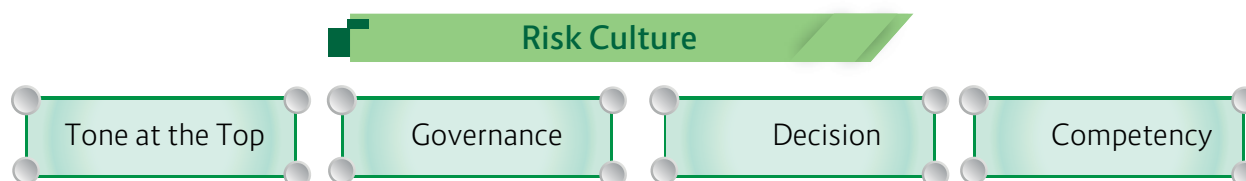
A rigorous risk assessment process is in place to actively identify, measure, analyze, evaluate and reporting risks inherent in all products and activities undertaken by the bank. Adequate risk control mechanism are there to eliminate or mitigate the impact of risk.



Risk Impact Matrix

## Risk Culture

Having a comprehensive risk culture throughout the Bank has become a necessity in the banking landscape today. The bank actively promotes a strong risk culture where employees are encouraged to take accountability for identifying risks and for challenging inappropriate actions. The businesses are held accountable for managing all of the risks they generate, including those relating to employee behaviour and conduct, in line with the risk appetite. Expectations on risk culture are regularly communicated by senior management and reinforced through policies and trainings.



## Risk Appetite

The Bank has set in place a Risk Appetite Statement (RAS) which clearly defines the aggregate quantum of risk the Bank is willing to assume in different aspects of business in achieving its strategic objectives. Regulatory requirements, strategic goals, capital adequacy and other prudential factors are incorporated into the RAS to facilitate sustainable value creation to stakeholders whilst ensuring compliance in an efficient manner. The RAS is reviewed and approved by the Board annually.



## Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank. Generally credits are the largest and most obvious source of credit risk. Credit risk could stem from both on-balance sheet and off-balance sheet activities.

## Governance and Management

The credit risk governance establishes the responsibility and approach through which the Board of Directors and senior management govern its business and the related credit risk management issues. It is the overall responsibility of a Bank's Board of Directors to approve credit risk management strategies and significant policies relating to credit risk and its management which should be based on the overall business strategy. The responsibility of senior management is to transform strategic directions set by the Board in the shape of policies and procedures. Senior management ensures that the policies are embedded in the culture of the Bank. Senior Management is responsible for implementing the Bank's credit risk management strategies and policies and ensuring that procedures are put in place to manage and control credit risk and the quality of credit portfolio in accordance with these policies. Credit Risk Management Committee (CRMC), which is headed by Chief Risk Officer (CRO) has been delegated the responsibility to oversee the credit risk taking activities and overall credit risk management functions. Credit risk management function is independent from the business divisions.

The Bank's credit policy, credit risk appetite and the credit risk framework set out reasonable expectations for the conduct of the credit risk management activities and behaviour throughout the organisation. This ensures:

- ❑ A consistent and effective execution of credit risk management activities across the Bank
- ❑ A strong credit risk management culture.
- ❑ A performance that is in line with strategic objectives.
- ❑ Compliance with legal and regulatory requirements in relation to credit risk.

## Credit Risk Management Cycle

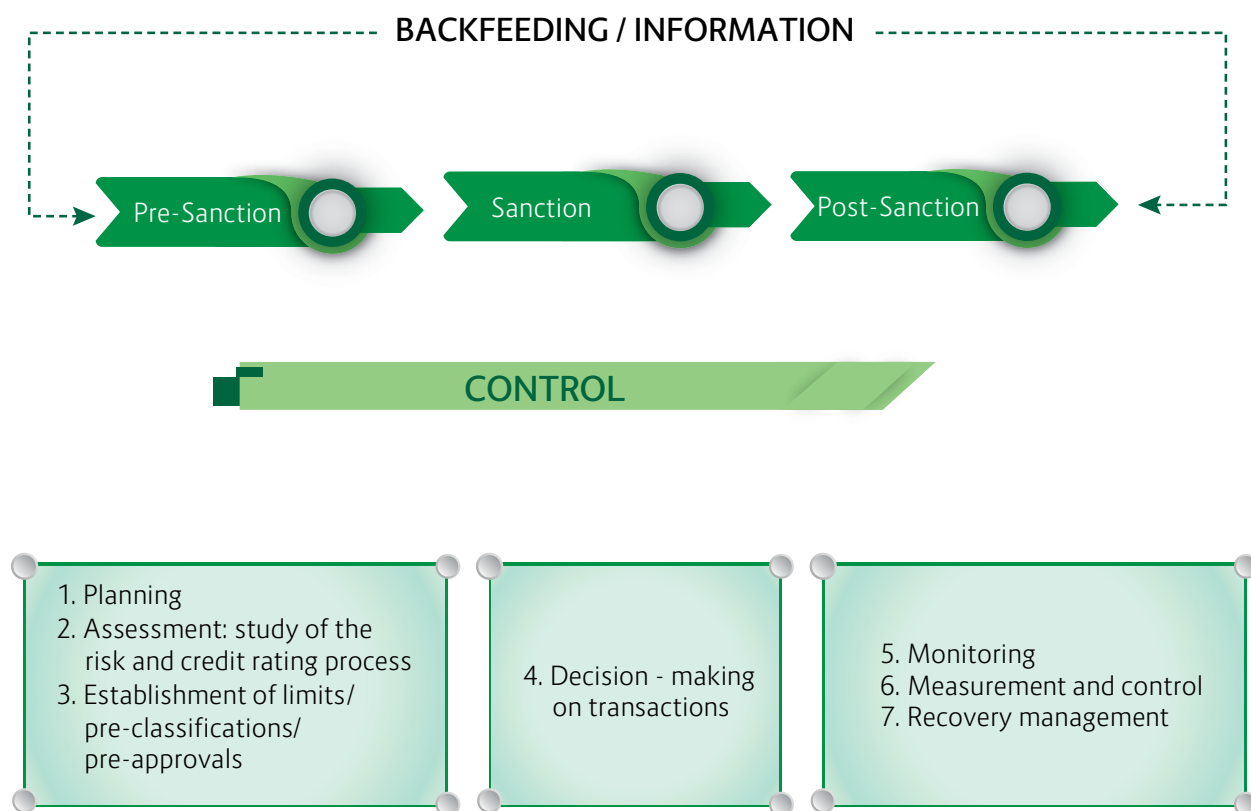
The credit risk management cycle of the Bank ensures that loans are granted within borrowers' financial capacity and that distressed and non-performing loans are identified at an early stage and managed proactively. Each of the phases of the cycle/process is associated with specific decision models established for decision-making in line with the business objectives and credit policies defined by the Bank.

Planning on credit risk area is done at the start of the cycle that allows business targets and specific action plans are defined, within the risk appetite established by the bank, and these targets to be met by assigning the necessary means (models, resources, systems). A thorough credit risk assessment is done before granting loans. The credit risk assessment includes borrower risk analysis, industry risk analysis, historical financial analysis, projected financial performance, conduct of account, and security against the proposed loan.

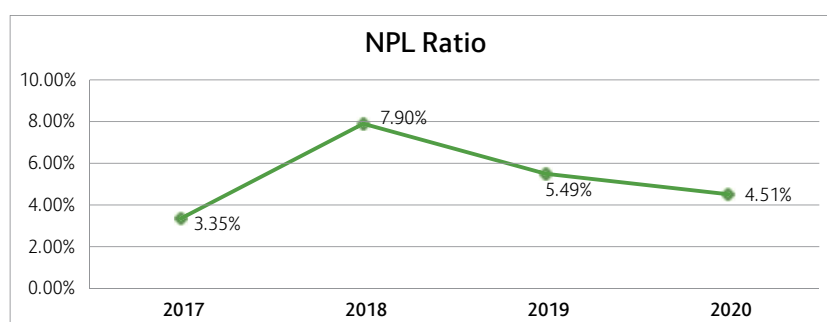
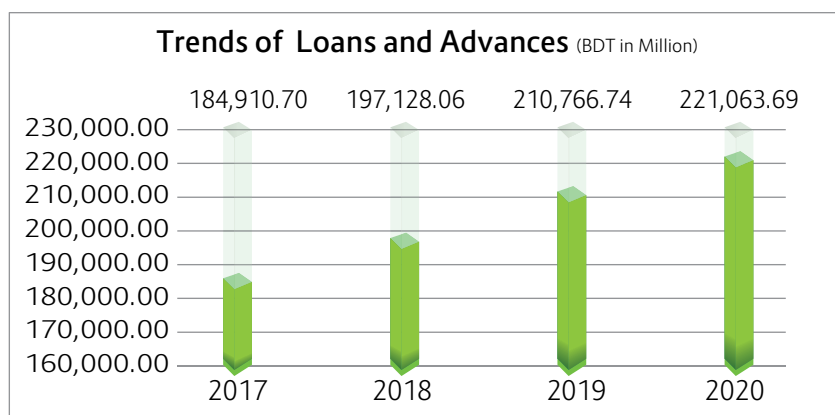
The Bank adopted the Internal Credit Risk Rating System (ICRR) model introduced by Bangladesh Bank that extensively analyze a borrower's repayment ability based on information about a customer's financial condition including their liquidity, cash flow, profitability, debt profile, market indicators, industry and operational background, management capabilities, and other relevant indicators. The model consists of twenty different sub-sectors under the broad category of four main sectors. Different yardsticks are used for assessing the borrowers of corresponding sectors. The assessment criteria for each of these sectors are unique.

The establishment of limits, pre-classifications and pre-approvals phase establishes the risk that each customer is able to assume. These limits are set considering both the business and risks areas and approved by the committees delegated for and reflect the expected risk-return by the business. All decisions regarding risks considering the risk appetite, limits and management policies defined in the planning stage, in addition to other factors relevant to the risk and profitability equilibrium. All borrowers are monitored in an ongoing and holistic manner that enables the earliest detection possible of any incidents that may arise in relation to risk impacting the customer's credit rating, so that specific measures (predefined or ad-hoc) can be implemented to correct any deviations that could have a negative impact for the entity. Effective recovery policies and action plans are in place for improved credit collection. A number of measures are used to mitigate credit risk, including collateral, guarantees and covenants along with effective comprehensive guideline for valuation and management of collateral security.

The stages of credit risk management cycle are illustrated below:



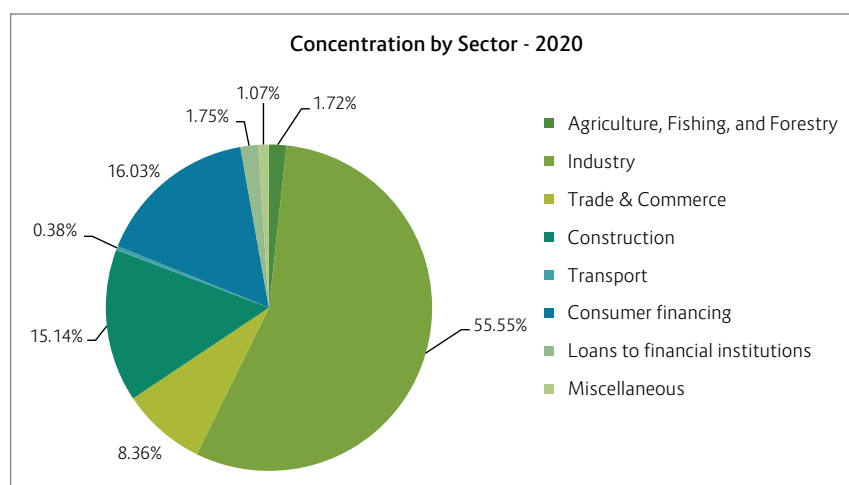
## Loans and Advances

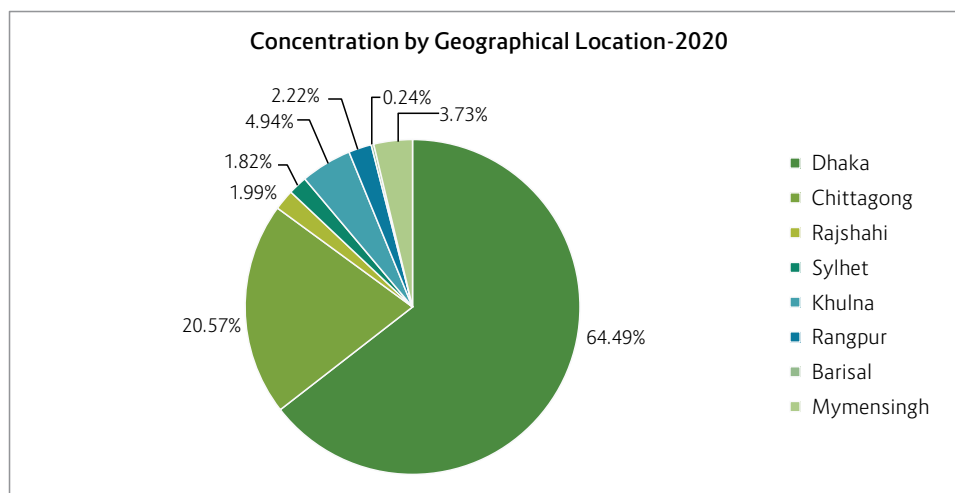


## Concentration Risk

Concentration risk is the probability of loss arising from significantly imbalanced credit exposure to a particular individual, group, industry sector or geographical area. The Bank manages concentration risk by means of appropriate structural limits and borrower-wise limits based on credit-worthiness. Bank's appetite for credit exposures is predefined for:

- Group of related borrowers
- Top 20 (twenty) borrowers concentration
- Major economic sectors
- Geographical areas





Concentration risk is monitored closely, and the relevant limits are reviewed and changed periodically to suit the changes in economic and environmental outlook, bank's policies and regulatory requirements.

### Market Risk

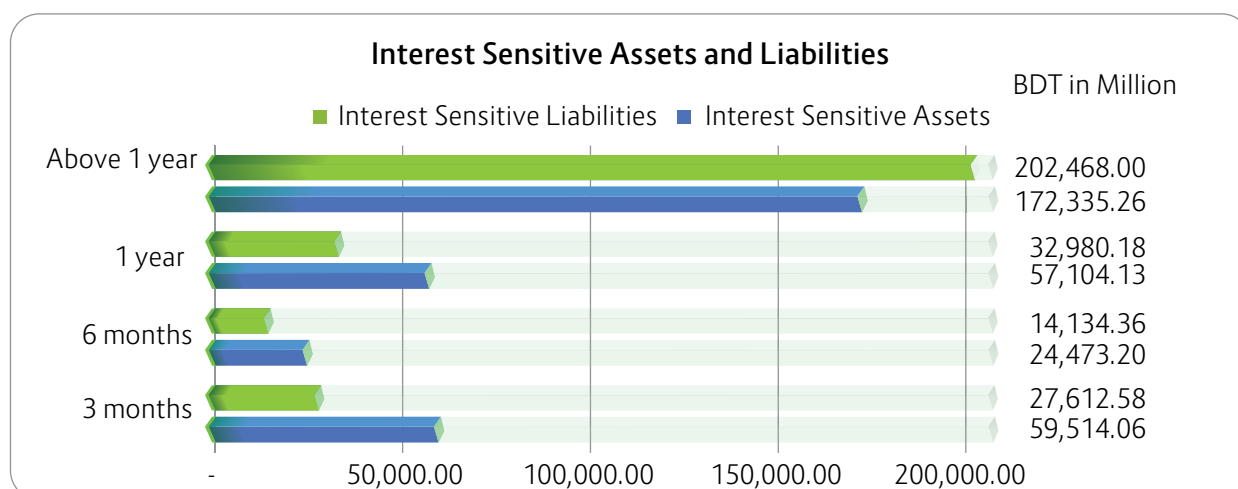
Market risk and specific risk make up the two major categories of investment risk. The most common types of market risks include interest rate risk, foreign exchange risk and equity risk.

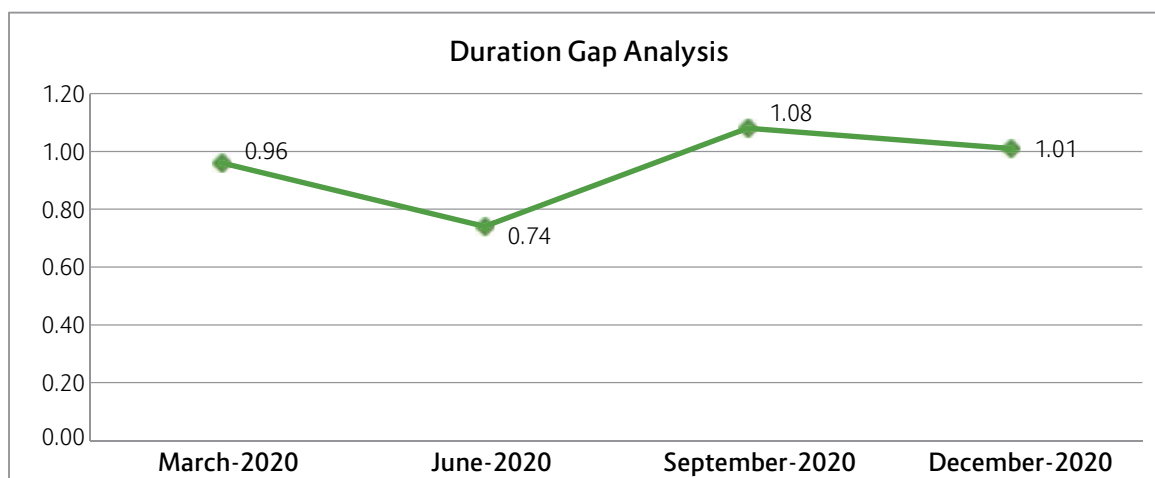
Market risk is the possibility of losses in on and off-balance sheet positions arising from adverse movements of key market variables. Market risk of a bank mainly arises from money market, capital market and foreign exchange portfolio.

Trust Bank has policies, approved by the Board to mitigate and monitor its market risk. Asset Liability Management Committee (ALCO) is entrusted with the responsibility for managing market risk of the Bank from a strategic risk management perspective in accordance with the existing regulatory framework.

### Interest Rate Risk

Interest rate risk is the possibility that the value of an investment will decline as the result of an unexpected change in interest rates. This risk is most commonly associated with an investment in a fixed-rate bond. When interest rates rise, the market value of the bond declines and vice-versa. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest sensitive income and expenses. Changes in interest rate also affect the underlying value of the bank's assets, liabilities and off-balance sheet exposure. ALCO decides optimum strategies for managing interest rate risk. Duration gap analysis, Earning At Risk (EAR) and sensitivity analysis are used to quantify interest rate risk.





### Foreign Exchange Risk

Foreign-exchange risk is the risk that an asset or investment denominated in a foreign currency will lose value as a result of unfavourable exchange rate fluctuations between the foreign currency and the presentation currency. Net open position, stop loss limits, dealers limits and counter party limits are exercised based on prescribed limits approved by Board of Directors in line with the requirements of Bangladesh Bank. Stress testing and Value at Risk (VaR) are used to quantify the Bank's risk in foreign exchange exposure. Triggers are raised to draw attention to any specific event. Furthermore, the Bank has been able to manage its open positions for the better interest of the Bank as a whole.

### Equity Risk

Equity price risk is the probabilities of losses caused by changes in equity prices. Both systematic and unsystematic risk might be associated with equity risk. The former refers to sensitivity of portfolio value to change in overall level of equity prices whereas later is associated with volatility of firm specific factors. Bank uses a range of techniques including marking to market, stress testing and VaR to assess equity risk for its equity investment. Exposure limits for equity portfolio is guided by Bangladesh Bank time to time.

### Liquidity Risk

Liquidity Risk is the current and prospective loss on the earnings or capital of the financial institution resulting from the inability to meet current payment obligations in a timely and cost-efficient manner. The goal of liquidity risk management is to meet all commitments on the due date and raising sufficient funds under normal and adverse conditions. These objectives are ensured by setting up effective policies, operational level committees, risk measurement tools and techniques along with monitoring and reporting mechanism. Liquidity risk is managed within approved policies and framework by Board of Directors. ALCO provides senior management oversight of liquidity risk and meets at least monthly to discuss the Bank's liquidity profile.

The Bank manages its liquidity on static and dynamic basis using various tools such as gap analysis, ratio analysis, dynamic liquidity statements, scenario analysis and structural liquidity profile (SLP). The liquidity profile of the bank is analyzed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the actual maturity and expected occurrence of cash flows. The liquidity profile of the bank is also estimated on a dynamic basis by considering the growth in deposits and loans, undrawn commitments etc. The concentration on large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions. Basel III framework on liquidity standards as prescribed by Bangladesh Bank is adopted and put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The Bank has in place a contingency funding plan to ensure that decisive actions are taken in liquidity crisis situation. The Bank have appropriate counter party limits based on the credit risk policies in line with its credit risk appetite as well as target market of the Bank.



#### Liquidity Risk Indicators:

Particulars	Liquidity Ratio as on 31 December 2020
Cash Reserve Requirement (CRR)	4.09%
Statutory Liquidity Requirement (SLR)	35.83%
Liquidity Coverage Ratio (LCR)	316.29%
Net Stable Funding Ratio (NSFR)	122.59%

#### Internal Control and Compliance Risk Management

Internal control is a process, effected by a bank's Board of Directors, Management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is a dynamic, continuing series of activities planned, implemented and monitored by the Board of Directors and Management at all levels within an organization. An effective internal control system continually recognizes and assesses all of the material risks that could adversely affect the achievement of the bank's goals. The bank has Risk Based Internal Auditing (RBIA) model, approved by the Board, under which branches are rated taking into consideration of the 'Business Risk' as well as 'Control Risk' associated with their operation. The risk assessment by Internal Audit focuses more on compliance with regulatory requirements; controls over implementation of management policies, procedures and decisions related to the risks which were communicated and asked to enforce along with all other risks at branch level. The Audit Committee of the Board periodically assesses the performance of internal audit of the Bank.

#### Internal Control and Compliance Process of Trust Bank

- Departmental Control Function Check List (DCFCL), at the frequencies, i.e., daily, weekly, monthly, quarterly;
- Loan Documentation check List;
- Quarterly Operation report (QOR) is needed to be prepared, maintained and reviewed.

In 2020 IC&C Division conducted following number of Audit

Summary	No. of Audit
Number of Comprehensive Audit and Branches	95
Number of Comprehensive Audit at Head Office	31

#### Money Laundering and Terrorist Financing Risk Management

With the evolving trends in money laundering and terrorist financing as well as heightened regulatory expectations, the bank has continuously worked to emplace adequate and effective Anti Money Laundering (AML)/Countering Financing of Terrorism (CFT) controls and practices to proactively manage these risks. Due to modern technology prevention of money-laundering and combating financing of terrorism is more difficult and challenging than ever for the banks worldwide. The Covid-19 pandemic is also impacting government and private sectors' abilities to implement Anti-Money Laundering and Counter Terrorist Financing (AML/CFT) obligations for supervision, regulation and policy reform. The Bank meet the challenge of AML/CFT issues through following lines of defense:

**1. Knowing Our Customer:** During establishing the relationship with customer, banker has to be very cautious to verify the identity of a new customer and guard the gateway of banking system as this system allows access to the global financial platform. As per BFIU instruction new KYC format introduced this year, to be followed by all officials meticulously and prudently. All accounts are opened with accurate and complete documentation as per AML & CFT policy.

**2. Sanction Screening:** Sanction Screening is followed before as per the instruction of AML & CFT Policy Guideline. This process is followed in case of both local and cross border transactions.

**3. Monitoring Transactions & STR/SAR Detection:** As the pandemic continues to affect societies and economies across the world, banks and financial institutions have to adjust to the new compliance climate

to accommodate legitimate behavior from customers while identifyine criminal behavior from money launderers and fraudsters. To comply with this following tasks are done:

- i. More vigilant in monitoring transactions.
- ii. Identify STR/SAR and forward to proper authority.
- iii. Use of digital identity to identify customers while onboarding and when making transactions.
- iv. Make use of due diligence approach based on risk as per Risk Management Guideline of TBL.

**4. Training of Our Employees:** Due to Pandemic situation training on different related issues are being arranged through Zoom online by TBL Training Academy. Training and awareness program makes sure that the employees can meet their responsibilities.

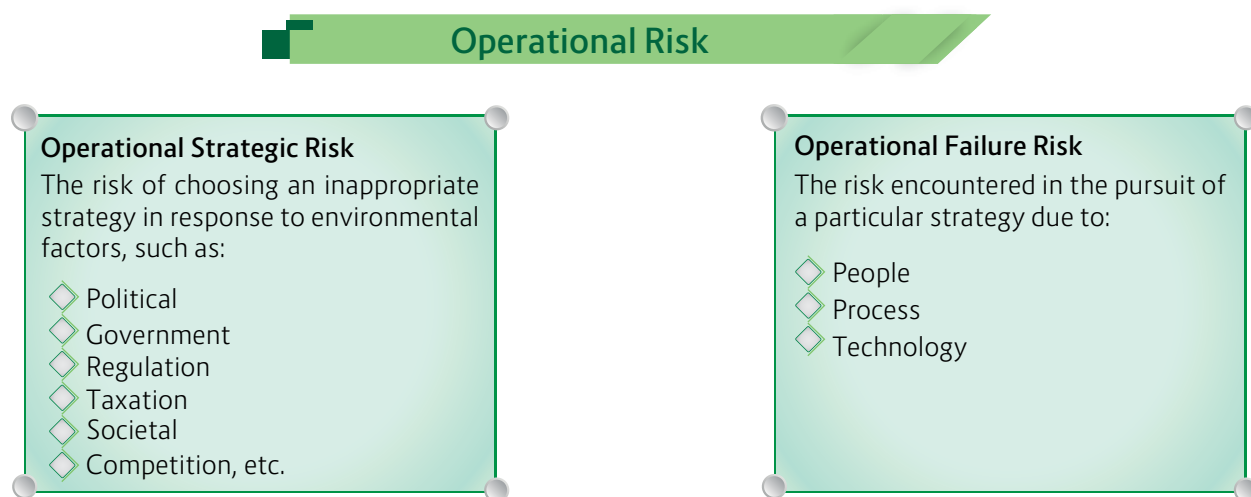
**5. Prevention of Trade Based Money Laundering:** Trade Based Money Laundering Guideline has already been developed and currently awaiting for vetting clearance from BFIU. All the due diligence is meticulously followed in case of Foreign Trade Business.

**6. Correspondence Banking Relationship:** To protect the bank from any non-compliance offence all concerned ofllcials are instructed not to establish relationship with Shell Bank for performing foreign trade. The concerned officials have to take prior approval and complete proper documentation before establishing any correspondence relationship with foreign bank.

TBL as a responsible and compliant institution, practices the 'zero tolerance' approach in compliance of TBL AML & CFT Risk Management Guidelines in it's business approach and practices. In the light of changing environment, TBL continuously evaluate the strength and relevance of its existing AML/CFT policies, procedures and training programs to remain updated.

## Operational Risk

Operational risk is the risk of losses stemming from inadequate or failed internal processes, people and systems, or from external events such as natural disasters, social or political events. It is inherent in all banking products and processes and our objective is to control it in a cost effective manner. Operational risk includes legal risk but excludes strategic and reputational risk.



The process for operational risk management includes the following steps:

- Identify and assess key operational risks;
- Design controls to mitigate identified risks;
- Establish key risk indicators;
- Implement a process for early problem recognition and timely escalation;
- Produce comprehensive operational risk reporting; and
- Ensure that sufficient resources are available to actively improve the operational risk environment and mitigate emerging risks.

## Capital Requirement for Operational Risk:

BDT in Million

Details	Capital Requirement as on 31 December 2020
Total RWA for Operational risk (on Solo basis)	18,156.62
Total Capital requirement for Operational risk at 12.50% (on Solo basis)	2,269.58

## Information and Communication Technology (ICT) risk

As a major component of operational risk, ICT risk comprises ICT-related events such as system interruptions, errors, frauds through system manipulations, cyber attacks, obsolescence in applications, etc., that could potentially impact the business as a whole. The Bank manages ICT risk in a systematic and consistent manner thus data integrity, availability, confidentiality and consistency are ensured with a view to provide the relevant early warning mechanism. There are well defined policies which set out key risk management framework, function, process, risk identification, governance, evaluation and response. Elements of ICT risk management of the Bank are as follows:

- Continuous upgradation of our IT infrastructure to minimise risk of disruptions and to mitigate risk at any single point of failure.
- Rigorous software development life cycle and enforcement of change management.
- Continuous cyber awareness campaigns and assessment of internal readiness based on our cyber risk management guidelines.
- Establishment of a cyber defence roadmap focusing on technology capabilities.
- Continuous review and assessment of IT operations to ensure that it complies with regulatory requirements.

## Other Risks

### Reputational Risk

Reputational risk is the current or prospective risk to earnings and capital arising from adverse perception of the image of the Bank on the part of customers, counterparties, shareholders, investors or regulators. Reputational risk is multidimensional and reflects the perception of other market participants. The risks that arise are incorporated into the Bank's risk management processes and appropriately addressed in its ICAAP and liquidity contingency plans.

### Environmental and Social risk

Environmental and social (E&S) risk is the risk of financial loss or damage to reputation associated with environmental issues including related social issues, whether arising from the Bank's credit and investment activities or related to its own operations. The Bank has policies and procedures in place and conduct appropriate due diligence for assessment of E&S risks associated with a proposed transaction.

### Strategic Risk

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, non-adaptability/less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base. The Bank seeks to manage strategic risk with annual strategic plan and retain capital against the identified risks.



## Disclosures on Risk Based Capital (Basel III) for the Year 2020

The public disclosure of prudential information is an important component of Basel Committee on Banking Supervision's framework of capital measurement and capital adequacy, known as Basel III. The Bank is required to set out the public disclosure upon its capital requirements, level of risks and risk management system in order to facilitate and enhance greater insight information for the outsiders and market participants to assess and analyze all risks and capital adequacy of the Bank. This disclosure shall be deemed as the essential market mechanism in escorting the Bank to achieve effective risks management system beyond simply the internal control of the Bank and the supervision of Bangladesh Bank.

In line with the Bangladesh Bank's BRPD Circular no. 35, dated 29 December 2010 as to Guidelines on 'Risk Based Capital Adequacy for Banks' and subsequent BRPD Circular 18, dated 21 December 2014 on 'Guidelines on Risk Based Capital Adequacy', following detailed qualitative and quantitative disclosures are provided covering scope of capital adequacy framework, capital, risk exposure and assessment methodology, risk mitigation strategies and capital adequacy of the Bank.

To cope up with the international best practices and to make the Bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised Regulatory Capital Framework in line with Basel II) was introduced from 01 January 2009 as a parallel run with BRPD Circular No. 10, dated 25 November 2002 (Basel I). At the end of parallel run, Basel II regime started from 01 January 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised Regulatory Capital Framework in line with Basel III) vide its BRPD Circular 18 dated 21 December 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance.

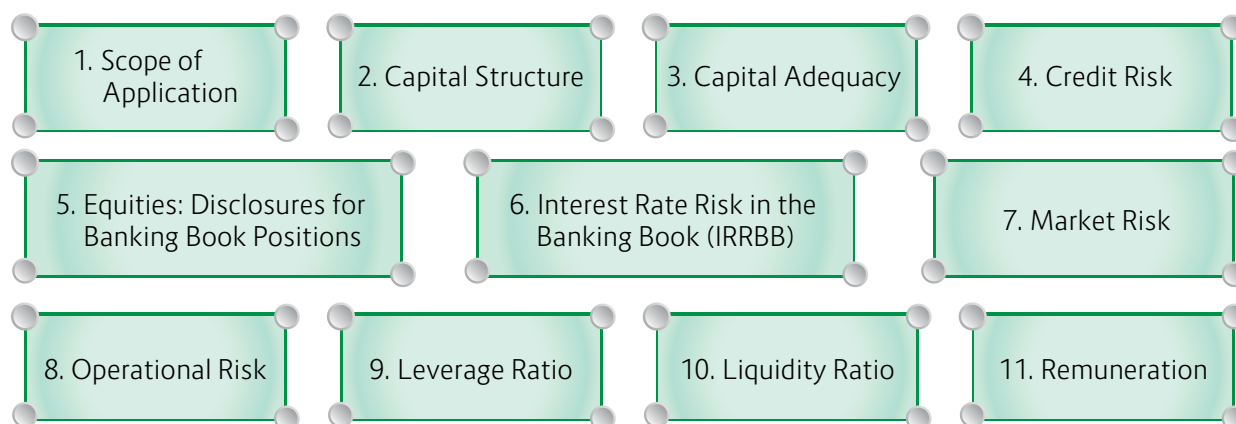
**The Basel III framework consists of three-mutually reinforcing pillars:**

**Pillar 1 (Minimum Capital Requirement):** covers the calculation of RWAs for credit risk, market risk and operational risk.

**Pillar 2 (Supervisory Review Process):** covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. The Bank's own internal models and assessments support this process.

**Pillar 3 (Market Discipline):** covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management. Market discipline comprises a set of disclosures on the Capital Adequacy and Risk Management framework of the Bank. Pillar 3 disclosures as per BB circular on Basel-III Capital Regulations are set out in the following sections for information.

**Components of Pillar-3 Disclosure Framework:**



## 1. Scope of Application

### Qualitative Disclosures:

#### (a) The name of the top corporate entity in the group to which this guideline applies:

The framework applies to Trust Bank Limited (TBL) on 'Consolidated Basis' as there are three subsidiaries of the Bank as on the reporting date i.e. 31 December 2020. However, 'Solo Basis' information has been presented beside those of 'Consolidated Basis' to facilitate comparison.

#### (b) An outline of differences on the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted):

Trust Bank Limited has 3 (Three) subsidiaries i.e.

- ▶ Trust Bank Investment Limited
- ▶ Trust Bank Securities Limited
- ▶ Trust Axiata Digital Limited

#### A brief description of the Bank and its subsidiary are given below:

##### Trust Bank Limited

Trust Bank Limited (TBL) was established as a Public Limited Company (Banking Company) as on the 17 June 1999 under the Companies Act 1994 for carrying out all kinds of banking activities and commenced its operation on the 17 June 1999 with the permission of Bangladesh Bank.

It was listed with Dhaka Stock Exchange Limited as on 25 September 2007 and Chittagong Stock Exchange Limited as on 24 September 2007 respectively.

As on 31 December 2020, the Bank is operating its business through Head Office having 106 branches, 06 SME/Krishi branches, 1 SME Service Center, 12 T-Lobby and CDMs (Cash Deposit Machine) and 236 ATMs all over Bangladesh.

##### Off-Shore Banking Unit (OBU)

Off-shore Banking Unit is a separate business unit governed by applicable rules, regulations and guidelines of Bangladesh Bank vide letter no. BRPD(P-3)744(116)/2010-2462 dated: 02 June 2010. The number of OBU was 1 (One) as on reporting date 31 December 2020 located at Dilkusha Corporate Branch, Dhaka. Investments in OBUs are risk weighted with the exposure of the Bank.

#### There are 3 (Three) Subsidiaries of Trust Bank which are as under:

##### ▶ Trust Bank Investment Ltd:

Trust Bank Investment Limited (TBIL) was incorporated as on 09 September 2010 as a public limited company bearing registration no. C-86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25 October 2010 as a fully-fledged Merchant Bank bearing certificate no. MB-45/10. The Company started its operation on 14 November 2010. The registered office of the Company is located at 36, Dilkusha Commercial Area, Dhaka - 1000.

The main objectives of the company are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services etc.

##### ▶ Trust Bank Securities Limited:

Trust Bank Securities Limited (TBSL) was incorporated as on 07 February, 2013 as a private limited company bearing registration no: C-107267/13 under the companies Act, 1994. The registered office of the company is located at level-01, Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206.

The main objective of the company is carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company.

► **Trust Axiata Digital Limited:**

Trust Axiata Digital Limited (TADL) is a Mobile Financial Company that was established on 29 May 2020. Being authorized by Bangladesh Bank as Mobile Financial Services (MFS) regulatory authority, it took the brand name 'tap'. It is jointly ventured with 'Trust Bank Limited, Bangladesh' and 'Axiata Digital Services Sdn Bhd, Malaysia' and was formed under "Bangladesh Mobile Financial Services Regulations, 2018".

Trust Axiata Digital Limited is jointly incorporated as a private limited company with 51% share owned by Trust Bank Limited and 49% share owned by Axiata Digital Services Sdn Bhd, both the companies signed the joint venture agreement to operate Mobile Financial Services (MFS) and Payment Service Provider (PSP) operation in Bangladesh.

With the underlying objective of ensuring a wide range of MFS for banked and unbanked population of Bangladesh, TADL has executed the launch of its MFS product on 30 December 2020 with the brand name "tap". TADL offers the most convenient, flexible, secured and affordable services and it purpose to gain a wide range of financial inclusion of people from all level of income.

**(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group:**

Not applicable

**Quantitative Disclosures:**

**(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.**

Not Applicable

## 2. Capital Structure

**Qualitative Disclosures:**

**(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or in Tier 2.**

For the purpose of calculating capital under capital adequacy framework, the capital of banks shall be classified into two tiers. The total regulatory capital will consist of sum of the following categories:

**I. Tier 1 Capital (going-concern capital):** This form of capital can absorb losses without triggering bankruptcy of the Bank. Hence, it is the core measure of a bank's financial strength from regulator's point of view. The components of Tier 1 Capital are given below:



Common Equity Tier 1 Capital: It is called 'Core Capital' comprises of highest quality of capital elements consists of -



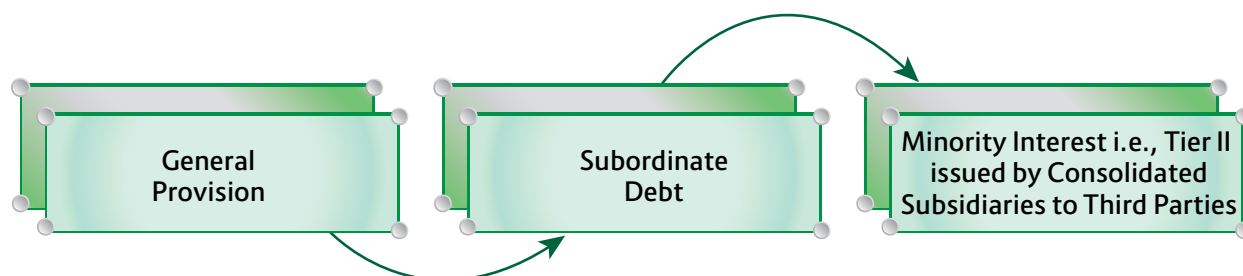
**Less:** Regulatory adjustments applicable on CET1

**Additional Tier 1:**

- ▶ Non-cumulative irredeemable preference share
- ▶ Instruments issued by the banks that meet the qualifying criteria for AT1
- ▶ Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties as specified in Annex-4 of Basel III Guidelines (For Consolidated Reporting)

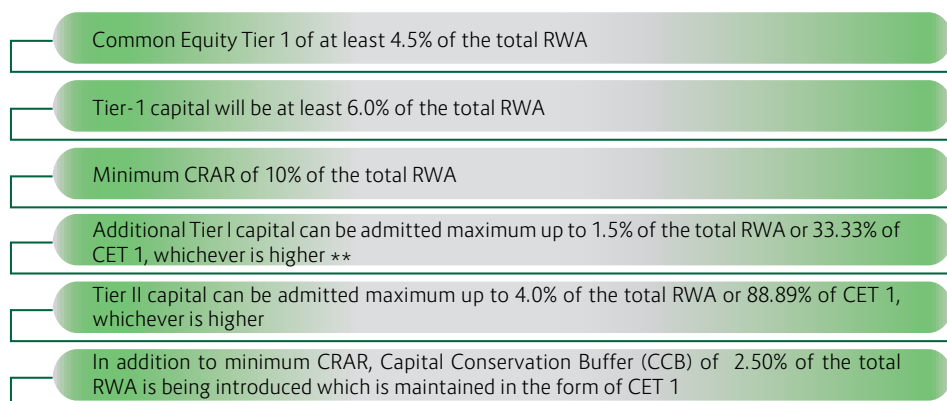
**Less:** Regulatory adjustments applicable on AT1

**II. Tier-2 Capital:** It is called 'gone-concern capital' represents other elements which fall short of some of the characteristics of the core capital consists of-



**Less:** Regulatory adjustments applicable on Tier-2 capital

Capital Requirement Rules as per RBCA Guidelines of Bangladesh Bank for the year 2020:



\*\* Footnote 9: For the purpose of calculating Tier 1 capital and CRAR, the excess Additional Tier-1 capital and Tier-2 capital can only be recognized if the bank has CET1 ratio in excess of the minimum requirement of 7.0% (i.e. 4.5%



plus capital conservation buffer of 2.5%). Further, any excess Additional Tier-1 and Tier-2 capital will be recognized in the same proportion as stipulated above i.e. the recognition of excess Additional Tier 1 (above 1.5%) is limited to the extent of 33.3% (1.5/4.5) of the CET1 in excess of 7.0% requirement. Similarly, the excess Tier-2 capital (above 4.0%) shall be recognized to the extent of 88.89% (4.0/4.5) of the CET1 in excess of 7.0% requirement.

## Quantitative Disclosures:

### (b) The amount of Regulatory capital of Trust Bank Limited under Basel-III during 2020 as below:

BDT in Million

Particulars	Solo	Consolidated
<b>1. Common Equity Tier-1</b>		
Fully Paid-up Capital	6,432.96	6,432.96
Statutory Reserve	6,979.75	6,979.75
Retained Earnings	2,966.44	3,319.30
Minority interest in Subsidiaries	-	217.00
Less: Goodwill and all other Intangible Assets	5.36	5.36
Less: Deferred Tax Assets (DTA)	176.44	180.87
a. Total Common Equity Tier-1 Capital	16,197.35	16,762.79
b. Additional Tier-1 Capital	650.0	650.0
c. Total Tier-1 Capital (a+b)	16,847.35	17,412.79
<b>2. Tier-2 Capital (Gone-Concern Capital)</b>		
General Provision	3,432.99	3,432.99
Subordinated debt	9,600.00	9,600.00
d. Total Available Tier -2 Capital	13,032.99	13,032.99
e. Total Admissible Tier-2 Capital**	10,043.73	10,489.12
Total Regulatory Capital (c+e)	26,891.08	27,901.90

\*\* As per Instructions from Bangladesh Bank based on Paragraph 3.2 (footnote:09) of BRPD Circular No. 18, Dated: December 21, 2014 on "Guidelines on Risk Based Capital Adequacy"; Bank has adjusted Tier-II Capital. If that clause of the Guidelines was not executed, then the Total Capital of the Bank would have 29,880.33 Million (Solo), CRAR 15.25% (Solo) and 30,445.77 Million (Consolidated), CRAR 15.34% (Consolidated).

## 3. Capital Adequacy

### Qualitative Disclosures:

#### (a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities:

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and an appropriate capital buffer based on its business profile. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through comprehensive governance and control practices, strong risk management framework and an elaborate process for capital calculation and planning.

The Bank has a Board approved policy on Internal Capital Adequacy Assessment Process (ICAAP) as stipulated by Bangladesh Bank. The ICAAP also details the Risk Appetite of the Bank, assessment of material risks, the process for capital adequacy assessment to support business projections, adequacy of risk control framework, capital raising plans and Bank-wide stress testing.

The periodic assessment of the Bank's performance against the Risk Appetite defined under ICAAP and results of stress testing are reported to the Board of Directors for their review. CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 10%.

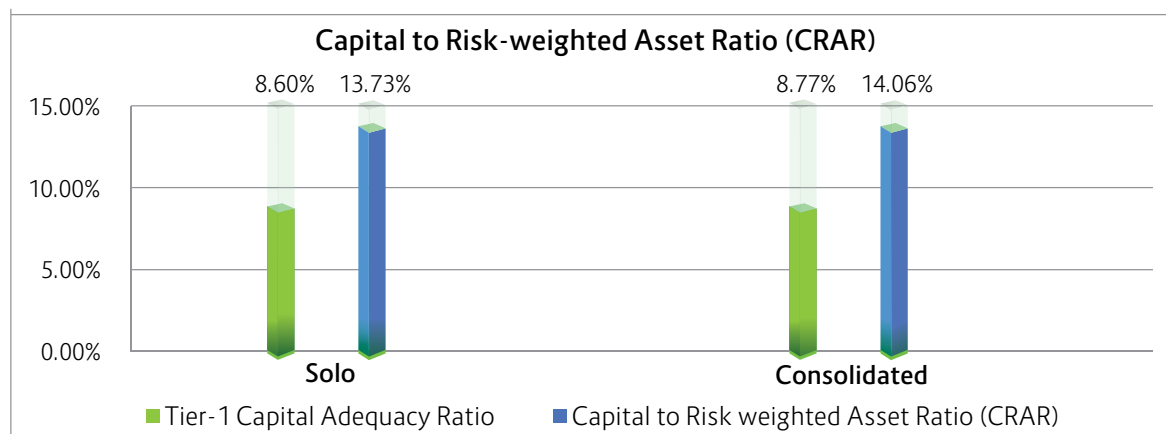
## Quantitative Disclosures:

BDT in Million

Particulars	Solo	Consolidated
b) Capital requirement for Credit Risk	16,991.70	16,873.09
c) Capital requirement for Market Risk	785.34	1,122.59
d) Capital requirement for Operational Risk	1,815.66	1,854.57
Minimum Capital Requirement (MCR) @10%	19,592.71	19,850.25
MCR (10%) plus Capital Conservation Buffer (2.50%) @12.50%	24,490.88	24,812.81
Total Regulatory Capital	26,891.08	27,901.90
e) Capital to Risk weighted Asset Ratio (CRAR)	13.73%	14.06%
I. Common Equity Tier 1 (CET 1) Ratio	8.27%	8.44%
II. Tier 1 Capital Adequacy Ratio	8.60%	8.77%
III. Tier 2 Capital Adequacy Ratio	5.13%	5.28%
Requirement for Capital Conservation Buffer (CCB)	2.50%	2.50%
Capital Conservation Buffer (CCB) Maintained	2.60%	2.77%
f) Available Capital under Pillar 2 Requirement*	2,400.20	3,089.09

\* Total Regulatory Capital less MCR with CCB

### Capital to Risk-weighted Asset Ratio (CRAR):



## 4. Credit Risk

### Qualitative Disclosures:

#### (a) The general qualitative disclosure requirement with respect to credit risk:

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Credit risk management is the process of mitigating those losses by understanding the adequacy of both a bank's capital and loan loss reserves at any given time.

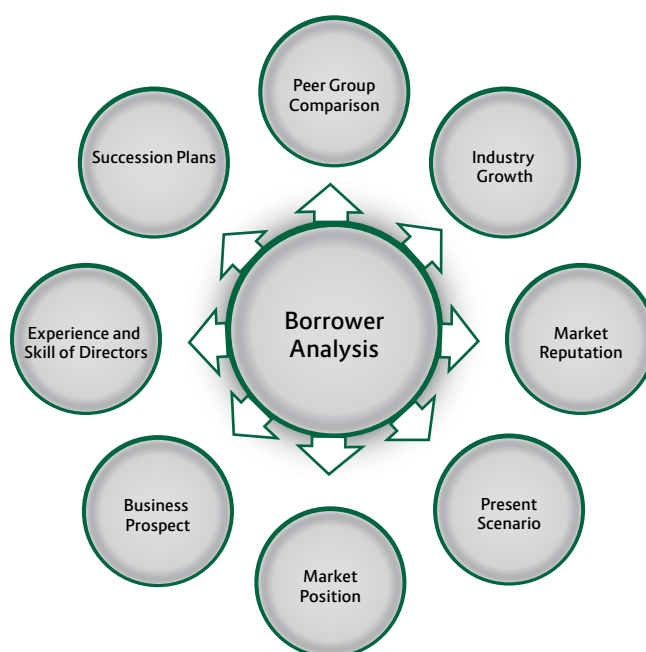
The Bank has a well-structured delegation and sub-delegation of credit approval authority for ensuring better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the Bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, assisting in completion of documentation formalities and above all maintaining relationship with the branches and customers have so long been done by Credit Risk Management (CRM).

### Reduction of Capital Requirement through Increasing Rated Clients

Under the Standardized Approach of the RBCA guidelines of Basel-III, counterparties credit rating is determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the guideline, the rated exposures of a bank will reduce the Risk Weights and the regulatory capital requirement as well as create room to expand the business of the Bank.

This will also enable the Bank to assess the creditworthiness of the borrowers as well, to an acceptable level. To withstand these challenges, the Board of Directors and the Senior Management of the bank emphasized rigorously round the year 2020 on corporate borrower's credit rating to lower our risk profile as well as to reduce the capital requirement of the Bank.

Accordingly, the Risk Management Division (RMD), CRO along with the Branches has taken all out efforts to increase the number of Corporate and SME borrower's exposures rated. They are constantly taking the initiatives through the guidance of the Senior Management; series of meetings, correspondence, awareness program with the allied concerns i.e. Branches of the Bank and ECAIs. As a result of strong persuasion and drive, a significant number of rated clients increased in the year 2020. Throughout the year 2020, Trust Bank Limited had maintained over 92 percent credit rating from total eligible rated clients.



#### (i) Definitions of Past Due and Impaired:

The Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. All the loans and advances are grouped into four categories for the purpose of classification, which are as followings:

- ▶ Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date.
- ▶ Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date.
- ▶ In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.
- ▶ The Short-term Agricultural and Micro-Credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.

- All classified loans can be defined as below:

Types of Facility	Overdue Period for Loans Classification		
	Sub Standard	Doubtful	Bad & Loss
Continuous Loan & Demand Loan (Except CMSME)	3 months or more but less than 9 months	9 months or more but less than 12 months	12 months or more
Continuous Loan & Demand Loan (BRPD Circular no.16 under CMSME)	6 months or more but less than 18 months	18 months or more but less than 30 months	30 months or more
Fixed Term Loan (Except CMSME)	3 months or more but less than 9 months	9 months or more but less than 12 months	12 months or more
Fixed Term Loan (BRPD Circular no.16 under CMSME)	6 months or more but less than 18 months	18 months or more but less than 30 months	30 months or more
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

\* Any Continuous Loan, Demand Loan, Fixed Term Loan under Cottage, Micro and Small Credits under CMSME will be classified according to BRPD Circular No. 16, July 21, 2020. Cottage, Micro and Small credits have been defined in SMESPD Circular No. 02 dated 05 September 2019 under Master Circular on Cottage, Micro, Small and Medium Enterprise (CMSME) Financing.

\*As per BRPD circular no. 17, dated 28 September 2020, loans cannot be classified adversely up to December 31, 2020 than its status on January 01, 2020. However, improvement of classification status during this period can be reported.

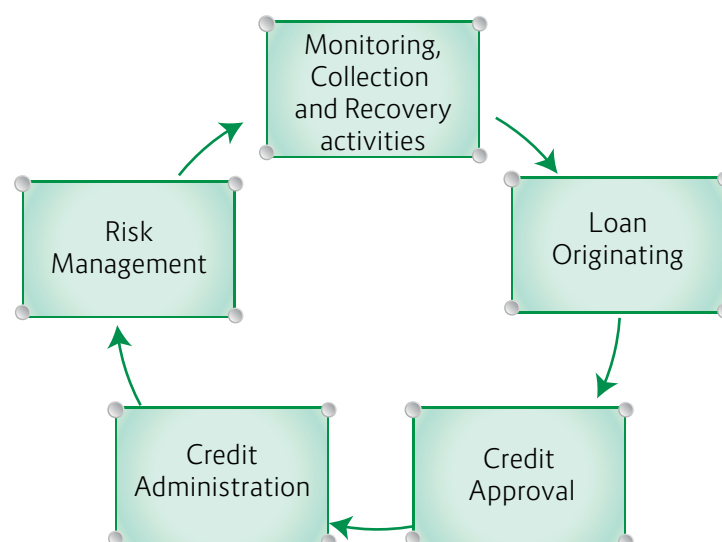
(ii) Description of approaches followed for specific and general allowances and statistical methods:

Business Unit		Rates of Provision				
		Un-Classified (UC)		Classified		
		Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad Loan (BL)
Consumer	House Building	1%	1%	20%	50%	100%
	loans for professionals	2%	2%	20%	50%	100%
	Other than house building and professionals	2%	2%	20%	50%	100%
Loans to BHs/MBs against Share etc.		2%	2%	20%	50%	100%
Cottage, Micro and Small Credits under CMSME		0.25%	0.25%	5%	50%	100%
Medium Enterprise		0.25%	0.25%	20%	50%	100%
Short term Agri-Credit & Micro Credit		1%	1%	5%	5%	100%
All Others		1%	1%	20%	50%	100%
Off Balance		1%	-	-	-	-

### (iii) Discussion of the Bank's Credit Risk Management Policy:

The credit risk management policy of the Bank aims at a sustained growth of healthy loan portfolio. It articulates while evolving a well-defined system to identify measure, monitor and control various risks attached to credit portfolio of the Bank. This entails reducing exposures in high risk areas, concentrating more on the promising industries / sectors / segments, striking balance between risk and return on assets and ensuring optimization of stake holder's value.

The policy also seeks to achieve prudent credit growth -both qualitative and quantitative- while adhering to the prudential norms with balanced sectoral deployment of credit to control credit concentration across Industries, sectors, segments and at the same time increasing the market share. The policy also aims at consistency and standardization of credit practices. There is a defined credit appraisal and credit approval authority, reporting cum monitoring / follow-up system and loan review mechanism/ credit audit system in place at the Bank as spelt out in board approved Credit Risk Management Policy.



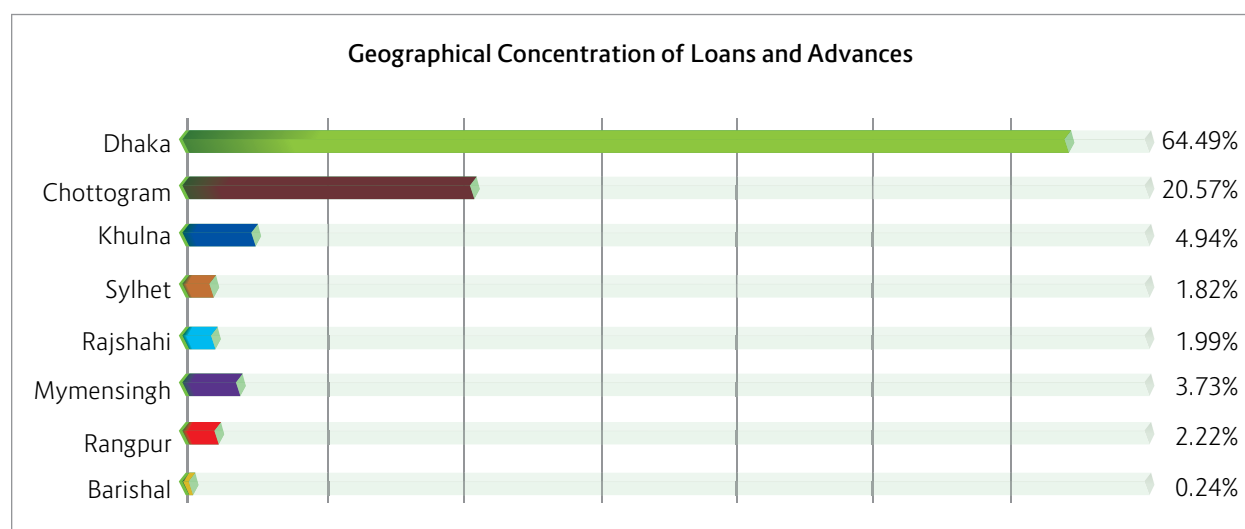
## Quantitative Disclosures:

### (b) Total Gross Credit Risk Exposure Broken Down by Major Types of Credit Exposure:

Particulars	BDT in Million
<b>Continuous loan (CL-2)</b>	
Consumer Finance	1,751.55
Small & Medium Enterprise (SME)	10,307.91
Loans to BHs/MBs/SDs against Shares	1039.58
Other Corporate Loans	26,936.19
<b>Total</b>	<b>40,035.23</b>
<b>Demand loan (CL-3)</b>	
Small & Medium Enterprise	7,624.43
Consumer Finance	7.97
Corporate Loans	42,620.67
<b>Total</b>	<b>50,253.07</b>
<b>Term loan (CL-4)</b>	
Consumer Finance (including staff, other than HF)	2,644.38
Housing Finance (HF)	6,057.39
Small & Medium Enterprise (SME)	6,877.65
Loans to BHs/MBs/SDs against Shares	8.82
Loans to Professionals to setup Business (LP)	4.25
Corporate Loans	107,093.68
<b>Total</b>	<b>122,686.17</b>
<b>Short term Agri-credit and Microcredit (CL-5)</b>	
Short term Agri-credit	23.47
<b>Total</b>	<b>23.47</b>
<b>Staff loan</b>	
	<b>1,164.08</b>
Off Shore Banking	6,901.67
<b>Total Exposure of Trust Bank Limited</b>	<b>221,063.69</b>

(c) Geographical Distribution, Broken Down in Significant Areas by Major Types of Credit Exposures of TBL

Division	BDT in Million
Dhaka	142,563.02
Chittagong	45,463.78
Khulna	10,924.67
Sylhet	4,024.36
Rajshahi	4,394.67
Barisal	541.32
Rangpur	4,901.72
Mymensingh	8,250.15
<b>Total</b>	<b>221,063.69</b>



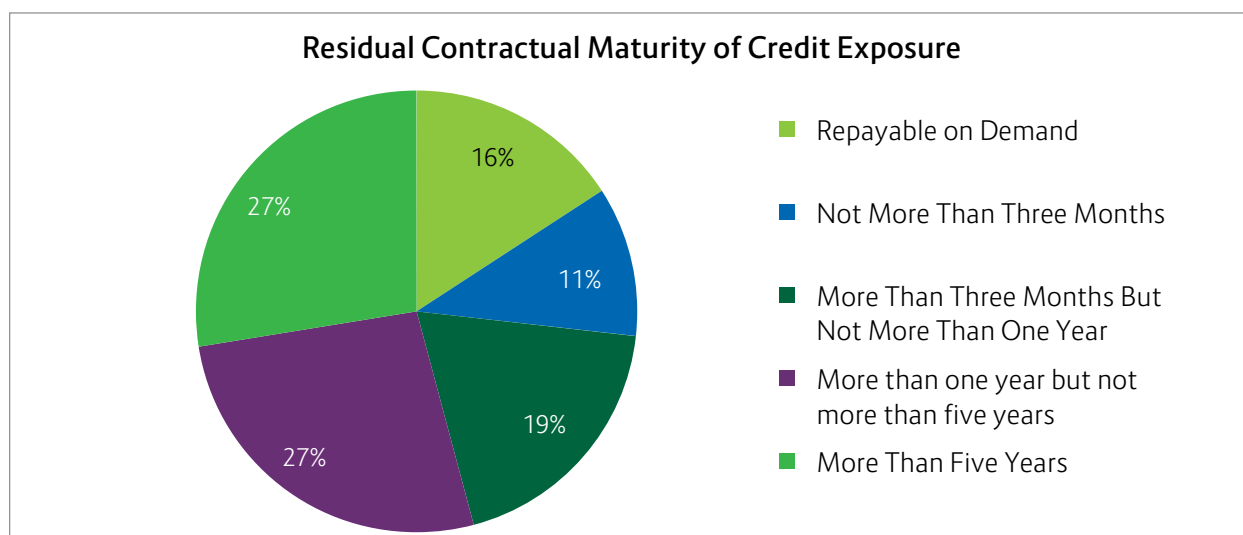
(d) Industry or Counterparty Type Distribution of Exposures, Broken Down by Major Types of Credit Exposure of TBL:

Industry Type	BDT in Million
Agriculture, Fishing, and Forestry	3,810.25
RMG	26,412.13
Textile	8,428.76
Food and Allied Industries	15,097.58
Pharmaceutical Industries	2,944.07
Chemical, Fertilizer, etc.	3,660.76
Cement and Ceramic Industries	4,717.33
Ship Building Industries	1,198.21
Ship Breaking Industries	3,005.93

Industry Type	BDT in Million
Power and Gas	11,388.74
Other Manufacturing or Extractive Industries	29,369.40
Service Industries	16,121.25
Other Industry	466.09
Trade and Commerce	18,473.60
Construction (Commercial Real Estate, Construction and Land Development Loans)	33,460.09
Transport	847.31
Consumer Financing	35,438.85
Loans to Financial Institutions	3,862.13
Miscellaneous	2,361.20
<b>Total Exposure</b>	<b>221,063.69</b>

**(e) Residual Contractual Maturity Breakdown of the Whole Portfolio, Broken down by Major Types of Credit Exposure of TBL:**

Particulars	BDT in Million
Repayable on Demand	34,960.43
Not More Than Three Months	24,256.22
More Than Three Months But Not More Than One Year	42,084.24
More Than One Year But Not More Than Five Years	58,842.84
More Than Five Years	60,919.96
<b>Total</b>	<b>221,063.69</b>





**(f) By major industry or counterparty type of TBL:**

- Amount of impaired loans and if available, past due loans, provided separately:

BDT in Million

Industry	Impaired*	Past due
Small & Medium Enterprise Financing	948.30	5,860.40
Consumer Financing	71.31	1,945.06
Housing Finance	-	352.08
Loans for Professionals to setup business	-	-
Loans to BHs/MBs/SDs against Shares etc.	-	-
Other Corporate Credit	4,675.00	18,499.45
Short Term Agri Credit & Micro Credit	-	8.60
Staff Loan	-	-
<b>Total</b>	<b>5,694.61</b>	<b>26,665.59</b>

\* Impaired Loan is determined from Gross NPL after deducting the value of eligible security.

- **Specific and General Provision (Required):**

BDT in Million

Sector	General Provision	Specific Provision
Small & Medium Enterprise Financing	52.67	1,875.49
Consumer Financing	86.52	56.49
Housing Finance	57.39	48.56
Loans for Professionals to setup business	0.08	-
Loans to BHs/MBs/SDs against Shares etc.	20.97	-
Other Corporate Credit	1,587.86	6,910.00
Short Term Agri Credit & Micro Credit	0.20	0.93
Against Off-Balance Sheet	855.16	-
TBL Total	2,660.85	8,891.47
"Special General Provision for COVID-19"	69.02	-
Off-shore Banking Unit	703.12	-
<b>Grand Total</b>	<b>3,432.99</b>	<b>8,891.47</b>

- **Charges for specific allowances and charge-offs during the period:**

BDT in Million

Against Unclassified Loans & Advances	
Provision held on 1 January	2,995.01
Provisions made during the year	(526.50)
Provision held at end of year	2,468.51
Against Special Mention Accounts	
Provision held on 1 January	69.30
Provisions made during the year	(29.00)
Provision held at end of year	40.30

General Provision for Off Balance Sheet Exposures	
Provision held on 1 January	793.59
Provisions made during the year	61.57
Provision held at end of year	855.16

Provision for Off-shore Banking Units	
Provision held on 1 January	29.78
Provisions made during the year	39.24
Provision held at end of year	69.02

**(g) Gross Non-Performing Assets (NPAs):**

BDT in Million

Gross Non-Performing Assets (NPAs)	9,966.15
Non-Performing Assets (NPAs) to Outstanding Loans and Advances	4.51%
Movement of Non-Performing Assets for NPAs	
Opening Balance	11,577.08
Additions	-
Reductions	1,610.93
Closing Balance	9,966.15
Movements of Specific Provisions for NPAs	
Opening Balance	5,758.36
Provision Made During the Period	3,328.73
Recovery From Previously Written-Off Debts	81.20
Write-Off	(335.61)
Write Back Of Excess Provisions	58.79
Closing Balance	8,891.47

## 5. Equities: Disclosures for Banking Book Positions

### Qualitative Disclosures

**(a) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons:**

Investment in equity is mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons. Investment in equity securities by TBL is broadly categorized into two parts:

- ▶ Quoted securities include Common shares, Mutual funds listed with Stock Exchanges. These instruments are categorized as trading book assets. Investment in trading book includes securities holding for capital gains, dividend income and securities holding for strategic reasons.
- ▶ Unquoted securities are categorized as banking book equity exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held to maturity (HTM) and securities that are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Usually these securities are held for trading (HFT) or investment for making capital gains.

**(b) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices:**

The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. The primary aim is capital gain or dividend income. Dividends received from these equity securities are accounted for as and when received.

Both quoted and un-quoted equity securities are valued at cost, and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank guidelines, Held for Trading (HFT) equity securities are mark-to-market (revalued) once a week, and HTM equity securities are amortized annually. HTM securities are revalued if reclassified to HFT (with approval of the Board of Directors). The quoted shares of the Bank are valued at cost or market price, whichever is lower.

### Quantitative Disclosures:

Particulars		Amount in Million
(i) Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value:	Cost Price	2,929.87
	Market Price	1,900.23
Difference		(1,029.64)
(ii) Cumulative realized gains (losses) arising from sales and liquidations in the reporting period		42.16
(iii) Total unrealized gains (losses)		(1,029.64)

### b. Required Capital Charge on Equities

Amount in Million

Particulars	Solo	Consolidated
General Market Risk	18.52	187.15
Specific Risk	18.52	187.15
Total Capital Charge	37.04	374.30

## 6. Interest Rate Risk in the Banking Book (IRRBB)

### Qualitative Disclosure:

**(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement:**

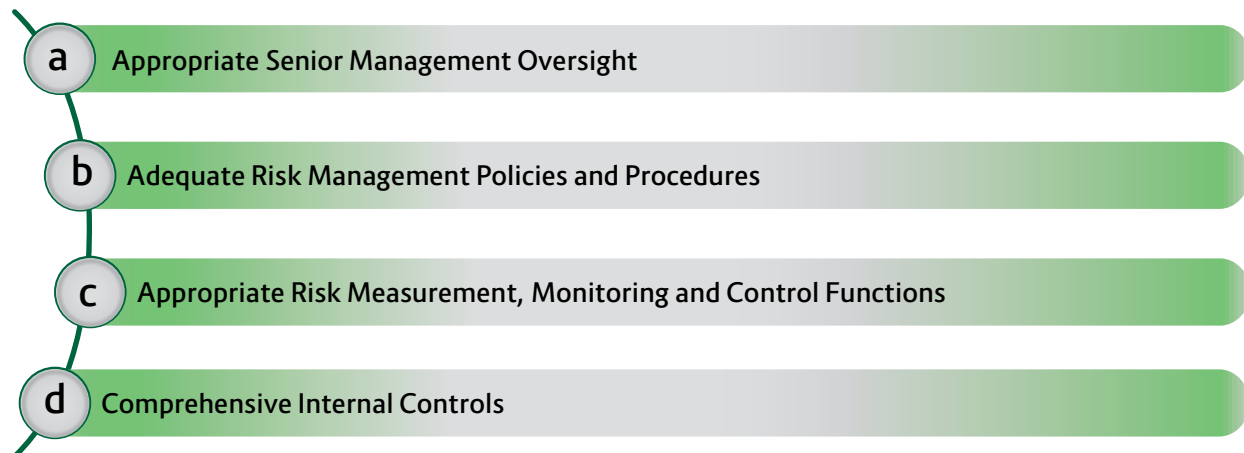
Interest Rate Risk is the risk which affects the Bank's financial condition due to changes of market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). Bank assesses the interest rate risk both in earning and economic value perspective.

The process of interest rate risk management by the Bank involves determination of the business objectives, expectation about future macro-economic variables and understanding the money markets and debt market in which it operates. Interest rate risk management also includes quantifying the appetite for market risk to which the Bank is comfortable.

The Bank proactively manages impact of IRRBB as a part of its ALM activities. ALM policy defines the different types of interest rates risks that are to be monitored, measured and controlled. ALCO decides strategies

for managing IRRBB at the desired level. ALM Committee periodically gives direction for management of interest rate risk on the basis of its expectations of future interest rates. Based on the guidance, ALCO manages the IRRBB with the help of various tools i.e. gap analysis, earning at risk (EaR), duration of equity (DoE) and stress testing for basis risk.

Our interest rate risk management involves the application of four basic elements in the management of assets, liabilities, and OBS instruments.

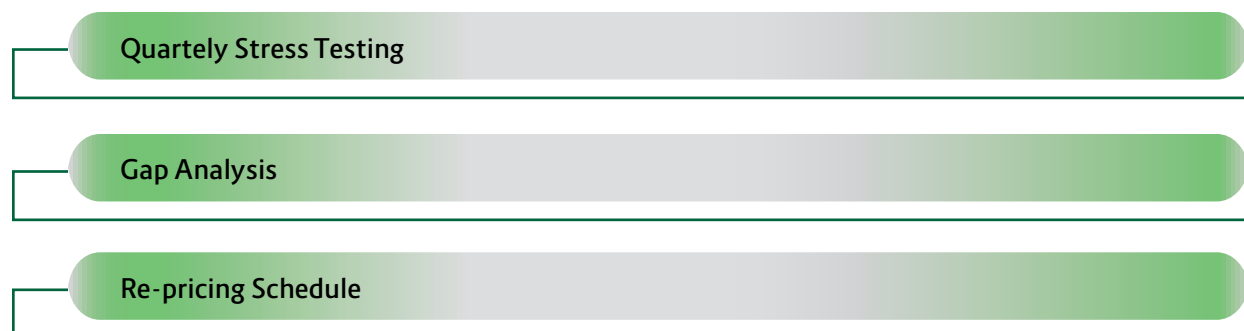


#### IRRBB Identification, Measurement, Monitoring and Reporting:

IRRBB architecture is the framework to measure, monitor and control the adverse impact of interest rates on the Bank's financial condition within tolerable limits. This impact is calculated from following perspectives:

- ▶ **Earnings Perspective:** Indicates the impact on Bank's Net Interest Income (NII) in the short term.
- ▶ **Economic Perspective:** Indicates the impact on the net- worth of the Bank due to re-pricing of assets, liabilities and off-balance sheet items.

The ALM & Market Risk Policies define the framework for managing IRRBB through measures such as:



- ▶ **Stress Testing:** It is used for measuring the Interest rate risk on its Balance Sheet exposure for estimating the impact on the Capital to Risk Weighted Assets Ratio (CRAR).
- ▶ **Duration Gap Analysis:** A weighted maturity/re-pricing schedule is used to evaluate the effects of changing interest rates on bank's economic value by applying sensitivity weights to each time band. Such weights are based on estimates of the duration of the assets and liabilities that fall into each time band.
- ▶ **Interest Rate Sensitivity Report:** This analysis is used to measure and manage interest rate risk exposure specifically, bank's re-pricing and maturity imbalances. Gap reports stratify bank's rate sensitive assets, liabilities, and off-balance sheet instruments into maturity segments (time bands) based on the instrument's next re-pricing or maturity date.

## Quantitative Disclosures:

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method of measuring IRRBB, broken down by currency.

Particulars	BDT in Million (Where Applicable)		
Market Value of Assets	357,460.13		
Market Value of Liabilities	340,142.59		
Weighted Average of Duration of Assets (DA)	2.13		
Weighted Average of Duration of Liabilities (DL)	1.19		
Duration GAP (DA-DL)	1.01		
Yield to Maturity (YTM-Assets)	5.97%		
Yield to Maturity (YTM-Liability)	3.38%		
Magnitude of Interest Rate Change	1%	2%	3%
Change in market value of equity due to and increase in interest rate	(3,391.23)	(6,782.46)	(10,173.69)
Stress Testing	Minor	Moderate	Major
Regulatory capital (after shock)	23,499.90	20,108.60	16,717.40
RWA (after shock)	195,648.60	195,648.60	195,648.60
CAR (after shock)	12.01%	10.28%	8.54%

## 7. Market Risk

### Qualitative Disclosures:

The Bank has set up vigorous Market Risk management process which sets out the broad guidelines for managing Market Risk that the Bank is exposed to. Management of market risk encompasses risk identification, measurement, setting up of limits and triggers, monitoring, control, reporting and taking corrective actions, where warranted.

The Market Risk management process at the Bank ensures that the Treasury dealings in the product that are exposed to market risk are within the risk appetite of the Bank. The Board approved risk appetite is handed down as limits to Financial Markets Group. The prescribed limits are monitored by the Market Risk and reported as per the guidelines laid down from time to time. The Bank manages its market risk by taking equal and opposite derivative positions in the market. Our trading activities are conducted in our Financial Markets and Treasury businesses.

Treasury's trading activity represents dealings that include the management of interest rate, foreign exchange (FX) and credit spread risk associated with wholesale funding, liquid asset portfolios and hedging of foreign currency earnings and capital deployed offshore.

#### (a) Views of Board of Directors (BOD) on Trading/Investment Activities:

There is an approved policy to monitor risks related to changes in market dynamics. The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions whilst meeting customers' requirements.

#### (b) Methods used to Measure Market risk:

The Bank currently follows the standardized approach for computation of market risk as per the guidelines of Bangladesh Bank. The total capital requirement in respect of market risk is the aggregate capital requirement

calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for “specific risk” and “general market risk” as under:

Component of Market Risk	Capital Charged for Market Risk	
	General Market Risk	Specific Market Risk
Interest Rate Risk	Applied	Applied
Equity Price Risk	Applied	Applied
Foreign Exchange Risk	Applied	
Commodity Position Risk	Applied	

#### (c) Market Risk Management System:

To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Of the ratios, the key ratios that ALCO regularly monitors are Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Maximum Cumulative Outflow (MCO), Liquid asset to total assets, Volatile liability dependency ratio, Snap liquidity ratio and Short term borrowing to Liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio. To manage foreign exchange risk, the Bank has adopted the limit set by Central Bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher.

#### (d) Policies and Processes for mitigating market risk:

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

#### Quantitative Disclosures:

The Capital requirements for specified risk are as follows:

BDT in Million

Market Risk	Capital Requirement (Solo)	Capital Requirement (Consolidated)
Interest Rate Related instruments	600.69	600.69
Equities	37.05	374.30
Foreign Exchange Position	147.60	147.60
Commodities	-	-
Total	785.34	1,122.59

## 8. Operational Risk

#### Qualitative Disclosures:

##### (a) Views of BOD on System to Reduce Operational Risk:

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all activities arising out of Bank’s business and operations and could result in financial losses, litigation, regulatory fines or other damage to the Bank. The severity of impact on the Bank, its employee and customers is dependent on the efficacy with which operational risk is managed by the Bank. The goal is to keep operational risk at appropriate levels, in light of the Bank’s financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory

environment in which it operates. The Bank manages these risks through appropriate risk controls and loss mitigation actions. These actions are put in place through the policies, procedures, contractual business continuity arrangements, training, and risk monitoring and reporting.

#### **(b) Performance Gap of Executive and Staff:**

Performance of employees is critically important to achieve organizational goals for that reason TBL ensures equal opportunity to its employees. TBL has a policy to provide competitive remuneration package and best working environment to attract and retain the most talented people available in the industry. Our recruitment and selection procedure are governed by the Philosophies of equality, transparency and assortment.

The Bank believes that, training and knowledge sharing is the best way to reduce the performance gap. TBL offers a wide range of internal and external training programs to enhance the capabilities of its employees so that they can perform their assigned job more efficiently. As a result, there is no significant performance gap.

#### **(c) Potential External Events:**

Like other banks, TBL also operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, change in demand, natural disaster etc. Considering the potential external risks, TBL is continuously working on identifying, assessing, mitigating, monitoring such operational risks factors which may have impact on the achievement of the Bank's business objectives.

#### **(d) Policies and Processes for Mitigating Operational Risk:**

Operational Risk is the risk of financial losses related to breakdown in internal control and corporate governance. Such breakdown can be the result of human errors, inadequate or failed internal process and technical system, fraud or any other adverse external event. The Bank has adopted policies to deal with different operational risks. The Internal Control and Compliance Division of the Bank, the inspection teams of Bangladesh Bank, and external auditors had conducted inspections in different branches and divisions at Head office throughout the year and prepared the reports according to the findings of those inspections. Considering the suggestions and observations of those reports management took essential control measures and corrective actions.

#### **In 2020 IC&C Division conducted following No. of audit:**

Particulars	No. of Audit
Comprehensive Audit at Branches	95
Comprehensive Audit at Divisions/Departments of Head Office	31
Spot Audits	92 (0 Spot Audits, 28 IT Audits and 64 Pay Point Audits)
Spot Inspection	23

TBL strongly follows the KYC norms for its customer dealings and other banking operations. Banks Anti-Money laundering activities are headed by CAMLCO in the rank of Executive Vice President and their activities are devoted to protect against all money laundering and terrorist finance related activities. The newly established Central Customer Service & Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.

#### **(e) Approach for Calculating Capital Charges for Operational Risk:**

The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line



with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by  $\alpha$  (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:

$$K = [(GI\ 1 + GI\ 2 + GI\ 3) \alpha] / n$$

Where-

K = the capital charge under the Basic Indicator Approach

GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)

$\alpha$  = 15 percent

n = number of the previous three years for which gross income is positive.

### Quantitative Disclosures:

The capital requirements for operational risk:

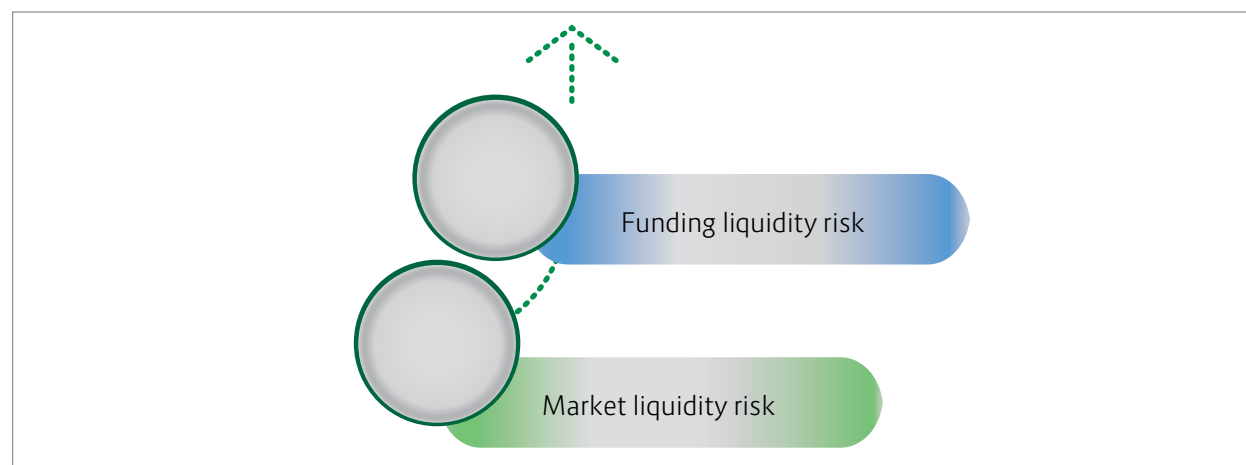
BDT in Million

Particulars	Solo	Consolidated
Minimum Capital Requirement: Operation Risk	1,815.66	1,854.57

## 9. Liquidity Ratio

### Qualitative Disclosures:

Banks in general are vulnerable to liquidity and solvency problems resulting from asset and liability mismatches. Liquidity Risk is the risk that the Bank does not have adequate financial resources to meet its commitments in time as they fall due or will have to do so at excessive cost. Thus, liquidity risk can be of two types:



- **Funding Liquidity Risk:** the risk that a firm will be unable to fulfill its current and future cash flow and collateral needs without affecting its daily operations or its financial condition
- **Market Liquidity Risk:** the risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market.

### (a) Views of Board of Directors on System to Reduce Liquidity Risk:

TBL manages liquidity risk in accordance with its Asset Liability Management (ALM) Policy. This policy is framed as per the extant regulatory guidelines and is approved by the Board of Directors. The ALM Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. The Asset Liability Management Committee (ALCO) of the Bank formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy.

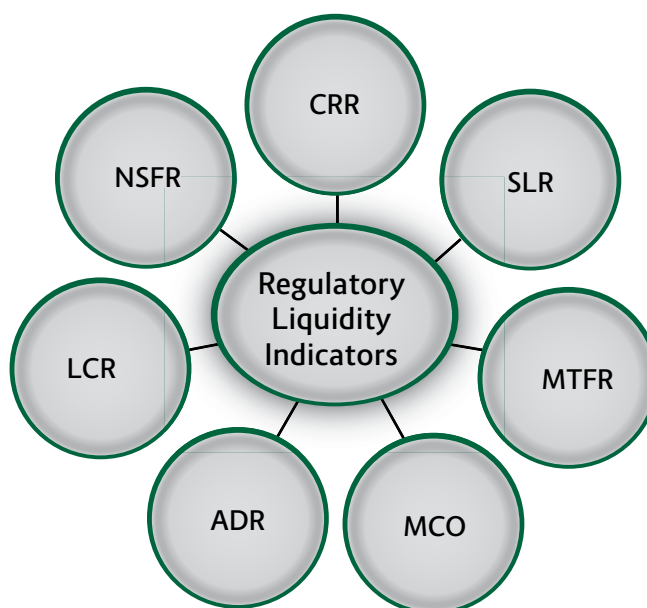
The Bank proactively manages liquidity risk as a part of its ALM activities. The Bank uses various statements, liquidity ratios and stress testing through scenario analysis. TBL has also framed a Liquidity of tight liquidity conditions. The LCP includes various indicators which are monitored regularly, and lays down the mechanism for escalation, remedial action and crisis management until return to normalcy.

### (b) Methods Used to Measure Liquidity Risk:

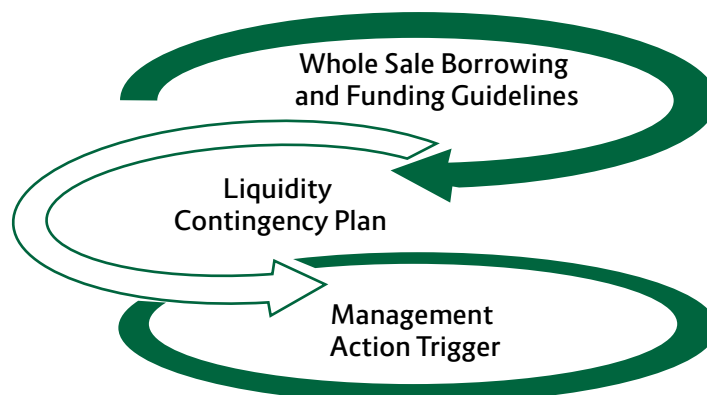
TBL follows Bangladesh Bank's Risk Based Capital Adequacy guideline in line with Basel III for proper assessment and management of liquidity risk of the Bank. TBL also started to follow DOS circular no. 01, dated 01 January 2015, on Implementation of Basel III liquidity ratio.

In the perspective of Bangladesh, identifying and monitoring the driving factors of liquidity risk is viewed from the following aspects:

#### i. Regulatory liquidity Indicators (RLIs):



#### ii. Bank's Own Liquidity Monitoring Tools:



### (c) Liquidity Risk Management System:

ALM strategy of TBL is designed to ensure that funding is available to meet liability repayments on time and to fund all investment opportunities in times of stress either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

Responsibility of managing liquidity lies with Asset Liability Committee (ALCO) of the Bank which meets at least once in every month. Asset and Liability Management (ALM) desk closely monitors and controls liquidity requirements on a daily basis by proper coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting on a regular basis.

### (d) Policies and Processes for Mitigating Liquidity Risk:

At Trust Bank Limited, Asset-Liability Management Committee (ALCO) has responsibility for monitoring liquidity measures and limits. ALCO reviews the policy at least annually or as and when required by taking into consideration of any changes in the market dynamics and appropriateness and put recommendation for changes in policy to the Board for approval. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk.

## Quantitative Disclosures:

BDT in Million (Where Applicable)

Liquidity Coverage Ratio (%)	316.29%
Net Stable Funding Ratio (%)	122.59%
Stock of High quality liquid assets	102,880.60
Total net cash outflows over the next 30 calendar days	32,527.27
Available amount of stable funding	298,486.70
Required amount of stable funding	243,475.16

## 10. Leverage Ratio

### Qualitative Disclosures:

#### (a) Views of BOD on system to reduce excessive leverage:

In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The leverage ratio is intended to achieve the following objectives:

- ▶ Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy
- ▶ Reinforce the risk based requirements with an easy to understand and a non-risk based measure.

The policy for Leverage Ratio including on and off balance sheet exposure and capital related policy. Boards of Directors of TBL are continuously monitoring the exposure limit of lending, capital strength of the Bank in order to avoid building-up excessive on- and off-balance sheet leverage. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the Bank.

#### (b) Policies and processes for managing excessive on and off-balance sheet leverage:

TBL follows Bangladesh Bank's Risk Based Capital Adequacy guideline in line with Basel III. There are approved limits for instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against such risk.

### (c) Approach for calculating exposure:

The Bank will maintain leverage ratio on quarterly basis. The exposure measure for the leverage ratio will generally follow the accounting measure of exposure.

In order to measure the exposure consistently with financial accounts, the following will be applied by the Bank:

- ▶ On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/deficit on available for sale (AFS)/ Held-for-trading (HFT) positions).
- ▶ Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.
- ▶ Netting of loans and deposits is not allowed.

### (d) Calculation of Leverage Ratio:

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.

**Leverage Ratio = Tier 1 Capital (after related deductions)/ Total Exposure (after related deductions)**

### Quantitative Disclosures:

Particulars	BDT in Million (Where Applicable)	
	Solo	Consolidated
Leverage Ratio (%)	4.30%	4.42%
On balance sheet exposure	345,886.86	347,566.30
Off balance sheet exposure	46,324.65	46,385.18
<b>Total exposure</b>	<b>392,029.70</b>	<b>393,765.25</b>

## 11. Remuneration

Trust Bank Limited is committed to ensure remuneration practices that enable the Bank to attract, develop and retain top talents. The remuneration system combines the need to maintain a high performance culture along with market competitiveness. The following remuneration disclosures have been prepared in accordance with 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' provided by Bangladesh Bank.

The qualitative remuneration disclosures are broader in scope and cover all the employees whereas the quantitative information relates to senior managers and material risk takers of the Bank, for the financial year ended 31 December 2020.

### Qualitative Disclosures:

#### (a) Information relating to the bodies that oversee remuneration:

Remuneration Committee provides assistance to the Board of Directors to approve the policies regarding remuneration. The Committee consists of the following members as on Dec 31, 2020:

- ▶ Mr. Ahsan Zaman Chowdhury, DMD, Chairman
- ▶ Brig Gen Akhtaruzzaman Siddique (Retd), SEVP
- ▶ Brig Gen Kamrul Islam (Retd), SEVP
- ▶ Mr. Md. Mahboob Hossain, EVP
- ▶ Ms. Mahmuda Momen, SVP
- ▶ Mr. Maj. A B M Nurul Islam (Retd), SVP
- ▶ Mr. Md. Mahfuzur Rahman, SAVP

**Basically, the committee is responsible for:**

- ▶ Any change in remuneration policy and structure by outlining the detailed procedure for exercising them
- ▶ Offering competitive remuneration packages for employees in each job grade commensurate with their job responsibilities
- ▶ Providing basis on which performance based remuneration will be provided to the employee

The Bank has no permanent external consultant for managing remuneration, but expert opinion may be sought by the Management, in case to case basis, regarding taxation, legal and other issues.

The Bank has no foreign subsidiaries; rather it has branches in different regions of the country. The remuneration policy follows same rule and does not change due to the employees working in different regions of the country.

Including MD & CEO the Bank has Thirty nine (39) "Senior managers (SVP & above)", at the end of the reporting period.

**(b) Information relating to the design and structure of remuneration processes:**

**Objective of Bank's Compensation policy is:**

- ▶ To ensure fair reward management system for the employees in line with the Bank's core values and strategic business goals
- ▶ To provide a competitive pay package compared to the best practices in the industry
- ▶ To ensure effective governance of compensation

**The structure of remuneration packages for employees of the Bank consists of following components:**

- ▶ Fixed Remuneration;
- ▶ Variable Pay; and
- ▶ Employee Benefits.

The fixed remuneration is made up of base remuneration including salary and other fixed allowances paid in cash. Fixed remuneration differs from grade to grade and generally changes with promotion/demotion to the higher/lower grades and increment.

Variable pay consists of incentive bonuses paid on the basis of the individual performance subject to annual profit of the Bank. Therefore, individual performance is measured and reviewed against set goals, which include financial and non-financial metrics.

Gratuity Fund, Provident Fund and Superannuation Funds are maintained by the Bank for employees as a future/long term benefit. Such remunerations differ based on the grade, basic pay and length of service of an employee. In addition, TBL has Employees' Hospitalization Benefit Scheme to cover employees' hospitalization expenses.

Moreover, the employees having job responsibilities involving risk factors are allowed risk allowances as prescribed in the policy. In addition, employees with supervisory responsibilities are also provided additional benefits besides their regular pay.

**(c) Description of the ways in which current and future risks are taken into account in the remuneration processes:**

Banking sector of Bangladesh being very competitive, remuneration system is basically driven by market dynamics. Due to huge competition in a crowded market with substantial number of participants, restructuring of compensation package is more frequent than other industries. Trust Bank always strives to ensure internal equity and fair treatment in its remuneration system to be competitive in such industry. It takes into account the following key risks when managing and determining remuneration processes:

- ▶ Financial Risks
- ▶ Compliance Risks

To make the compensation package fair, market survey is conducted from time to time when felt required so that

- ▶ The package logically compensates employees for their expertise, time, mental and social engagement with the organization.
- ▶ The package ensures internal and external equity

Moreover, the Bank manages key risks through its strategic and business unit plans, risk management framework, policies and procedures.

**(d) Description of the ways in which the Bank seeks to link performance:**

Employees' performance is appraised annually in line with the achieved objectives, which have a positive and direct impact in their pay package. Incentive Bonus is directly linked with the employees' individual rating during their performance evaluation process. These ratings are also key parameters for employees to be considered for promotion.

**(e) Description of the ways in which the Bank seeks to adjust remuneration to take account of longer-term performance:**

The Bank's remuneration system is designed to reward long-term as well as short-term performance, encourage retention and recognize special performance in the organization. The Bank provides remuneration considering the long-term performance of the employees (i.e. provident fund, gratuity, superannuation etc.).

In case of following situation remuneration can be adjusted before vesting:

- ▶ Disciplinary action (at the discretion of management)
- ▶ Resignation of the employee prior to the payment date.

At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action (at the discretion of management)

**(f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using those different forms:**

The main forms of such variable remuneration includes:

- ▶ Monthly Cash benefits (Manager's Charge Allowance, Cash Handling Allowance, Key Holding Allowance etc.)
- ▶ Incentive plan for the employees to be paid annually (Incentive Bonus)

The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality of the assignments performed.

**Quantitative Disclosure:**

**(g) Number of Meeting held by the Remuneration Committee during the financial year and remuneration paid to its member:**

The committee held 03 (three) meetings during the financial year.

No fees are paid to remuneration committee member or for attending such meeting.

**(h) Number of employees having received a variable remuneration award during the financial year:**

- ▶ Incentive Bonuses: 39 Senior Managers

**Number and total amount of guaranteed bonuses awarded during the financial year:**

- ▶ Festival bonuses: On an average 38 no. of employees received 3 number of festival bonuses amounted BDT 12,305,700.

Number and total amount of sign-on award made during the financial year:

Nil

Number and total amount of severance payments made during the financial year:

Nil

(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-lined instruments and other forms:

Nil

Total amount of deferred remuneration paid out in the financial year:

Nil

(j) Breakdown of amount of remuneration awards for the financial year to show:

- ▶ Fixed Remuneration: BDT 130,662,725.00
- ▶ Variable Remuneration: BDT 633,500.00
- ▶ Incentive Bonus: BDT 0.00

(k) Quantitative Information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration:

Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments:

Nil

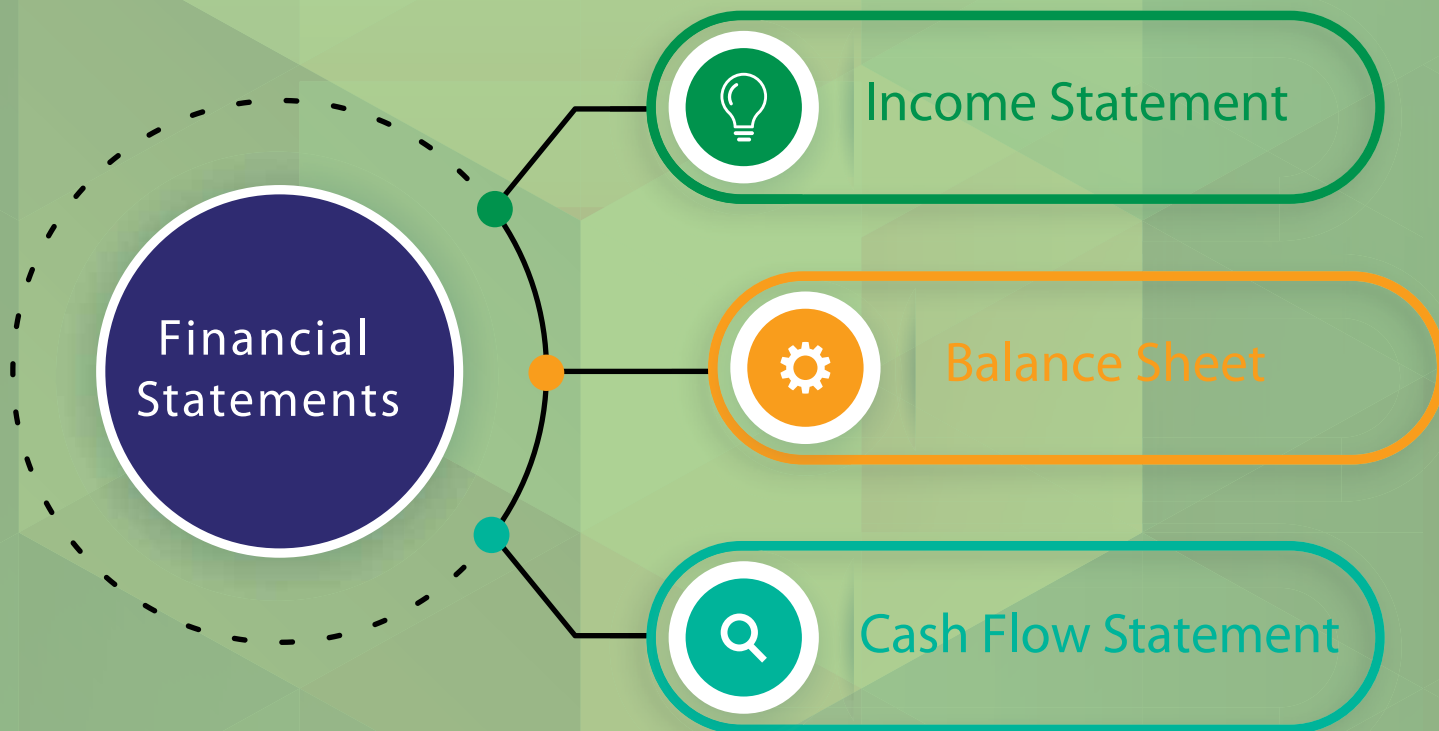
Total amount of reductions during the financial year due to ex post explicit adjustments: Nil

Total amount of reduction during the financial year due to ex post implicit adjustments: Nil



# FINANCIAL STATEMENTS of Trust Bank Limited

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# Independent Auditor's Report

## To the Shareholders of Trust Bank Limited

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Trust Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Trust Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate cash flow statements and consolidated and separate statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Risk	Our response to the risk
<b>1. Measurement of Provision for Loans and Advances</b>	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provisions certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to further business performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 223,231 million (2019: BDT 212,836 million) and BDT 221,064 million (2019: BDT 210,767 million) respectively and provision for loans and advances of BDT 11,614 million (2019: BDT 8,956 million) and BDT 11,469 million (2019: BDT 8,852 million) respectively.</p> <p>See note no 2.1, 2.17.3, 7(a) and 12.1 to the financial statements</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Review of quarterly Classification of Loans (CL)</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and</li> <li>• Finally, assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>

## 2. Recognition of Interest Income from Loans and Advances

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

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

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

See note no 2.1 and 19 to the financial statements

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

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

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

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

## 3. Loans and Advances

Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.

We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.

See note no 2.1 and 7 to the financial statements

We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.

We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.

Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.

4. IT Systems and Controls	
<p>Our audit procedures have a focus on IT systems and controls due to the business environment and changes to the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p> <p>See Note No. 2.33.6 to the financial statements</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>
5. Implementation of IFRS 16 Leases	
<p>IFRS 16 became effective for annual reporting beginning on or after 01 January 2019.</p> <p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a Right of Use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> <li>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</li> <li>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</li> <li>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</li> <li>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</li> </ul> <p>For identifying the individual lease contract as 'low value item' the Bank has applied a threshold of Tk. 20 million for each lease and also considered the probability of exercising non-renewal option of those lease contract.</p>

## Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 28 June 2020.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## Report on Other Legal and Regulatory Requirements

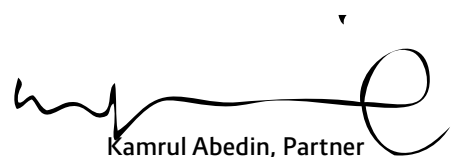
In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and Internal Control:
  - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements)
- iii) financial statements for the year ended 31 December 2020 of the three subsidiaries namely Trust Axiata Digital Limited, Trust Bank Investment Limited and Trust Bank Securities Limited have been audited by Rahman Rahman Huq, Chartered Accountants, Syful Shamsul Alam & Co., Chartered Accountants and M.I Chowdhury & Co., Chartered Accountants respectively and have been properly reflected in the consolidated financial statements;
- iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;

- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other assets which are, in our opinion, doubtful of recovery;
- x) the information and explanation required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the bank and spent over 5120 person hours; and
- xii) Capital to Risk-Weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

The engagement partner on the audit resulting in this independent auditor's report is Kamrul Abedin.

Dated, Dhaka  
14 June 2021



Kamrul Abedin, Partner  
Enrolment no: 527  
M. J. Abedin & Co.  
Chartered Accountants  
Firm Registration no: N/A  
DVC: 2106240527AS530605



**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Balance Sheet**  
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		4,540,041,205	4,182,750,418
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		12,975,762,494	15,272,236,431
		17,515,803,699	19,454,986,849
<b>Balance with other banks and financial institutions</b>	4 (a)		
In Bangladesh		12,104,549,531	11,053,428,801
Outside Bangladesh		1,475,665,928	1,493,847,781
		13,580,215,459	12,547,276,582
<b>Money at call and short notice</b>	5	680,000,000	2,300,000,000
<b>Investments</b>	6 (a)		
Government		85,435,338,971	36,560,686,885
Others		8,011,931,462	6,901,431,999
		93,447,270,433	43,462,118,884
<b>Loans and Advances/Islami Banking Investments</b>	7 (a)		
Loans, Cash Credit, Overdrafts etc./ Investment		215,751,134,732	209,392,114,030
Bills purchased and discounted		7,479,769,141	3,443,489,567
		223,230,903,873	212,835,603,597
<b>Fixed assets including premises, furniture and fixtures</b>	8 (a)	2,023,594,611	1,936,945,124
<b>Other assets</b>	9 (a)	5,979,982,881	3,915,906,795
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>356,457,770,956</b>	<b>296,452,837,831</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10 (a)	26,444,601,370	19,776,264,394
<b>Deposits and other accounts</b>	11 (a)		
Current / Al-wadeeah Current Accounts and other Accounts		30,412,623,029	35,149,690,574
Bills Payable		5,756,649,635	3,316,469,487
Savings Bank / Mudaraba Savings Deposits		48,906,165,234	36,085,273,119
Fixed Deposits / Mudaraba Term Deposits		201,859,240,178	167,270,591,932
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		286,934,678,076	241,822,025,112
<b>Other liabilities</b>	12 (a)	25,469,434,378	19,575,792,650
<b>Total Liabilities</b>		<b>338,848,713,824</b>	<b>281,174,082,156</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	6,432,959,780	6,126,628,370
Foreign Currency Translation Reserve		2,198,346	2,232,421
Share Premium Account		-	-
Statutory Reserve	14	6,979,751,092	6,579,751,092
Other Reserve	15	657,678,748	22,299,687
Retained Earnings	16 (a)	3,319,387,820	2,547,843,316
<b>Total Shareholders' Equity</b>		<b>17,391,975,786</b>	<b>15,278,754,886</b>
Non-Controlling Interest	13 (a)	217,081,346	789
<b>Total Equity</b>		<b>17,609,057,132</b>	<b>15,278,755,675</b>
<b>Total Liabilities and Equity</b>		<b>356,457,770,956</b>	<b>296,452,837,831</b>

	Notes	31.12.2020 Taka	31.12.2019 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities	17 (a)		
Acceptances and endorsements		21,015,859,746	18,083,824,075
Letter of Guarantees		28,605,863,973	35,863,771,879
Irrevocable Letter of Credits		33,158,638,906	27,263,413,482
Bills for collection		4,683,845,177	3,971,133,916
		<b>87,464,207,802</b>	<b>85,182,143,352</b>
Other Contingent Liabilities			
Value of travelers' cheques in hand		-	-
Total:		<b>87,464,207,802</b>	<b>85,182,143,352</b>
Other commitments			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		4,626,951,550	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		4,626,951,550	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>92,091,159,352</b>	<b>85,182,143,352</b>

The annexed notes 1-51 form an integral part of the Financial Statements.

Vice Chairman

Director

Director

Managing Director

Signed as per annexed report of same date

Kamrul Abedin, Partner  
Enrolment no: 527  
M. J. Abedin & Co.  
Chartered Accountants  
Firm Registration no: N/A  
DVC: 2106240527AS530605

Dated: Dhaka  
June 14, 2021

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Profit and Loss Account**  
For the year ended 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
Interest income / Profit on Investment	19 (a)	17,859,103,589	19,755,964,324
Interest / Profit paid on deposits and borrowings etc.	20 (a)	13,678,470,839	13,473,906,936
<b>Net interest income</b>		<b>4,180,632,750</b>	<b>6,282,057,388</b>
Income from investments	21(a)	5,865,427,033	2,987,417,168
Commission, exchange and brokerage	22 (a)	1,342,901,816	1,506,181,423
Other operating income	23 (a)	500,801,763	538,009,954
		<b>7,709,130,612</b>	<b>5,031,608,545</b>
<b>Total operating income</b>		<b>11,889,763,362</b>	<b>11,313,665,933</b>
Salaries and allowances	24 (a)	2,336,940,174	2,160,976,019
Rent, taxes, insurance, electricity, etc.	25 (a)	418,227,243	409,493,138
Legal expenses		1,852,884	4,954,141
Postage, stamps, telecommunications, etc.	26 (a)	88,735,840	82,561,983
Stationery, printing, advertisement etc.	27 (a)	44,269,141	54,232,982
Managing Director's salary and benefits		12,747,189	13,923,220
Directors' fees	28 (a)	3,297,190	2,967,000
Auditors' fee	29 (a)	1,358,750	747,500
Charges on loan losses		-	-
Depreciation and repair of bank's assets	30 (a)	570,139,659	538,645,920
Other expenses	31 (a)	1,036,146,804	816,591,577
<b>Total operating expenses</b>		<b>4,513,714,874</b>	<b>4,085,093,480</b>
<b>Profit before provision</b>		<b>7,376,048,488</b>	<b>7,228,572,453</b>
Provision for loans & advances / Investments	32 (a)	2,933,301,059	2,466,725,999
Provision for Diminution in value of Investment	33 (a)	600,364	80,646,030
Other provision	34 (a)	61,571,000	(53,827,942)
		<b>2,995,472,423</b>	<b>2,493,544,087</b>
<b>Total Profit before Taxes</b>		<b>4,380,576,065</b>	<b>4,735,028,366</b>
Provision for Taxation			
Current tax	12.8 (a)	2,588,477,202	2,719,721,831
Deferred tax		(6,571,000)	(21,350,112)
		<b>2,581,906,202</b>	<b>2,698,371,719</b>
<b>Net Profit after Tax</b>		<b>1,798,669,863</b>	<b>2,036,656,647</b>
<b>Net Profit after Tax attributable to:</b>			
Equity Holders of the Bank		1,802,089,306	2,036,656,647
Non-controlling Interest		(3,419,443)	-
		<b>1,798,669,863</b>	<b>2,036,656,647</b>
<b>Appropriations</b>			
Statutory Reserve	14.1	400,000,000	941,223,649
Start up Fund		17,881,973	-
		<b>417,881,973</b>	<b>941,223,649</b>
<b>Retained surplus</b>		<b>1,380,787,890</b>	<b>1,095,432,998</b>
Consolidated Earning per share (EPS)	37 (a)	2.80	3.17

The annexed notes 1-51 form an integral part of the Financial Statements.

Vice Chairman

Director

Director

Managing Director

Signed as per annexed report of same date

Kamrul Abedin, Partner  
Enrolment no: 527  
M. J. Abedin & Co.  
Chartered Accountants  
Firm Registration no: N/A  
DVC: 2106240527AS530605

Dated: Dhaka  
June 14, 2021

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Cash Flow Statement**  
For the year ended 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash		15,946,863,767	19,894,278,835
Interest payments		(14,162,908,579)	(12,548,272,464)
Dividend receipts		42,642,427	32,975,361
Fees and commission receipts in cash		1,118,126,759	1,437,502,338
Recoveries of loans previously written off		81,197,247	48,510,615
Cash paid to employees		(2,234,653,899)	(2,165,367,065)
Cash paid to suppliers		(42,650,540)	(46,910,299)
Income Taxes paid		(2,617,895,304)	(2,589,475,462)
Received from other operating activities (item-wise)	40 (a)	5,252,757,106	3,313,363,817
Payments for other operating activities (item-wise)	41 (a)	(1,731,311,585)	(1,748,019,882)
<b>Operating profit before changes in operating Assets and Liabilities</b>		<b>1,652,167,399</b>	<b>5,628,585,794</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>			
Statutory Deposits		-	-
Net Investment in trading securities		(1,110,499,463)	(849,872,199)
Loan & advance to other banks		-	-
Loan & advance to customers		(8,637,172,909)	(13,097,781,078)
Other assets (item-wise)	42 (a)	840,805,972	(740,297,567)
Deposits from other banks		3,262,027,176	(2,634,705,259)
Deposits from customers		42,351,890,792	31,049,262,816
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	43 (a)	1,014,938,421	636,528,514
<b>Net cash from operating activities (A)</b>		<b>39,374,157,388</b>	<b>19,991,721,021</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		21,757,099,808	-
Payments for purchase of government securities		(69,996,828,933)	(8,049,236,693)
Purchase of property, plant & equipment		(403,288,379)	(99,412,927)
Purchase of intangible assets		(8,311,142)	(572,496)
Sale of property, plant & equipment		1,732,131	8,992,209
Purchase/ Sale of Subsidiary		-	-
<b>Net cash from investing activities (B)</b>		<b>(48,649,596,515)</b>	<b>(8,140,229,907)</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in Borrowing:			
Call loan		(9,726,485)	-
Other borrowings		6,908,085,176	(1,140,267,821)
Received from TBL- (Inter-company)		-	-
Dividend paid in cash		(306,331,419)	-
<b>Net cash from financing activities (C)</b>		<b>6,592,027,272</b>	<b>(1,140,267,821)</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>(2,683,411,855)</b>	<b>10,711,223,293</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>156,711,482</b>	<b>17,768,679</b>
<b>F. Opening Cash and Cash Equivalent</b>		<b>34,308,502,331</b>	<b>23,579,510,359</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	44 (a)	<b>31,781,801,958</b>	<b>34,308,502,331</b>
<b>Consolidated Cash and Cash Equivalents at the end of the year</b>			
Cash in hand (including foreign currencies)	3.1	4,540,041,205	4,182,750,418
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	3.2	12,975,762,494	15,272,236,431
Balance with Other Bank and Financial Institutions	4(a)	13,580,215,459	12,547,276,582
Money at call and short notice	5	680,000,000	2,300,000,000
Prize Bond	6	5,782,800	6,238,900
<b>Total</b>		<b>31,781,801,958</b>	<b>34,308,502,331</b>

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Statement of Changes in Equity**  
For the year ended 31 December 2020

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2020	6,126,628,370	-	2,232,421	6,579,751,092	22,299,687	2,547,843,316	789	15,278,755,675
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated Balance</b>	<b>6,126,628,370</b>	<b>-</b>	<b>2,232,421</b>	<b>6,579,751,092</b>	<b>22,299,687</b>	<b>2,547,843,316</b>	<b>789</b>	<b>15,278,755,675</b>
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	635,379,061	-	-	635,379,061
Currency translation difference	-	-	(34,075)	-	-	-	-	(34,075)
<b>Net gain and losses not recognized in the income statement</b>	<b>6,126,628,370</b>	<b>-</b>	<b>2,198,346</b>	<b>6,579,751,092</b>	<b>657,678,748</b>	<b>2,547,843,316</b>	<b>789</b>	<b>15,914,100,661</b>
Net profit/(loss) for the year after tax	-	-	-	-	-	1,802,089,306	(3,419,443)	1,798,669,863
Transfer to Start up Fund	-	-	-	-	-	(17,881,973)	-	(17,881,973)
Statutory reserve	-	-	-	400,000,000	-	(400,000,000)	-	-
Dividends (Bonus Share)	306,331,410	-	-	-	-	(306,331,410)	-	-
Dividends (Cash)	-	-	-	-	-	(306,331,419)	-	(306,331,419)
Issue of Share Capital	-	-	-	-	-	-	220,500,000	220,500,000
<b>Balance as at 31 December 2020</b>	<b>6,432,959,780</b>	<b>-</b>	<b>2,198,346</b>	<b>6,979,751,092</b>	<b>657,678,748</b>	<b>3,319,387,820</b>	<b>217,081,346</b>	<b>17,609,057,132</b>

**TRUST BANK LIMITED**  
and its subsidiaries  
**Consolidated Statement of changes in Equity**  
For the year ended 31 December 2019

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2019	5,569,662,160	-	2,024,844	5,638,527,443	1,978,275	2,009,376,528	789	13,221,570,039
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated Balance</b>	<b>5,569,662,160</b>	<b>-</b>	<b>2,024,844</b>	<b>5,638,527,443</b>	<b>1,978,275</b>	<b>2,009,376,528</b>	<b>789</b>	<b>13,221,570,039</b>
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	20,321,412	-	-	20,321,412
Currency translation difference	-	-	207,577	-	-	-	-	207,577
<b>Net gain and losses not recognized in the income statement</b>	<b>5,569,662,160</b>	<b>-</b>	<b>2,232,421</b>	<b>5,638,527,443</b>	<b>22,299,687</b>	<b>2,009,376,528</b>	<b>789</b>	<b>13,242,099,028</b>
Net profit/(loss) for the year after tax	-	-	-	-	-	2,036,656,647	-	2,036,656,647
Statutory reserve	-	-	-	941,223,649	-	(941,223,649)	-	-
Dividends (Bonus Share)	556,966,210	-	-	-	-	(556,966,210)	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	<b>6,126,628,370</b>	<b>-</b>	<b>2,232,421</b>	<b>6,579,751,092</b>	<b>22,299,687</b>	<b>2,547,843,316</b>	<b>789</b>	<b>15,278,755,675</b>

# TRUST BANK LIMITED

## Balance Sheet

As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		4,540,041,205	4,182,750,418
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		12,975,762,494	15,272,236,431
		17,515,803,699	19,454,986,849
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		11,993,048,958	10,976,907,794
Outside Bangladesh		1,475,665,928	1,493,847,781
		13,468,714,886	12,470,755,575
<b>Money at call and short notice</b>	5	680,000,000	2,300,000,000
<b>Investments</b>	6		
Government		85,435,338,971	36,560,686,885
Others		5,509,507,242	4,481,222,192
		90,944,846,213	41,041,909,077
<b>Loans and Advances/Islami Banking Investments</b>	7		
Loans, Cash Credit, Overdrafts etc./ Investment		213,583,917,040	207,323,249,542
Bills purchased and discounted		7,479,769,141	3,443,489,567
		221,063,686,181	210,766,739,109
<b>Fixed assets including premises, furniture and fixtures</b>	8	1,936,600,776	1,929,692,016
<b>Other assets</b>	9	9,168,676,752	6,928,048,882
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>354,778,328,507</b>	<b>294,892,131,508</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10	26,430,737,112	19,774,708,167
<b>Deposits and other accounts</b>	11		
Current / Al-wadeeah Current Accounts and other Accounts		31,881,848,838	35,352,423,907
Bills Payable		5,756,649,635	3,316,469,487
Savings Bank / Mudaraba Savings Deposits		48,906,165,234	36,085,273,119
Fixed Deposits / Mudaraba Term Deposits		201,859,240,178	167,270,591,932
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		288,403,903,885	242,024,758,445
<b>Other liabilities</b>	12	22,904,659,492	18,152,965,811
<b>Total Liabilities</b>		<b>337,739,300,489</b>	<b>279,952,432,423</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	6,432,959,780	6,126,628,370
Foreign Currency Translation Reserve		2,198,346	2,232,421
Statutory Reserve	14	6,979,751,092	6,579,751,092
Other Reserve	15	657,678,748	22,299,687
Retained Earnings	16	2,966,440,052	2,208,787,515
<b>Total Shareholders' Equity</b>		<b>17,039,028,018</b>	<b>14,939,699,085</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>354,778,328,507</b>	<b>294,892,131,508</b>

	Notes	31.12.2020 Taka	31.12.2019 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>	17		
Acceptances and endorsements		21,015,859,746	18,083,824,075
Letter of Guarantees		28,545,333,973	35,803,241,879
Irrevocable Letter of Credits		33,158,638,906	27,263,413,482
Bills for collection		4,683,845,177	3,971,133,916
		<b>87,403,677,802</b>	<b>85,121,613,352</b>
Other Contingent Liabilities			
Value of travelers' cheques in hand		-	-
Total:		<b>87,403,677,802</b>	<b>85,121,613,352</b>
<b>Other commitments</b>			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		4,626,951,550	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<b>4,626,951,550</b>	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>92,030,629,352</b>	<b>85,121,613,352</b>

The annexed notes 1-51 form an integral part of the Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per annexed report on same date

  
**Kamrul Abedin, Partner**  
Enrolment no: 527  
M. J. Abedin & Co.  
Chartered Accountants  
Firm Registration no: N/A  
DVC: 2106240527AS530605

Dated: Dhaka  
June 14, 2021

# TRUST BANK LIMITED

## Profit and Loss Account

For the year ended 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
Interest income / Profit on Investment	19	17,822,168,516	19,722,031,829
Interest / Profit paid on deposits and borrowings etc.	20	13,678,470,839	13,473,906,936
<b>Net interest income</b>		<b>4,143,697,677</b>	<b>6,248,124,893</b>
Income from investments	21	5,787,419,424	2,887,840,909
Commission, exchange and brokerage	22	1,324,176,433	1,490,638,448
Other operating income	23	473,468,166	506,796,346
		<b>7,585,064,023</b>	<b>4,885,275,703</b>
<b>Total operating income</b>		<b>11,728,761,700</b>	<b>11,133,400,596</b>
Salaries and allowances	24	2,308,186,973	2,130,154,905
Rent, taxes, insurance, electricity, etc.	25	414,920,514	392,873,846
Legal expenses		1,737,394	4,296,227
Postage, stamps, telecommunications, etc.	26	88,060,311	81,833,956
Stationery, printing, advertisement etc.	27	43,994,786	53,802,216
Managing Director's salary and benefits		11,381,139	11,385,000
Directors' fees	28	3,011,000	2,811,000
Auditors' fee	29	920,000	575,000
Depreciation and repair of bank's assets	30	558,344,781	536,648,236
Other expenses	31	1,013,030,677	805,499,949
<b>Total operating expenses</b>		<b>4,443,587,575</b>	<b>4,019,880,335</b>
<b>Profit before provision</b>		<b>7,285,174,125</b>	<b>7,113,520,261</b>
Provision for loans & advances / Investments	32	2,871,266,999	2,443,325,999
Provision for Diminution in value of Investment	33	318,937	17,903,957
Other provision	34	61,571,000	(53,827,942)
		2,933,156,936	2,407,402,014
<b>Total Profit before Taxes</b>		<b>4,352,017,189</b>	<b>4,706,118,247</b>
Provision for Taxation			
Current tax	12.8.1	2,568,180,000	2,696,000,000
Deferred tax	9.4.1.2	(4,360,150)	(21,444,354)
		2,563,819,850	2,674,555,646
<b>Net Profit after Taxation</b>		<b>1,788,197,339</b>	<b>2,031,562,601</b>
<b>Appropriations</b>			
Statutory Reserve	14.1	400,000,000	941,223,649
Start up Fund		17,881,973	-
		<b>417,881,973</b>	<b>941,223,649</b>
<b>Retained surplus</b>		<b>1,370,315,366</b>	<b>1,090,338,952</b>
Earning per share (EPS)	37	2.78	3.16

The annexed notes 1-51 form an integral part of the Financial Statements.

Vice Chairman

Director

Director

Managing Director

Signed as per annexed report on same date

Kamrul Abedin, Partner  
Enrolment no: 527  
M. J. Abedin & Co.  
Chartered Accountants  
Firm Registration no: N/A  
DVC: 2106240527AS530605

Dated: Dhaka  
June 14, 2021



# TRUST BANK LIMITED

## Cash Flow Statement

For the year ended 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash		15,909,928,694	19,846,448,416
Interest payments		(14,162,908,579)	(12,548,272,464)
Dividend receipts		39,511,347	29,500,962
Fees and commission receipts in cash		1,118,126,092	1,437,501,785
Recoveries of loans previously written off		81,197,247	48,510,615
Cash paid to employees		(2,210,750,912)	(2,141,610,735)
Cash paid to suppliers		(42,510,818)	(46,649,343)
Income Taxes paid		(2,594,455,049)	(2,565,562,175)
Received from other operating activities (item-wise)	40	5,131,645,545	3,184,403,851
Payments for other operating activities (item-wise)	41	(1,703,060,911)	(1,708,568,859)
<b>Operating profit before changes in operating Assets and Liabilities</b>		<b>1,566,722,656</b>	<b>5,535,702,053</b>
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits		-	-
Net Investment in trading securities		(1,028,285,050)	(665,169,337)
Loan & advance to other banks		-	-
Loan & advance to customers		(8,528,103,837)	(13,136,656,398)
Other assets (item-wise)	42	850,835,000	(736,065,198)
Deposits from other banks		3,262,027,176	(2,634,705,259)
Deposits from customers		43,618,383,268	31,106,422,687
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	43	53,320,356	546,049,757
<b>Net cash from operating activities (A)</b>		<b>39,794,899,569</b>	<b>20,015,578,305</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		21,757,099,808	-
Payments for purchase of government securities		(69,996,828,933)	(8,049,236,693)
Purchase of property, plant & equipment		(387,050,556)	(98,494,590)
Purchase of intangible assets		(8,311,142)	(572,496)
Sale of property, plant & equipment		1,602,307	8,972,127
Purchase/ Sale of Subsidiary		(229,500,000)	-
<b>Net cash from investing activities (B)</b>		<b>(48,862,988,516)</b>	<b>(8,139,331,652)</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in Borrowing:			
Call loan		-	-
Other borrowings		6,656,028,945	(1,138,806,779)
<b>Dividend paid in cash</b>		<b>(306,331,419)</b>	<b>-</b>
<b>Net cash from financing activities (C)</b>		<b>6,349,697,526</b>	<b>(1,138,806,779)</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>(2,718,391,421)</b>	<b>10,737,439,874</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>156,711,482</b>	<b>17,768,679</b>
<b>F. Opening Cash and Cash Equivalent</b>		<b>34,231,981,324</b>	<b>23,476,772,771</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	44	<b>31,670,301,385</b>	<b>34,231,981,324</b>
<b>Cash and Cash Equivalents at the end of the year</b>			
Cash in hand (including foreign currencies)	3.1	4,540,041,205	4,182,750,418
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	3.2	12,975,762,494	15,272,236,431
Balance with Other Bank and Financial Institutions	4	13,468,714,886	12,470,755,575
Money at call and short notice	5	680,000,000	2,300,000,000
Prize Bond	6	5,782,800	6,238,900
<b>Total</b>		<b>31,670,301,385</b>	<b>34,231,981,324</b>

**TRUST BANK LIMITED**  
**Statement of Changes in Equity**  
For the year ended 31 December 2020

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 01 January 2020</b>	6,126,628,370	-	2,232,421	6,579,751,092	22,299,687	2,208,787,515	14,939,699,085
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated Balance</b>	6,126,628,370	-	2,232,421	6,579,751,092	22,299,687	2,208,787,515	14,939,699,085
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	635,379,061	-	635,379,061
Currency translation difference	-	-	(34,075)	-	-	-	(34,075)
<b>Net gain and losses not recognized in the income statement</b>	6,126,628,370	-	2,198,346	6,579,751,092	657,678,748	2,208,787,515	15,575,044,071
Net profit/(loss) for the year after tax	-	-	-	-	-	1,788,197,339	1,788,197,339
Transfer to Start up Fund	-	-	-	-	-	(17,881,973)	(17,881,973)
Statutory reserve	-	-	-	400,000,000	-	(400,000,000)	-
Dividends (Bonus Share)	306,331,410	-	-	-	-	(306,331,410)	-
Dividends (Cash)	-	-	-	-	-	(306,331,419)	(306,331,419)
Issue of Share Capital (Rights Share)	-	-	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	6,432,959,780	-	2,198,346	6,979,751,092	657,678,748	2,966,440,052	17,039,028,018

**TRUST BANK LIMITED**  
**Statement of changes in Equity**  
For the year ended 31 December 2019

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 01 January 2019</b>	5,569,662,160	-	2,024,844	5,638,527,443	1,978,275	1,675,414,773	12,887,607,495
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated Balance</b>	5,569,662,160	-	2,024,844	5,638,527,443	1,978,275	1,675,414,773	12,887,607,495
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	20,321,412	-	20,321,412
Currency translation difference	-	-	207,577	-	-	-	207,577
<b>Net gain and losses not recognized in the income statement</b>	5,569,662,160	-	2,232,421	5,638,527,443	22,299,687	1,675,414,773	12,908,136,484
Net profit/(loss) for the year after tax	-	-	-	-	-	2,031,562,601	2,031,562,601
Statutory reserve	-	-	-	941,223,649	-	(941,223,649)	-
Dividends (Bonus Share)	556,966,210	-	-	-	-	(556,966,210)	-
Dividends (Cash)	-	-	-	-	-	-	-
Issue of Share Capital (Rights Share)	-	-	-	-	-	-	-
<b>Balance as at 31 December 2019</b>	6,126,628,370	-	2,232,421	6,579,751,092	22,299,687	2,208,787,515	14,939,699,085

# TRUST BANK LIMITED

## Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2020

Amount in Taka

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
<b>Assets:</b>						
Cash in Hand	4,540,041,205	-	-	-	-	4,540,041,205
Balance with Bangladesh Bank and Sonali Bank	3,127,184,494	-	-	-	9,848,578,000	12,975,762,494
Balance with other banks and financial institutions	5,318,714,886	6,650,000,000	1,500,000,000	-	-	13,468,714,886
Money at call and short notice	680,000,000	-	-	-	-	680,000,000
Investments	3,373,475,524	2,032,167,512	22,572,147,222	36,276,471,467	26,690,584,488	90,944,846,213
Loans and Advances	34,960,429,144	24,256,219,751	42,084,237,621	58,842,839,997	60,919,959,668	221,063,686,181
Fixed Assets including premises, furniture and fixtures	-	-	-	-	1,936,600,776	1,936,600,776
Other assets	1,074,637,541	735,020,125	3,489,030,774	252,473,906	3,617,514,406	9,168,676,752
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>53,074,482,794</b>	<b>33,673,407,388</b>	<b>69,645,415,617</b>	<b>95,371,785,370</b>	<b>103,013,237,338</b>	<b>354,778,328,507</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	2,371,254,283	3,080,056,396	8,558,659,208	7,770,767,225	4,650,000,000	26,430,737,112
Deposits	58,238,321,258	67,540,582,653	109,591,364,545	29,901,068,011	12,824,411,465	278,095,747,932
Other accounts	10,308,155,953	-	-	-	-	10,308,155,953
Provision and other liabilities	3,217,145,860	2,238,952,578	6,874,985,190	5,524,871,233	5,048,704,631	22,904,659,492
<b>Total Liabilities</b>	<b>74,134,877,354</b>	<b>72,859,591,627</b>	<b>125,025,008,943</b>	<b>43,196,706,469</b>	<b>22,523,116,096</b>	<b>337,739,300,489</b>
<b>Net Liquidity Gap</b>	<b>(21,060,394,560)</b>	<b>(39,186,184,239)</b>	<b>(55,379,593,326)</b>	<b>52,175,078,901</b>	<b>80,490,121,242</b>	<b>17,039,028,018</b>

Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank

# TRUST BANK LIMITED

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 1 THE BANK & ITS ACTIVITIES

Trust Bank Limited (the Bank) is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 17 June 1999 with the primary objective to carry on all kinds of banking business in and outside Bangladesh. The Bank has One Hundred Seven (107) branches and Six (06) SME Service Centers/Krishi Branch which are operating in Bangladesh as at 31 December 2020. The Bank has no overseas branches as at 31 December 2020. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

The registered office of the Bank is located at Shadhinata Tower, Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206.

Initially, the Bank had started its operation in the name of "The Trust Bank Limited" but later on 12 November 2006 it was renamed to "Trust Bank Limited" by the Registrar of Joint Stock Companies. The new name of the Bank was approved by Bangladesh Bank on 03 December 2006.

Principal Activities and Nature of operations of the Bank

The Principal activities of the Bank are to provide full range of banking services that include deposit banking, loans & advances, export-import financing and national & international remittance facilities, issuing debit and credit cards, SMS banking, internet banking, call center, dealing in government securities etc.

#### 1.1 Off-shore Banking Unit

The Bank obtained Off-shore Banking Unit permission vide letter no. BRPB(P-3)744(116)/2010-2462 dated 02 June 2010. The Bank commenced its Off-shore banking operations from 24 October 2013 through its Dilkusha Corporate Branch, Gulshan Corporate Branch & CDA Avenue Branch. The Off-shore Banking Units are governed under the rules and guidelines of Bangladesh Bank.

#### 1.2 Subsidiaries of the Bank

The Bank has 03 (Three) Subsidiaries details of which are given below:

##### 1.2.1 Trust Bank Investment Limited

Trust Bank Investment Limited, a fully owned subsidiary of Trust Bank Limited, was incorporated on 09 September 2010 with an initial paid up capital of Taka 3,000 million upon receiving consent from SEC on 25 October 2010 having registered office located at 36 Dilkusha Commercial Area, Dhaka - 1000.

Trust Bank Investment Limited offers full range of Merchant Banking Services that include Issue Management, Underwriting, Portfolio Management etc.

##### 1.2.2 Trust Bank Securities Limited

Trust Bank Securities Limited, a fully owned subsidiary of Trust Bank Limited, was incorporated on 07 February 2013 with an initial paid up capital of Taka 350 million having registered office located at Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka - 1206.

Trust Bank Securities Limited offers full range of business of brokers or dealers in stocks that includes buying and selling of shares & securities, fixed income securities, Bonds Debenture etc.

### 1.2.3 Trust Axiata Digital Limited

Trust Axiata Digital Limited, a partially owned subsidiary of Trust Bank Limited, was incorporated on 04 October 2020 with an initial paid up capital of Taka 450 million having registered office located at Shadhinata Tower (Level-11), Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka - 1206.

Trust Axiata Digital Limited offers full range of Mobile Financial Services (MFS) that includes Money Remittance, Payment System, Settlement System, Payment Service, Point of Sale Transfer, Online Recharge, Online Payment, Payment Gateway etc.

### 1.3 Islamic Banking activities

Islam demands all economic activities including banking should run in accordance with the Islamic Shariah i.e. prohibition of interest from all transactions and dealing in businesses that are allowed (halal) in Shariah. Sources of Islamic Shariah are Holy Quran & Sunnah of Prophet (pbuh). Islamic Banking has potential for earthly returns (earning profit) as well as reward in the Divine world (benefit in hereafter) by complying with the instructions of the Almighty Allah.

Islamic Banking products and services are offered to the clients in compliance with the true spirit of Islamic Shariah. To ensure compliance of Shariah guidelines, Islamic banking practices a strong documentary record keeping system eliminating all vagueness regarding business & responsibilities of the parties involved.

#### Trust Islamic Banking

Trust Bank Ltd. is presently carrying out its Islamic banking operations through 15 (fifteen) Islamic banking windows with the Brand name Trust Islamic Banking (TIB). Besides the windows, all TBL branches provide Islamic banking services through on-line banking system.

In addition to the Shariah guidelines, TIB strictly complies with the Bangladesh Bank instructions regarding Islamic banking operations and adheres to the followings:

- Completely Separate Fund management-no mixing of fund with the conventional banking of the Bank. Investments are made from the Islamic banking deposits only.
- Separate book-keeping, Profit & Loss Account by Islamic banking module of Bank's CBS.
- TIB has a distinguished Shariah Supervisory Committee (SSC) for guidance on Shariah related issues.
- Profit sharing ratio (Depositor: Bank) was 65:35 for the year 2020.
- Profit distributions are executed as per approved weightage table.

#### Deposit & Investment

As of 31 December 2020, Trust Islamic Banking (TIB) 'Deposit and Investment' are showing a growth of 14.10% & 11.77% respectively from the corresponding position of 2019.

The entire operations of TIB are closely monitored and supervised by a knowledgeable & committed team in Islamic Banking and finance to ensure compliance, development and growth of TIB business. TIB offers the full range of deposit & investment products & services for corporate, retail & SME sectors.

A separate Balance-sheet, Profits & Loss account and statement of Cash-Flows are shown in the Annexure D, E & F of this report. The figures appears in the Annexure have been incorporated in the related heads of financial statement as recommended by the Bangladesh Bank.

### 1.4 Retail Banking Division:

Retail Banking sector is one of the main sources for generating flow of funds from disposable income held in the hands of the mass. Retail Banking has grown to its capacity and potential in terms of technology, human resources, product quality and business process. Considering its scope of growth and continuous success in tapping into new market segments TBL Retail Banking segment offers comprehensive and diverse range of retail products across deposits, loans, payments and is committed to provide enhanced and everlasting customer relationship. In this connection, Retail Banking has been successful in deposit acquisition that helped the bank to meet regulatory requirements keeping sufficient fund for investment.

## 1.5 SME and Green Banking Activities

### 1.5.1 SME Financing:

Cottage, Micro, Small and Medium Enterprises (CMSMEs) play a crucial role for economic development of any country. The contribution of SMEs is indispensable particularly for the developing countries like Bangladesh. SMEs help increasing national income, creating rapid employment thereby contributing towards eradication of extreme poverty and hunger, gender equality and women empowerment. Recognizing the fact, SMEs are termed as engine of economic growth.

In pursuance of Central Bank's policy initiatives, TBL formulated its SME banking policies in 2009 targeting the 'missing middle' (CMSMEs) with a view to bringing them into the formal financial folder through its 113 branch networks including 07 SME/Krishi Branch/Service Centers located in different parts of the country. TBL is now among the forefront SME favored bank list. Trust Bank is reaching the SME customer segments through its tailored products to meet their credit demand. The Bank's SME exposure is well diversified covering the sectors like Power-loom, Handloom, Light Engineering, Handicrafts, Nakshi Kantha, Garments Accessories, Bio-Gas, Bio-Fertilizer, Irrigation, Fisheries, Poultry and other agri-business.

Trust Bank has introduced as many as 13 different SME products in commensurate with BB Policy Guidelines with special emphasis on cluster/area approach. 'Trust Akota' is a product designed to target the people involved in handloom sector located in Enayetpur, Sirajgonj, while 'Trust Bunoon' is instrumental in financing on Spinning and handloom sector at Narsingdi, Sirajgonj and Naryangonj. 'Trust-Nondini' is a specialized product for women entrepreneurs and 'Trust Sukanya' is a product designed to facilitate the most backward and marginalized women based in three hill districts and the people involved with Nakshi Kantha works in Jessore. TBL being a SME favored Bank has equally increased its focus on the farmers, small, and marginalized people by designing a special product named 'Trust-Prantik'. TBL is the first Bank which has extended credit facility among 325 individuals of Tk.10/- account holders in Dhamrai under Dhaka District. TBL provided special loan facility for BDT.1290.00 million to CMSME sector affected by Novel Corona Virus (COVID-19) pandemic.

These expansionary SME financing initiatives of TBL has increasingly been contributing to employment creation directly or indirectly in the country. Trust Bank, SME Division is relentlessly working towards taking the SME portfolio up to 25% of Banks total loans and advances within next four years.

### 1.5.2 Green Financing

Green finance is one of the main stream of Sustainable development or Sustainable Finance. The key green energy projects/green finance in Bangladesh include the Solar Home System (SHS), solar mini grids, solar irrigation pumping systems and biogas plants etc. Trust Bank has started contributing in the renewable energy sector through financing on Bio gas plants and Solar-home system. We are said to be the pioneer in the financing of Biogas plants among the Banking financial institutions.

**Trust Bank Green Financing position as on December 31, 2020:**

**Amount in Million**

<b>Green Projects / Products</b>	<b>Number of Project</b>	<b>Disbursed Amount</b>
LEED Certified Green Projects (Industry & building)	2	12,354.19
Ensuring Work Environment and Security of Workers in Factories	3	25.69
PET Bottle Recycling plant	1	1,074.37
Effluent Treatment Plant (ETP)	1	3.50
Renewable Energy (Biogas plant)	2934	641.26
Renewable Energy (Solar Energy)	4197	110.26
Improved Brick Kiln	26	374.97
Vermicompost	20	0.20
<b>Total</b>		<b>14,584.44</b>

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020.

Accordingly, the consolidated and separate financial statements of the Group and the Bank, respectively, have been prepared in accordance with IFRSs (including IASs). In addition to this, the Bank also complied with the requirements of the following laws and regulations from various Government bodies:

- i) The Banking Companies Act, 1991, and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 and amendments thereon;
- v) The Income Tax Ordinance, 1984, and amendments thereon;
- vi) The Value Added Tax Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- viii) Financial Reporting Act, 2015.

In case any requirement of the Banking Companies Act, 1991 and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRS, the requirements of the Banking Companies Act, 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

#### i) Investment in shares and securities

IFRS: As per requirements of IFRS 9, financial assets generally falls under at amortized cost, or fair value through profit and loss account or fair value through other comprehensive income, where any change in the fair value at the year-end is taken to profit or loss account or other comprehensive income/valuation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision has been made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

#### ii) Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9, an entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a) the entity's business model for managing the financial assets; and
- b) the contractual cash flow characteristics of the financial asset.

Bangladesh Bank: According to DOS Circular 05 dated 26 May 2008 and subsequently clarification in DOS Circular 05 dated 28 January 2009, HFT securities are revalued on the basis of mark to market and at the year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserves as a part of equity.



**iii) Provision on loans and advances/investments**

IFRS: As per IFRS 9, an entity shall recognize a loss allowance for expected credit losses on a financial asset through amortized cost or fair value through other comprehensive income to which impairment requirements apply.

Bangladesh Bank: As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012, BRPD Circular no. 05 dated 29 May 2013, BRPD Circular no. 16 dated 21 July 2020 and BRPD Circular no. 52 dated 20 October 2020, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad & losses loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular No. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

**iv) Recognition of interest in suspense**

IFRS: There are no specific guidelines about profit in suspense in IAS/IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

**v) Other comprehensive income**

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

**vi) REPO and Reverse REPO Transaction**

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

Bangladesh Bank: As per DOS Circular Letter no. 06 dated 15 July 2010 and subsequent clarification in DOS Circular No. 02 dated 23 January 2013, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial asset should be derecognized in the seller's book and recognized in the buyer's book.

**vii) Financial instruments - Presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.



**viii) Financial guarantees**

IFRS: Financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value minus the cost that are directly attributable to issue of the financial guarantee. After initial recognition, an issuer of such a guarantee shall subsequently measure it at higher of:

- i. the amount of the loss allowance and
- ii. the amount initially recognized less, when appropriate, the cumulative amount of the income recognized.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

**ix) Cash and cash equivalents**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**x) Non-banking assets**

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking assets.

**xi) Cash Flow Statement**

IFRS: As per IAS 7, the cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect methods.

**xii) Balance with Bangladesh Bank (Cash Reserve Requirement)**

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

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xiii) Presentation of intangible asset**

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

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

**xiv) Off-balance sheet items**

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

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

**xv) Loans and advances/Investments net of provision**

IFRS: As per IFRS 9, Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

**2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of Trust Bank Limited and its subsidiary Trust Bank Investment Limited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with IFRS 10.

**2.3 Subsidiary**

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary companies are consolidated using the purchase method of accounting.

**2.4 Use of estimates and judgments**

The preparation of consolidated financial statements of the Bank requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

**2.5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entities.

**2.6 Transactions eliminated on consolidation**

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transactions between Group are also eliminated on consolidation.

**2.7 Foreign currency transaction**

**a) Foreign currency**

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

**b) Foreign currencies translation**

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

Assets and liabilities & income and expenses of Off-shore Banking Units have been converted into BDT currency @ US\$1 = Taka 84.80 (closing rate as at 31 December 2020) and Tk. 84.85 (average rate as at 31 December 2020).

### **c) Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at rates mentioned in contracts. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in BDT terms at the rates of exchange prevailing on the balance sheet date.

### **d) Translation gains and losses**

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

### **e) Foreign operations**

The results and financial position of the Group's operations whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

- i) Assets and liabilities are translated at the exchange rate prevailing at the balance sheet date.
- ii) Income and expenses in the income statement are translated at an average rate approximating the exchange rates at the year end;
- iii) Resulting exchange differences are recognized as a separate component of equity.
- iv) As per IAS 21, 'Foreign Currency Transactions' i.e. foreign currency denominated both monetary and non-monetary items of the OBUs are translated at historical rate because the OBUs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and its unique nature.

### **f) Consolidation of Financial Statements of foreign operations**

In Consolidation, foreign exchange differences arising from the translation of net investments in foreign entities, as well as any borrowings are taken into capital reserve. When a foreign operation is disposed of, such currency translation differences are recognized in the income statement as part of the gain or loss on disposal.

## **2.8 Reporting Period**

These financial statements of the Bank and its subsidiaries cover the financial year from 01 January to 31 December 2020.

## **2.9 Events after the reporting period**

While the overall effect of COVID 19 global pandemic on Bank's business in the past years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The board and management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are assured that any foreseeable adverse impact can be reasonably managed.

All material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 Events after the reporting period. Board's recommendation for dividend distribution is a common item.

## **2.10 Cash Flow Statement**

Cash Flow Statements has been prepared in accordance with International Accounting Standard (IAS) 7 "Cash Flow Statements" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

## **2.11 Statement of Changes in equity**

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standard (IAS) 1 "Presentation of Financial Statements" and relevant guidelines of Bangladesh Bank.

## 2.12 Statement of Liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment / adjustment schedule.

## 2.13 Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

### Current Tax

In compliance with IAS-12 “Income Taxes”, provision for current income tax has been made @ 37.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the NBR.

### Deferred taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 “Income Taxes”.

## 2.14 Provision and accrued expenses

In compliance with IAS-37, provisions and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## 2.15 Provision for off-balance sheet exposures

As per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07, dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance exposures except on ‘bills for collection’ and ‘guarantees’ where the counter guarantees have been issued by multilateral development bank (MDB)/ international bank having BB rating grade ‘1’ equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Capital Framework for banks, in line with Basel-III).

## 2.16 Provision for nostro accounts

The Bank is not required to maintain provision for nostro accounts for the year 2020 in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005.

## 2.17 Assets and Basis of their valuation

### 2.17.1 Cash and cash equivalents

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

### 2.17.2 Loans and advances / Investments

For steady growth of loans and advances as well as inclusion of new ventures in the clientele base of the Bank towards steady and sustainable development, Bank's prudent and continuous efforts in credit operation continued in 2020 like the previous years. In spite of various uncertainties in 2020, consolidated loans and advances of the Bank grew positively and stood at BDT 221,063.69 million as on 31 December 2020 as against BDT 210,766.74 million showing a growth of 4.89% over the previous year. But, in this journey, no compliance and risk management was spared to have quality asset & retain strong credit portfolio. We have proved ourselves one of the leading banks in place beside the entrepreneur with financial solution according to necessity. During the year, Bank concentrated to sustain the business of the existing borrower through financing stimulus support & looked at the avenues for financing especially in CMS and Agri sector with the aim of developing and maintaining a sound and sustainable portfolio and risk mitigation. It is pertinent to mention here that Bank has disbursed BDT. 6825.15 Million under stimulus package as per Government policy to facilitate to affected borrower by COVID-19 pandemic in 2020.

#### 2.17.2.1 Initiatives against Recovery of Classified Loans

Recovery from NPL and Written-Off (WO) loans was one of the most challenging tasks in 2020 under the pandemic situation that has almost paralyzed the world including Bangladesh. Like others our economy has also been affected. Despite of such pandemic situation, TBL has been quite successful in recovering an impressive cash amount of total BDT 687.72 million from NPL including BDT 82.18 million from WO accounts. Besides, we also regularized BDT 2,431.56 million through rescheduling. Our NPL percentage is reduced to 4.51% in 2020 from 5.49% of last year. We have enhanced our recovery efforts further to gain better outcome in 2021. Recovery will continue to remain a major effort to TBL management at all times.

### 2.17.3 Loan Classification and Provisioning

Bangladesh Bank has changed classification criteria especially objective criteria in 2020 due to negative impact on our economy by COVID-19 pandemic. The Bank classifies its loan portfolio and maintains adequate provisions in a professional way and in accordance with the rules and regulations set by Bangladesh Bank from time to time. In case of need, the Bank classifies some loans on qualitative judgment too. Our Bank Management always remains vigilant to arrest new loans from being classified and minimize the existing non-performing loans by way of cash recovery and regularization through rescheduling to the deserving cases under the purview of Bangladesh Bank's guidelines. The executives/officers of Credit Administration Division, Credit Risk Management Division and Recovery & Monitoring Division involve themselves to minimize the NPLs and required provisions through exercising prudent decision on based on criteria & all rules regulations. However total classifications of the Bank's stands at BDT.9966.15 million.

Bangladesh Bank in 2020 has revised the provision structure considering the business characteristics of some sectors of the country. TBL always maintains its loan portfolio with proper classification & provisioning by means of complying rules and regulations set by Bangladesh Bank. In 2020 Bangladesh Bank has set amended matrix for provision structure in CMSE. In this perspective complying the BRPD all provisioning circulars total provision against classified, unclassified loans, off-balance sheet and off-shore banking business stands at BDT 12,324.46 million.

<b>General provision on</b>	<b>Provision Rate</b>
a. Cottage, Micro & Small Credit (CMS)	0.25%
b. Medium Enterprise	0.25%
c. Consumer Financing {Housing Finance ( HF) }	1%
d. Consumer Financing {Loans to Professional(LP) }	2%
e. Consumer Financing ( Other than HF & LP)	2%
f. Loans to BHs/ MBs/ SDs	2%
g. Short Term Agriculture & Micro Credit	1%
h. All other Credit	1%
<b>Specific provision on</b>	
a. Substandard Loans and Advances	
i. Short Term Agri Credit & Micro Credit	5%
ii. Cottage, Micro & Small Credit	5%
iii. All Other Credit	20%
b. Doubtful Loans and Advances	
i. Short Term Agri Credit & Micro Credit	5%
ii. Cottage, Micro & Small Credit	20%
iii. All Other Credit	50%
c. Bad/Loss Loans and Advances	100%

#### **Provision for off balance sheet exposures**

General provision for off balance sheet exposures has been made @ 1% on period end balance of Total off balance sheet exposures as per BRPD circular No. 8 and 10 dated 07 August 2007 and BRPD circular No. 14 dated 23 September 2012 respectively and revised BRPD circular No. 13 dated 18 October 2018 on Bank Guarantee and BRPD circular No. 07 dated 21 June 2018 on Bills for collection.

## **2.18 Investments**

Bank shall decide the category of the investment at the time of acquisition of Govt. Securities. Head of Treasury will take the decision of categorizing the securities under HTM & HFT portfolio. And investment committee will determine the securities to be held under other investment portfolio. The decision of categorizing the Govt. securities under HTM & HFT portfolio is mainly derived by DOS Circulars 01 & 05 dated January 19, 2014 & May 26, 2008.

The valuation methods of investment used are:

### **2.18.1 Held to Maturity (HTM):**

- The SLR securities (securities eligible for maintaining Statutory Liquidity Reserve) acquired by the banks with the intention to hold them up to maturity will be classified under 'Held to Maturity (HTM)'.
- Generally, government Treasury Bonds and non-marketable securities but eligible for SLR will be placed into HTM category.
- Decision regarding acquisition of HTM securities will be taken by Head of Treasury.
- Investment in HTM securities shall not exceed 110% of SLR requirement of the bank, since the Bank is a non PD Bank.
- 15% of HTM securities may be reclassified into HFT only once in a calendar year with approval of the management.
- HTM securities are usually not saleable. However, 15% of HTM securities may be sold outright only within first two months of a calendar year with prior approval of the Board of Directors.
- Gain or loss resulting from sale or reclassification of HTM will be transferred to profit and loss account.
- HTM securities will be amortized once at the end of year and resulting amortized gain will be transferred to change in equity. But the amortized loss will be booked in profit and loss account.

### 2.18.2 Held for Trading (HFT):

- a) The Govt. securities acquired by the banks with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under 'Held for Trading (HFT)'.
- b) Generally, Bangladesh Bank Bills, Treasury Bills and Treasury Bonds having maturity less than one year are acquired for HFT portfolio.
- c) HFT securities may be reclassified into HTM category provided that they remain unsold for two years from date of acquisition.
- d) HFT securities will be marked to market on weekly basis and resulting gain will be transferred to revaluation reserve account. But the revaluation loss (if any) will be booked in profit and loss account.

As on December 31, 2020 the amount of investment in Govt. Treasury Bonds under HTM category was BDT 35,118.60 million and under HFT Category was BDT 25,001.33 million. Whereas, as on December 31, 2020 amount of investment in Govt. Treasury Bill under HTM category was Zero and under HFT Category was BDT 22,523.68 million.

#### Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future, or held for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements where market price is below the cost price of investments as per Bangladesh Bank guideline. (note-6.4.1).

#### Investment in unquoted securities

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

#### Investments in subsidiary

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IFRS-10. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses (if any).

### 2.19 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment".

Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straight-line method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	2.5% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their use and in case of sale up to the earlier of the date that asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognized.

Repairs and maintenance costs of fixed assets are charged to profit & loss account, when incurred.



## 2.20 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38: "Intangible Assets".

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

The software used by TBL represents the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customizing the software for its intended use. Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which the application software is made available for use.

## 2.21 Impairment of Assets:

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset's recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit & loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired.

## 2.22 Other assets

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

## 2.23 Non-Banking Assets

As on balance sheet date TBL has not arisen any Non-Banking Assets failure from borrower to repay the loan/Investments.

## 2.24 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net IAS as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

## 2.25 Receivables

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



## 2.26 Inventories

Inventories measured at the lower of cost and net realizable value.

## 2.27 Leases

IFRS 16 Leases, defines a lease as “A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.”. In order to assess whether a contract conveys the right to control the use of an identified asset, an entity shall assess whether, throughout the period of use, the customer has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

To apply the definition of a lease, the Bank assesses whether the contract meets two key evaluations:

2.18.2

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Bank
- the Bank has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. The Bank can obtain economic benefits from use of an asset directly or indirectly in many ways, such as by using, holding or sub-leasing the asset. The Bank also considers whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

### **Measurement and recognition of leases as a lessee**

#### **Recognition:**

At the commencement date, the Bank recognizes a right-of-use (ROU) asset and a lease liability.

#### **Measurement:**

Initially, the right-of-use asset is measured at cost, which is comprised of the following:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Bank; and
- (d) an estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located.

After the commencement date, the Bank measures the right-of-use asset applying a cost model, unless other models are appropriate. To apply a cost model, the Bank measures the right-of-use asset at cost:

- (a) less any accumulated depreciation and any accumulated impairment losses; and
- (b) adjusted for any remeasurement of the lease liability.

At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments is discounted using the interest rate implicit in the lease, if that rate can be readily determined or the Bank’s incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprises the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments less any lease incentives receivable;
- (b) variable lease payments;
- (c) amounts expected to be payable by the Bank under residual value guarantees;
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease.

After the commencement date, the Bank measures the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as rent expense in profit or loss.

**Presentation:**

- On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included other liabilities.
- On the Profit and Loss Account, Interest expense on lease liability is included with Interest paid on borrowings and depreciation on right of use assets is included with 'depreciation and repair of bank's assets.

## 2.28 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

### 2.28.1 Authorized Capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association. Details are shown in note 13.1.

### 2.28.2 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in note 13.2.

## 2.29 Statutory reserve

As per Banking Companies Act, the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital. The Bank does comply with this requirement of law every year.

## 2.30 Liabilities and Provisions

Retirement benefits to the employees

### i) Provident fund

Provident fund benefits are given to the confirmed staffs of the Bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Taxes Zone - 6, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of sub-section 1 of section 2 read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984 w.e.f. 27 February 2003. The Fund is operated by a Board of Trustees consisting seven members from the employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount. Interest earned from the investments is credited to the members' account on yearly basis.

## **ii) Gratuity fund**

The Bank has started making provision for liabilities of its employees' gratuity as per gratuity scheme of the Bank from the year 2004. Subsequently National Board of Revenue has approved the fund as recognized within the meaning of sections 2 and 3 read with the provision of part - C of the First Schedule of Income Tax Ordinance 1984 w.e.f. 20 November 2006. The Bank contributes to the Fund as per Gratuity Fund Rules as well as Service Rule of the bank.

## **iii) Superannuation fund**

The Bank has also introduced a "Superannuation Fund" instead of group life insurance policy for the employees. Those employees, who will be able to fulfill the specific criteria mentioned in the policy of the fund, will be entitled to get the benefit of "Superannuation Fund". National Board of Revenue has approved the fund as recognized within the meaning of section 3 read with the provision of part - A of the First Schedule of Income Tax Ordinance 1984 w.e.f. 22 December 2004.

Non-controlling interest in subsidiaries

Non-Controlling Interest (NCI) in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the non-controlling interest in the subsidiary company is always less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Non-controlling interest belongs to other investors and is reported on the consolidated balance sheet of the owning company to reflect the claim on assets belonging to other, non-controlling shareholders. Also, non-controlling interest is reported on the consolidated income statement as a share of profit belonging to non-controlling shareholders.

## **2.31 Revenue recognition**

### **i) Interest income/Profit on TIB Investment**

In terms of the provisions of the IFRS-15 "Revenue from Contracts with Customers", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

### **ii) Investment income/TIB Investment Income**

Income on investments is recognized on accrual basis except from Government Securities which are recognized on the basis of BRPD Circular 15 Dated 31 October 2005 issued by Bangladesh Bank.

### **iii) Fees and commission income**

Fees and commission income arises on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

### **iv) Dividend income**

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

### **v) Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits are calculated on 360 days in a year and recognized on accrual basis.

### **vi) Dividend payments**

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2020 has not been recognized as a liability in the balance sheet in accordance with the IAS-10 : Events After the Reporting Period.

Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

#### **vii) Management and other expenses**

Expenses incurred by the Bank are recognized on actual and accrual basis.

#### **2.32 Reconciliation of inter-bank and inter-branch account**

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

#### **2.33 Risk Management**

Risk management policy or process of Trust Bank encompasses risk appreciation based on the risk appetite for the particular sector/segment of the customers and subsequent risk identification, measurement and controlling of risk components to safeguard the interest of the bank and to keep the business portfolio performing to the maximum extent.

We always prioritize to ensure risk-return tradeoff on all business transactions. The focus group as constituted by Bangladesh Bank has selected 06 core risks namely (a) Credit Risk (b) Asset liability/Balance sheet Risk (c) Foreign Exchange Risk (d) Internal control and compliance Risk (e) Money laundering Risk and (f) IT risk management in order to impart internationally accepted best practices in the Banking and Financial system. Banks as a financial intermediary(ies) are exposed to multidimensional risks but those risks are to be examined and quantified for acceptance in line with the risk appetite and credit policy of our bank.

##### **2.33.1 Credit Risk Management**

Credit Risk Management of the bank is embedded in such a manner that all the material risks are recognized and measured to exercise appropriate control mechanism. It is essential to perform consistently and sustainably for the sake of our stakeholders and therefore Trust Bank considers credit risk management as a core job beside its core business. CRM Division is delegated with the duties of maintaining quality asset, assessing risk in lending to a particular customer, sanctioning credit, formulating policy and guideline for lending operation.

In 2020, Credit Risk Management is mostly affected by break out of COVID-19 pandemic. The coronavirus pandemic is a humanitarian crisis that continues to affect lives and livelihoods around the world. It has forced regional and national economies to close for weeks and months at a time, causing hardship-sometimes of existential gravity-for majority of the populations. Considering the situation, Trust Bank Ltd. tried to handle the situation in purview of the guideline of Bangladesh Bank from time to time. Trust Bank Ltd. was granted with a substantial amount of fund from Bangladesh Bank under different Stimulus Packages declared by Govt. of Bangladesh. Meantime, we have already disbursed BDT 7921.00 million under Stimulus Packages to our borrowers who were adversely affected by the pandemic. The support assists to constant financial health of the borrowers to overcome this unwanted situation.

Considering the adverse economic condition in 2020, we focus to consolidate our existing credit portfolio by maintaining regular customer visit, monitoring of the improvement plans, close monitoring of the repayment performances considering different risk indicators, timely review of the facilities, oversight on the improvement areas, Periodical Stock verification and insurance coverage before approving or renewing any credit proposals.

Trust Bank has been consistently maintaining its loan portfolio over the last five years in terms of business volume and profitability. At the end of 2019 total Loans & advances of the Bank was BDT 210,767 million whereas at the end of 2020 it stood at BDT 221,064 million registering a growth of more than 4.89 percent.

### 2.33.2 Asset liability risk management

Asset Liability Management (ALM) is an integral part of Bank Management. The responsibility of Asset Liability Management primarily lies with the Treasury Division (Treasury Front Office) of the bank who co-ordinates balance sheet (asset liability) risk management. However, Bank must have a committee comprising of the senior management of the Bank to make important decisions related to the Balance sheet of the Bank. This team of senior management is typically called the Asset Liability Management Committee (ALCO). ALCO should meet at least once every month to analyze, review and formulate strategy to manage the Balance Sheet. Head of Treasury is the member secretary of ALCO. Through ALM our Bank mainly aims to achieve the following objectives:

- ▶ Managing the Balance Sheet
- ▶ Growth in assets & liabilities
- ▶ Containment of risk in a coherent manner
- ▶ Stability and consistency in earnings and
- ▶ Profitability

ALCO holds the most important responsibility of a bank as it runs the risks for not only the bank, but also the thousands of depositors who put money into it. Specifically, the Asset Liability Management (ALM) desk under Treasury Division will manage the balance sheet. The results of balance sheet analysis along with recommendations will be placed in each ALCO meeting by the Treasurer (Head of Treasury) where important decisions will be made to minimize risk and maximize returns. ALM desk, through its own market research and market intelligence presented the market outlook throughout the year, that gives an explicit idea about the market liquidity for availing market opportunities for loans and advances, investments as well as for fund deployment in alternative forms. The desk helps in pricing the products of both assets and liabilities to gain the competitive advantage from the market movement. It also presented the bank's overall financial position in front of the ALCO members to formulate an effective investment and fund management strategy for the bank.

### 2.33.3 Foreign exchange risk management

Foreign exchange (FX) risk management is an integral part in every bank's decisions about foreign currency exposure. The issue of exchange risk management is usually dealt by Treasury Division of the Bank. Moreover, Risk Management Committee also oversees the Treasury's strategy in managing the exchange rate risk. This shows the importance that bank puts on FX risk management issues and techniques.

FX risk is the exposure of a bank to the potential impact of movements in foreign exchange rates. In particular, it is defined as the possible direct loss (as a result of an un-hedged exposure) or indirect loss in the bank's cash flows, assets and liabilities, net profit and, in turn, from an adverse exchange rate movement. This risk occurs as a result of trading in foreign currencies, making foreign currency loans, buying or issuing foreign-issued securities as source/utilization of fund.

Foreign exchange risk arises from two factors: currency mismatches in a bank's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and currency cash flow mismatches. Such risk continues until the foreign exchange position is covered. This risk may arise from a variety of sources such as foreign currency retail accounts and retail cash transactions and services, foreign exchange trading, investments denominated in foreign currencies and investments in foreign companies.

#### **Types of Exchange Rate Risk:**

##### **Transaction risk:**

This is basically cash flow risk and deals with the effect of exchange rate moves on transactional account exposure related to receivables (export contracts), payables (import contracts) or repatriation of dividends. An exchange rate change in the currency of denomination of any such contract will result in a direct transaction exchange rate risk to the Bank.

**Translation risk:**

This is basically balance sheet exchange rate risk and relates exchange rate moves to the valuation of a foreign subsidiary and, in turn, to the consolidation of a foreign subsidiary to the parent company's balance sheet. Translation risk for a foreign subsidiary is usually measured by the exposure of net assets (assets less liabilities) to potential exchange rate movements. In consolidating financial statements, the translation could be done either at the end-of-the-period exchange rate or at the average exchange rate of the period, depending on the accounting regulations affecting the parent company. Thus, while income statements are usually translated at the average exchange rate over the period, balance sheet exposures of foreign subsidiaries are often translated at the prevailing current exchange rate at the time of consolidation.

**Economic risk:**

It reflects basically the risk to the bank's present value of future operating cash flows from exchange rate movements. In essence, economic risk concerns the effect of exchange rate changes on revenues (domestic sales and exports) and operating expenses (cost of domestic inputs and imports). Economic risk is usually applied to the present value of future cash flow operations of a bank and its foreign subsidiaries.

**Sources of foreign exchange risk:**

Foreign exchange risk for a bank can arise from a number of sources, including:

- a. Business related to import payment or export encashment
- b. Foreign currency denominated capital expenditure
- c. Remittance received in foreign currency
- d. Revenue received in foreign currency
- e. Other income, such as royalties, interest, dividends etc, is received in foreign currency
- f. Bank's deposits or loans denominated in foreign currency
- g. Bank having offshore assets, operations or subsidiaries that are valued in a foreign currency, or foreign currency deposits

Foreign exchange risk should be managed where fluctuations in exchange rates impact on the bank's profitability. To manage the exchange rate risk inherent in its operations, a bank needs to determine the specific type of current risk exposure, the hedging strategy and the available instruments to deal with these currency risks.

#### 2.33.4 Internal control and compliance risk management

Internal control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgeries, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the bank perform better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations.

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the Internal Control processes are in place. As per instruction of Bangladesh Bank the Audit Committee of the Board has been constituted to assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank. The committee reviews the financial reporting process, the system of internal control & management of financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2020, 10 meetings of the Audit Committee were held. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy. If it is found that the performance of the branch is not satisfactory it is presumed that the branch has some weakness which may pose a potential threat for the bank.

IC&C Division set out audit plan for the year 2020 which was approved by the Audit Committee of the Board (ACB) of the Bank. In 2020 IC&C Division conducted Comprehensive Audit in 95 branches & 31 divisions/departments at Head Office. In the same year IC&C Division carried out 23 Spot Inspections and 28 IT audits in different branches. In addition, audit was also conducted in 06 TBIL branches & TBIL Head Office and 64 Pay points for Mobile Banking Operations.

IC&C Divisions of the bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL) and Quarterly Operations Report (QOR) of the branches and other mechanisms.

### 2.33.5 Money Laundering & Terrorist Financing Risk Management

Money Laundering and Terrorist Financing threaten financial and non-financial institutions and societies as a whole. Recently, global financial sector transforms into modern technology oriented services. For most countries, money laundering and terrorist financing raise significant issues with regard to prevention, detection and prosecution. Sophisticated techniques used to launder money and finance terrorism have increased the complexity of these issues. Such sophisticated techniques may involve: multiple financial transactions, the use of different financial instruments and other kinds of value-storing assets, different types of financial institutions, accountants, financial advisers, shell corporations and other service providers and complex web of transfers to, through, and from different countries.

Prevention of money laundering and terrorist financing requires collective effort from all relevant government and private sectors. An effective AML/CFT regime can only be implemented if all stakeholders comply with the country's AML/CFT laws, rules and regulations. All financial organization of Bangladesh, as major players in national economy and social system of Bangladesh, should comply with these Guidelines as a preventive measure to keep themselves safe from both the risk of money laundering and terrorist financing.

To mitigate such risk, Trust Bank has AML and CFT policy which is followed by all the branches and related division/department in business approach and practices. In addition, Central Compliance Committee of TBL conduct meeting quarterly to fix different issue to mitigate Money Laundering and Terrorist Financing risk.

TBL is following the approaches to control Money Laundering and Financing of Terrorism and any types of fraud are mentioned below:

1. Mandatory of KYC management.
2. Sanction Screening for all type of customers
3. Monitoring Transaction and identification of STR/SAR to BFIU.
4. Submission of Cash Transaction Report (CTR) to BFIU
5. Adequate training are providing to the officials of TBL on AML & CFT.
6. Customers' Risk Categorization
7. Following Customer Acceptance Policy.
8. Prevention of Trade Based Money Laundering.

Beside these, TBL is maintaining a membership of International Money Laundering Bureau (IMB) for prevention of Trade Based Money Laundering. Through the IMB, TBL is verifying the shipping documents in case of foreign trade.

### 2.33.6 IT risk management

The advancement of information and communicative technology (ICT) is given credit for the evolution of banking services, in particular, online banking. Information Technology (IT) Risk is a growing component of total operational Risk. As business increasingly depend on IT to automate processes and store information, IT Risk Management is emerging as a separate practice. IT includes security, availability, performance and compliance elements. IT Risk Management helps to reduce service costs and achieve greater compliance by effectively assessing classifying IT risk.



IT Risk management requires a disciplined approach that includes IT Risk awareness, quantification of business impacts, solution design and implementation across people, process, and technology, and creation of a sustained IT Risk Management program complete with performance measurement and a model for continuous improvement.

Compliance definitions

**a) Data Protection**

- Privacy & data security
- Growth of unstructured data
- Business continually and disaster recovery

**b) Data Retention**

- New model of data storage, software as service & disaster recovery
- Access by legitimate user

**c) Strategic Governance Risk**

- Alignment of IT risk control framework with business strategy
- Public disclosures accurately reflect corporate performance

**d) National Security** - Assuring IT system & network support legal infrastructure through electronic signatures, data movements and IT resources

**e) Civil & Criminal legal Framework**

- Protecting individual & corporate intellectual properly
- Availability keeping existing process running & recovering from interruption
- Access ensuring that people have right access
- Providing accurate, timely and complete information
- Implementing new strategic initiatives

**f) Regulatory Compliance** - Protecting citizens and from terrorism or national disaster

Since the automation of the Bank and centralization of information system, all the branches of the bank are connected to the Head Office IT department in Dhaka through a dedicated link and Disaster Recover site at Jessore. The infrastructure design is up to standard and completely secure.

### 2.33.7 Liquidity risk management

Liquidity means the ability to sell an asset at or near its value. It is a measure of the ability and ease with which assets can be converted to cash. Assets that can be easily bought or sold, are known as liquid assets. Examples of liquid assets generally include cash, central bank reserves, and government debt. A bank is considered to be liquid if it has ready access to immediately spendable funds at reasonable cost.

Liquidity risk is the risk that arises from Banks inability to meet its financial obligations as they fall due. This usually occurs from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Broadly it indicates bank's inability to make repayments, withdrawals and other commitments in time and inability to explore investment opportunities. Due to liquidity risk, Banks traditionally use their highly liquid stocks in securities and cash and their borrowing capacity in the volatile interbank money market as the source of liquidity. But a conscious approach to measure and monitor the liquidity is somewhat lacking in our market. We can learn and draw immense benefit by sharing the best practices, tools and techniques of liquidity management.



Liquidity risks can be classified into four categories:

- a) Term liquidity risk (due to discrepancies between maturities);
- b) Withdrawal/call risk (mass disinvestment before maturity);
- c) Structural liquidity risk (when the necessary funding transactions cannot be carried out or only on less favorable terms), and
- d) Market liquidity risk.

Liquidity risk management is of paramount importance because a liquidity shortfall at a single institution can have system-wide repercussions. A bank should establish a robust liquidity risk management framework that ensures it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. ALCO should assess the adequacy of both the bank's liquidity risk management framework and its liquidity position and should take prompt action if the bank is deficient in either area in order to protect depositors and to limit potential losses.

To have an effective liquidity risk management few ratios are particularly important. On that light, central Bank has issued separate Guidance note on LCR and NSFR under Basel III. These ratios represent the way forward in ALM through liquidity measurement and management. These ratios along with the liquidity gap should be central to liquidity measurement and management.

#### **2.34 Interest rate risk management**

Interest Rate Risk is the exposure of a bank's financial condition to adverse movement in interest rates. Accepting this risk is a normal part of banking and can be an important source of profitability and shareholders' value. However, excessive Interest Rate Risk can pose a significant threat to bank's earnings and capital base. Changes in interest rate affect a bank's earnings by changing its Net Interest Income (NII) and the level of other interest-sensitive income and operating expenses.

Changes in interest rate also affect the underlying value of the Bank's assets, liabilities and off-balance sheet instrument because the present value of future cash flows and in some cases, the cash flows themselves change when interest rate change. Accordingly, an effective risk management process that maintains Interest Rate Risk within prudent levels is essential for the safety and soundness of the bank.

An effective and comprehensive procedures and information systems to manage and control interest rate risk in accordance with the interest rate risk policies needs to be on place. These procedures are designed in accordance with the size and complexity of the bank's interest rate risk-taking activities.

Managing interest rate risk requires a clear understanding of the amount at risk and the impact of changes in interest rates on this risk position. To make these determinations, sufficient information must be readily available to permit appropriate action to be taken within acceptable, often very short, time periods. Ideally, bank's interest rate risk measurement system would take into account the specific characteristics of each individual interest sensitive position, and would capture in detail the full range of potential movements in interest rates.

Re-pricing schedules and simulation approaches are the commonly used interest rate risk measurement techniques. Bank should use a combination of these techniques in managing its interest rate risk exposure. Each technique provides a different perspective on interest rate risk, has distinct strengths and weaknesses, and is more effective when used in combination with another.

#### **2.35 Operation risk management**

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputational risk. Operational Risk Management is a continual cyclic process which includes risk assessment, risk decision making, and implementation of risk controls, which results in acceptance,

mitigation, or avoidance of risk. The Bank's operational risk management focuses on proactive measures in order to ensure business continuity as well as the accuracy of information used internally and reported externally, a competent and well-informed staff, and its adherence to established rules and procedures as well as on security arrangements to protect the physical and ICT infrastructure of the Bank.

### 2.36 Basel-III Activities

"Basel III: A global regulatory framework for more resilient banks and banking systems" was introduced in Bangladesh in 2015 to improve the banking sector's ability to absorb shocks arising from financial and economic stress. As such, Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks with effect from January, 2015. The Basel-III rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio and promoting counter-cyclical buffers and addressing systemic risk and interconnectedness.

In 2020, the Bank is required to maintain minimum Common Equity Tier-1 (CET-1) capital ratio of 4.50%, capital conservation buffer 2.50%, minimum CET-1 plus conservation buffer of 7.00%, minimum Tier-1 capital ratio of 6.00%, minimum total capital ratio 10.00% and minimum total capital plus capital conservation buffer 12.50%.

#### **Pillar-I: Minimum Capital Requirement**

In order to calculate Minimum Capital Requirement and Capital to Risk-weighted Asset Ratio (CRAR), bank is required to calculate its Risk Weighted Assets (RWA) on the basis of credit, market, and operational risks of bank. Trust Bank Ltd. has adopted the following measurement approaches for computing its Minimum Capital Requirement:

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

#### **Pillar-II: Supervisory Review Process (SRP)**

The Supervisory Review Process (the Second Pillar of Basel-III) is intended to ensure that banks have adequate capital to support all the risks in the business and, concurrently, to encourage banks to develop and utilize superior risk management techniques in monitoring and managing risks. In compliance with the Pillar-II guidelines of the Bangladesh Bank under Basel-III framework, Trust Bank Ltd. has formulated its own Internal Capital Adequacy Assessment Process (ICAAP) Policy to assess various risks that it is exposed to. The assessment of adequate capital would be the outcome of the dialogue to be held between the SRP team of Bank and SREP team of Bangladesh Bank.

Following Risk has to be assess for Adequate Capital Requirement under ICAAP as per Bangladesh Bank Guideline:

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

### **Pillar-III: Market Discipline**

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

#### **2.37 Going concern**

As discussed in note 2.37, the COVID-19 pandemic has not significantly impacted the Bank's income. The Bank has adequate resources to continue in operation and to meet financial commitments as they fall due for the foreseeable future. For this reason the management continues to adopt going concern basis in preparing the financial statements.

#### **2.38 Impact of COVID-19**

Following the declaration of COVID-19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods. These measures included imposing nationwide general holidays from 26 March until 31 May 2020; however this has not had significant impact on the Bank's income due to the resilience of the Bank to the crisis management. Whilst the restrictive measure has been lifted, the Bank continues to proactively monitor the spread of the virus and any impact it may have on the Bank's operations.

#### **2.39 Earning per share (EPS)**

##### **Basic earnings per share**

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

##### **Diluted earnings per share**

Diluted earnings per share is not required to be calculated for the year as there was no scope for dilution during the year under review.

#### **2.40 Non controlling interest**

Non controlling interest is that portion of the profit or loss and net assets of the subsidiary (Trust Bank Investment Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiary, by the Parent (Trust Bank Limited).

#### **2.41 Compliance of Bangladesh Accounting Standards (IAS) and Bangladesh Financial Reporting Standards (IFRS)**

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (IAS) and Bangladesh Financial Reporting Standards (IFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting

Standards (IFRS). While preparing the financial statements, Trust Bank Limited applied most of the IAS and IFRS, details of which are given below:

Name of IAS	IAS No.	Status
Presentation of Financial Statements	1	*Applied
Inventories	2	N/A
Cash Flow Statement	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Cost	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates	28	Applied
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	*Applied
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	*Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of IFRS	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	*Applied
Operating Segments	8	Applied
Financial Instruments: Recognition and Measurement	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	*Applied
Revenue from contracts with customers	15	Applied
Leases	16	Applied

\* Subject to departure described in note 2.1

N/A= Not Applicable

## 2.42 The financial statements for the year ended 31 December 2020 were approved by the board of Directors on 14 June 2021.

### 2.43 General

- Figures have been rounded off to the nearest taka;
- Prior year's figures shown for comparison purpose, have been rearranged, whenever necessary, to conform to current year's presentation.

	31.12.2020 Taka	31.12.2019 Taka
<b>3 CASH</b>		
<b>3.1 Cash in hand</b>		
In local currency	4,401,364,832	4,112,415,453
In foreign currencies	138,676,373	70,334,965
	<b>4,540,041,205</b>	<b>4,182,750,418</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
<b>Balance with Bangladesh Bank</b>		
In local currency	12,052,985,642	14,292,036,115
In foreign currencies	654,822,301	849,367,518
	12,707,807,943	15,141,403,633
Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	267,954,551	130,832,798
	<b>12,975,762,494</b>	<b>15,272,236,431</b>

### 3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Banking Companies Act 1991 (as amended up to 2018), DOS circular nos. 01 dated 19 January 2014, DOS Circular Letter No. 26 dated August 19, 2019 and MPD circular no. 03 dated 09 April 2020.

All scheduled banks in Bangladesh (including Shariah based banks) are required to maintain 4.00 (four) percent CRR with Bangladesh Bank on bi-weekly average basis with a provision of minimum 3.50 (three and a half) percent on daily basis of their average total demand and time liabilities (ATDTL) of the month earlier of the previous month and Statutory Liquidity Ratio (SLR) required to be maintained by the conventional banks on daily basis shall not be less than 13.00 (thirteen) percent including the excess amount of Cash Reserve Requirement (CRR) of their average total time and demand liabilities in Bangladesh, and for Shariah-based Islamic Banks this amount shall not be less than 5.50 (five and a half) percent. Both reserves maintained during the year by the Bank are in excess of the statutory requirements.

#### 3.3.1 Cash Reserve Requirement (CRR) for Conventional Banking

**Average Demand and Time Liabilities of the month earlier of the previous month**

246,504,346,000	217,912,428,000
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##### 3.3.1.1 Daily Required Reserve (3.50% of Average Demand and Time Liabilities, in 2019: 5.00%)

Actual Reserve held (4.36% of Average Demand and Time Liabilities, in 2019: 5.94%)

8,616,056,000	10,895,621,000
10,753,133,798	12,948,978,708

**Surplus**

<b>2,137,077,798</b>	<b>2,053,357,708</b>
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##### 3.3.1.2 Bi-weekly Required Reserve (4.00% of Average Demand and Time Liabilities, 2019: 5.50%)

Actual Reserve held with B. Bank (4.09% of Average Demand and Time Liabilities, in 2019: 5.58%)

9,848,578,000	11,985,184,000
10,085,424,670	12,150,811,411

**Surplus**

<b>236,846,670</b>	<b>165,627,411</b>
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	31.12.2020 Taka	31.12.2019 Taka
<b>3.3.1.3 Statutory Liquidity Ratio for Conventional Banking (SLR)</b>		
Required Reserve (13.00% of Average Demand and Time Liabilities)	32,045,565,000	28,328,616,000
Actual Reserve held with B. Bank (35.83% of Average Demand and Time Liabilities, in 2019: 18.43%)	88,323,372,845	40,152,821,479
<b>Surplus</b>	<b>56,277,807,845</b>	<b>11,824,205,479</b>
<b>3.3.1.4 Components of Statutory Liquidity Requirement (SLR)</b>		
Cash in Hand	4,502,401,515	4,137,828,479
Balance with Agent Bank(s)	268,031,491	130,832,798
Excess Reserve	904,555,800	963,794,710
Government Bills	22,523,683,024	17,906,599,750
Government Bonds	60,119,933,147	17,006,848,235
Other Approved Securities (Prize Bond)	5,782,800	6,238,900
	<b>88,324,387,777</b>	<b>40,152,142,872</b>
<b>3.3.2 Cash Reserve Ratio (CRR) for Islamic Banking</b>		
Average Demand and Time Liabilities of the month earlier of the previous month	<b>36,732,775,000</b>	<b>29,282,138,000</b>
<b>3.3.2.1 Daily Required Reserve (3.50% of Average Demand and Time Liabilities, in 2019: 5.00%)</b>		
Minimum Reserve held (4.08% of Average Demand and Time Liabilities, in 2019: 5.65%)	1,285,647,000	1,464,107,000
	1,498,284,360	1,655,223,802
<b>Surplus</b>	<b>212,637,360</b>	<b>191,116,802</b>
<b>3.3.2.2 Bi-weekly Required Reserve (4.00% of Average Demand and Time Liabilities, in 2019: 5.50%)</b>		
Average Reserve held with B. Bank (4.47% of Average Demand and Time Liabilities, in 2019: 7.34%)	1,469,311,000	1,610,518,000
	1,642,544,120	2,149,664,681
<b>Surplus</b>	<b>173,233,120</b>	<b>539,146,681</b>
<b>3.3.2.3 Statutory Liquidity Requirement for Islamic Banking (SLR)</b>		
Required Reserve (5.50% of Average Demand and Time Liabilities)	2,020,303,000	1,610,518,000
Actual Reserve held with B. Bank (7.77% of Average Demand and Time Liabilities, in 2019: 5.91%)	2,852,553,050	1,730,627,740
<b>Surplus</b>	<b>832,250,050</b>	<b>120,109,740</b>
<b>3.3.2.4 Held for Statutory Liquidity Requirement</b>		
Cash in Hand	37,639,690	44,921,939
Excess Reserve	28,973,360	44,705,801
Government Islamic Investment Bonds	2,785,940,000	1,641,000,000
	<b>2,852,553,050</b>	<b>1,730,627,740</b>
<b>4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>		
<b>4.1 In Bangladesh</b>		
Current Deposits		
Sonali Bank Limited	28,121,944	55,370,194
Agrani Bank Limited	43,035	20,000
Mutual Trust Bank Limited	580,357	-
Social Islamic Bank Limited	-	1,018
	<b>28,745,336</b>	<b>55,391,212</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>Short Term Deposits</b>		
Sonali Bank Limited	148,840,579	141,619,182
AB Bank Limited	4,121,543	4,057,658
Rupali Bank Limited	1,391,805	10,046,667
Janata Bank Limited	24,613	4,023
Prime Bank Limited	1,545,838	2,534,661
Standard Chartered Bank	23,230,804	28,607,673
Bank Asia Limited	397,162	402,658
Standard Bank Limited	3,240,091	3,139,025
Al Arafah Islami Bank Limited	12,417	109,326
NCC Bank Limited	48,856	48,924
	<b>182,853,708</b>	<b>190,569,797</b>
<b>Mudaraba Short Term Deposit</b>		
AB Bank Limited	3,641,906	938,943
The City Bank Limited	7,059,920	6,905,002
EXIM Bank Limited	30,687,775	1,000,113,401
Bank Asia Limited	589,101	574,440
Union Bank Limited	5,912,977	5,611,788
Social Islami Bank Limited	733,158,235	1,267,803,211
	<b>781,049,914</b>	<b>2,281,946,785</b>
<b>Fixed Deposits in local Currency</b>		
<b>Fixed With Bank</b>		
Jamuna bank Limited	-	500,000,000
Dhaka Bank Limited	-	1,500,000,000
One Bank Limited	2,000,000,000	-
Mutual Trust Bank Limited	-	1,500,000,000
Modhumoti Bank Limited	100,000,000	-
Standard Bank Limited	1,500,000,000	1,000,000,000
	<b>3,600,000,000</b>	<b>4,500,000,000</b>
<b>Fixed With NBFi</b>		
Uttara Finance Limited	200,000,000	200,000,000
Lanka Bangla Finance Limited	250,000,000	-
	<b>450,000,000</b>	<b>200,000,000</b>
<b>Fixed with Deposit FC</b>		
BRAC Bank Limited	-	849,000,000
The City Bank Limited	1,950,400,000	-
	<b>1,950,400,000</b>	<b>849,000,000</b>
<b>Mudaraba Term Deposits</b>		
Social Islami Bank Limited	1,550,000,000	300,000,000
Islamic Finance & Investment Limited	100,000,000	300,000,000
The City Bank Limited	-	1,000,000,000
Hajj Finance Co. Limited	200,000,000	300,000,000
EXIM Bank Limited	3,150,000,000	1,000,000,000
	<b>5,000,000,000</b>	<b>2,900,000,000</b>
	<b>11,993,048,958</b>	<b>10,976,907,794</b>



#### 4.2 Outside Bangladesh

##### Current Account

##### Dollar Account

Standard Chartered Bank, USA

Mashreqbank psc, USA

ICICI Bank Ltd., Hongkong

Commerz Bank, AG Germany

##### EURO Account

Standard Chartered Bank, UK

Commerz Bank, AG Germany

ICICI Bank Ltd., Mumbai, India

##### GBP Account

Standard Chartered Bank, UK

##### Japanese Yen Account

Standard Chartered Bank, Japan

Commerzbank Ag, Frankfurt, Germany

##### ACU Dollar Account

Standard Chartered Bank, Mumbai, India

Mashreqbank, Mumbai, India

ICICI Bank Ltd., Mumbai, India

AB Bank, Mumbai, India

United Bank of India

##### CHF Account

Habib Bank, Zurich, Switzerland

##### AUD Account

Commerzbank Ag, Frankfurt, Germany

##### SAR Accounts

Bank Aljazira - SAR

##### CAD Accounts

Commerz Bank AG; Germany-CAD

##### Offshore Banking Unit (OBU)

Mashreqbank psc, USA

United Bank of India

For details please refer to Annexure - A

	31.12.2020 Taka	31.12.2019 Taka
	672,130,179	456,004,611
	259,815,695	520,925,615
	49,458,901	54,893,490
	20,968,993	65,700,125
	3,652,638	13,245,147
	13,142,064	4,173,051
	1,817,938	1,713,958
	42,838,331	16,518,397
	809,268	777,090
	5,075,246	1,812,089
	34,625,049	67,143,792
	41,263,153	88,016,028
	55,245,580	79,898,842
	26,393,249	36,680,330
	12,456,268	28,435,104
	1,855,011	3,073,508
	1,790,518	3,412,487
	2,990,373	3,390,214
	7,632,569	-
	149,064,701	44,956,079
	72,640,204	3,077,824
	<b>1,475,665,928</b>	<b>1,493,847,781</b>
	<b>13,468,714,886</b>	<b>12,470,755,575</b>

#### 4.3 Remaining maturity grouping of balance with other banks and financial institutions

On demand

Up to 1 month

Over 1 month but not more than 3 months

Over 3 months but not more than 1 Year

Over 1 Year but not more than 5 Years

Over 5 Years

	1,504,411,264	1,549,238,993
	3,814,303,622	9,221,516,582
	6,650,000,000	1,500,000,000
	1,500,000,000	200,000,000
	-	-
	-	-
	<b>13,468,714,886</b>	<b>12,470,755,575</b>



		31.12.2020 Taka	31.12.2019 Taka
4 (a)	CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
In Bangladesh			
Trust Bank Limited	Note - 4.1	11,993,048,958	10,976,907,794
Trust Bank Securities Limited		923,116,682	82,590,768
Trust Bank Investment Limited		293,489,255	243,699,562
Trust Axiata Digital Limited		450,964,395	-
		13,660,619,290	11,303,198,124
Less : Inter Company Transaction		1,556,069,759	249,769,323
		12,104,549,531	11,053,428,801
Outside Bangladesh	Note - 4.2	1,475,665,928	1,493,847,781
		13,580,215,459	12,547,276,582
5	MONEY AT CALL AND SHORT NOTICE		
In Local Currency			
NCC Bank Ltd.		-	1,000,000,000
The City Bank Ltd (Short Notice)		-	500,000,000
		-	1,500,000,000
Non-Banking Financial Institutions			
IDLC Finance Ltd.		200,000,000	800,000,000
IPDC Finance Ltd.		90,000,000	-
Delta Brac Housing Ltd.		290,000,000	-
Lanka Bangla Finance Ltd.		100,000,000	-
		680,000,000	800,000,000
		680,000,000	2,300,000,000
In Foreign Currency		-	-
		680,000,000	2,300,000,000
6	INVESTMENTS		
Government Securities			
Treasury Bills		Note - 6.1	
Treasury Bills -HTM		-	-
Treasury Bills-HFT		22,523,683,024	17,906,599,750
		22,523,683,024	17,906,599,750
Treasury Bonds		Note - 6.2	
Treasury Bond - HFT		25,001,329,026	-
Treasury Bond - HTM		35,118,604,121	17,006,848,235
		60,119,933,147	17,006,848,235
Govt. Islamic Investment Bond			
Govt. Islamic Investment Bond - HFT		2,258,000,000	1,641,000,000
Bangladesh Government Investment Sukuk (BGIS)		527,940,000	-
		2,785,940,000	1,641,000,000
Prize Bond		5,782,800	6,238,900
		5,782,800	6,238,900
		85,435,338,971	36,560,686,885
Other Investment			
Preference Share			
8,800,000 shares in Summit Barisal Power Ltd.		88,000,000	108,000,000
16,000,000 shares in Zodiac Power Chittagong Ltd.		160,000,000	200,000,000
4,800,000 shares in Summit Narayangonj Power Ltd.		48,000,000	60,000,000
		296,000,000	368,000,000

		31.12.2020 Taka	31.12.2019 Taka
Ordinary Shares			
Quoted	Note - 6.4.1	215,444,585	215,159,535
Unquoted	Note - 6.4.2	18,062,657	18,062,657
		<b>233,507,242</b>	<b>233,222,192</b>
Investment in Commercial Papers	Note - 6.4.3	-	300,000,000
Investment in Corporate Bonds	Note - 6.4.4	4,980,000,000	3,580,000,000
		<b>5,509,507,242</b>	<b>4,481,222,192</b>
		<b>90,944,846,213</b>	<b>41,041,909,077</b>
<b>6.1 Treasury Bills-at Present Value</b>			
91 days Treasury Bills		-	4,982,165,000
182 days Treasury Bills		14,541,026,024	1,964,524,000
364 days Treasury Bills		7,982,657,000	10,959,910,750
		<b>22,523,683,024</b>	<b>17,906,599,750</b>
<b>6.2 Treasury Bonds-at Present Value</b>			
02 years Treasury Bonds		25,423,253,849	196,089,162
05 years Treasury Bonds		5,508,539,033	1,299,211,105
10 years Treasury Bonds		18,098,750,151	10,173,524,716
15 years Treasury Bonds		6,092,950,863	3,967,158,680
20 years Treasury Bonds		4,996,439,251	1,370,864,572
		<b>60,119,933,147</b>	<b>17,006,848,235</b>

### 6.3 Repo & Reverse Repo Transactions during the period ended on 31 December 2020

Disclosure required as per Bangladesh Bank DOS Circular No.-06 Dated: 15 July 2010 regarding of repo and reverse repo during the year ended on 31 December 2020

#### a. (i) Disclosure Regarding Outstanding Repo as on 31 December 2020:

SI No.	Counter Party	Agreement Date	Reversal Date	Amount (1st Leg Cash consideration)
1	Prime Bank Limited	12/29/2020	1/5/2021	398,867,600.00
2	Prime Bank Limited	12/30/2020	1/6/2021	849,693,150.00

#### (ii) Disclosure Regarding Outstanding Reverse Repo as on 31 December 2020:

SI No.	Counter Party	Agreement Date	Reversal Date	Amount (1st Leg Cash consideration)
NIL				Consideration)

#### b. Disclosure Regarding Overall Transaction of Repo and Reverse Repo as on 31 December 2020:

	Minimum Outstanding during the year (ALS)	Maximum Outstanding during the year (ALS)	Daily Average Outstanding during the year
Securities sold under REPO:			
i) with Bangladesh Bank	303,028,453	4,893,335,000	133,550,732
ii) with other Banks & FIs	97,826,500	5,985,497,000	251,083,070
Securities purchased reunder REPO:			
i) with Bangladesh Bank	-	-	-
ii) with other Banks & FIs	241,405,250	7,516,967,699	294,050,654

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Taka

#### 6.4 Other Investment

This represents investment made by the company both in listed and unlisted securities. The investment is made up as under:

Particulars	31.12.2020			31.12.2019		
	No. of Securities	At Cost	Market Value	No. of Securities	At Cost	Market Value
Listed Securities	12	215,444,585	185,235,679	12	215,159,535	169,158,198
Unlisted Securities	3	18,062,657	18,062,657	3	18,062,657	18,062,657
Preference Share	3	296,000,000	296,000,000	3	368,000,000	368,000,000
Commercial Papers	1	-	-	1	300,000,000	300,000,000
Investment in Capital market	1	-	-	-	-	-
Corporate Bond	8	4,980,000,000	4,980,000,000	8	3,580,000,000	3,580,000,000
<b>TOTAL</b>	<b>28</b>	<b>5,509,507,242</b>	<b>5,479,298,336</b>	<b>27</b>	<b>4,481,222,192</b>	<b>4,435,220,855</b>

##### 6.4.1 Investment in Ordinary Shares - Quoted

Investment has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for the period was 31 December 2020).

##### 6.4.1.1 Sector wise investment in listed securities at cost

Banking Companies	3,010,593	3,010,593
Manufacturing Companies and others	41,922,591	41,922,591
Power Sector	15,426,736	15,426,736
IBBL Bond	54,336,290	54,051,240
Mutual Fund	100,748,375	100,748,375
	<b>215,444,585</b>	<b>215,159,535</b>

##### 6.4.1.2 Investment in Ordinary Share - Quoted

Under Conventional Banking	149,835,565	149,835,566
Under Islamic Banking	65,609,020	65,323,969
	<b>215,444,585</b>	<b>215,159,535</b>

Security wise Investment in Quoted Shares is given below:

SL	Name of Security	Nos of Share			Average cost rate	31-Dec-20	31-Dec-19
		Conventional	Islamic	Total			
1	IBBL Mudaraba Perpetual Bond	-	56,210	56,210	966.67	54,336,290	54,051,240
2	Popular Life First Mutual Fund	1,089,298	-	1,089,298	6.69	7,284,124	7,284,124
3	Olympic Industries Ltd.	100,000	35,000	135,000	288.57	38,957,270	38,957,269
4	Prime Bank Ltd.	67,760	-	67,760	29.71	2,012,905	2,012,905
5	Pubali Bank Ltd.	27,593	-	27,593	36.16	997,688	997,688
6	Summit Power Ltd.	314,637	-	314,637	45.69	14,375,320	14,375,320
7	Padma Oil Co. Ltd.	-	3000	3,000	350.47	1,051,416	1,051,416
8	IT Consultants Ltd. (ITCL)	288,000	-	288,000	7.60	2,189,115	2,189,115
9	LR Global Bangladesh Mutual Fund One	6,554,016	-	6,554,016	9.64	63,205,696	63,205,696
10	Trust Bank 1st Mutual Fund	4,593,045	-	4,593,045	6.59	30,258,555	30,258,555
11	Golden Harvest Agro Industries Ltd.	-	4015	4,015	44.53	178,800	178,801
12	The ACME Laboratories Ltd.	5,000	-	5,000	119.48	597,406	597,406
						<b>215,444,585</b>	<b>215,159,535</b>

Provision for Investment and Securities has been shown separately in note no. "12 - Other Liabilities"

		31.12.2020 Taka	31.12.2019 Taka
<b>6.4.2 Unlisted Securities</b>			
Ordinary Share			
CAPM Unit Fund		10,000,000	10,000,000
Central Depository Bangladesh Limited (CDBL)		4,708,330	4,708,330
SWIFT		3,354,327	3,354,327
		<b>18,062,657</b>	<b>18,062,657</b>
<b>6.4.3 Investment in Commercial Papers</b>			
Energy pack Engineering Ltd.		-	300,000,000
		<b>-</b>	<b>300,000,000</b>
<b>6.4.4 Investment in Corporate Bonds</b>	Rate of Interest/Profit		
<b>a) Sub-ordinated Bonds</b>			
<b>Under Conventional Banking</b>			
Al-Arafa Islamic Bank Ltd. Subordinated Bond	10.50%	160,000,000	240,000,000
One Bank Limited Subordinate Bond	8.60%	240,000,000	320,000,000
SIBL Non-Convertible Zero Coupon Bond	8.25%	300,000,000	400,000,000
Exim Bank Ltd. Subordinated Bond	7.75%	400,000,000	500,000,000
UCBL 3rd Subordinated Bond	8.25%	400,000,000	500,000,000
UCBL 4th Subordinated Bond	7.64%	1,000,000,000	-
Bank Asia Ltd. Convertible Subordinated Bond	9.50%	500,000,000	500,000,000
Best Holdings Ltd. Subordinated Bond	10.00%	1,000,000,000	1,000,000,000
		<b>4,000,000,000</b>	<b>3,460,000,000</b>
<b>Under Islamic Banking</b>			
Al-Arafa Islamic Bank Ltd. Mudaraba Subordinated Bond	10.50%	330,000,000	120,000,000
		<b>4,330,000,000</b>	<b>3,580,000,000</b>
<b>b) Perpetual Bonds</b>			
<b>Under Conventional Banking</b>			
Mutual Trust Bank Limited Perpetual Bond	9.06%	650,000,000	-
		<b>4,980,000,000</b>	<b>3,580,000,000</b>
<b>6.5 Remaining maturity grouping of Investments</b>			
On demand		5,782,800	6,238,900
Up to 1 month		3,367,692,724	232,000,000
Over 1 month but not more than 3 months		2,032,167,512	1,634,159,534
Over 3 months but not more than 1 Year		22,572,147,222	18,254,662,408
Over 1 Year but not more than 5 Years		36,276,471,467	8,897,932,420
Over 5 Years		26,690,584,488	12,016,915,815
		<b>90,944,846,213</b>	<b>41,041,909,077</b>
<b>6 (a) Consolidated Investments</b>			
<b>Government Securities</b>			
Trust Bank Limited		85,435,338,971	36,560,686,885
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		-	-
Trust Axiata Digital Limited		-	-
		<b>85,435,338,971</b>	<b>36,560,686,885</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>Other Investment</b>		
Trust Bank Limited	5,509,507,242	4,481,222,192
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	2,502,424,220	2,420,209,807
Trust Axiata Digital Limited	-	-
	8,011,931,462	6,901,431,999
Less : Inter Company Transaction	-	-
	<b>93,447,270,433</b>	<b>43,462,118,884</b>

## 7 LOANS AND ADVANCES/ISLAMI BANKING INVESTMENTS

### Loans And Advances Under Conventional Banking

Repair & Recon. of Dwelling House (RRDH)	723,822,353	1,033,193,140
Consumer Durable Scheme Loans (CDS)	32,587	32,587
Marriage Loans (ML)	169,258,848	211,755,644
Car Loans (CL)	65,257,800	74,979,132
House Building Loans (HBL)	6,975,996,107	7,489,865,153
Term Loans	75,564,799,931	72,925,461,353
Other Retail Loans	2,634,840,311	2,618,888,375
Time Loan	36,792,366,341	40,067,321,154
Other Loans	35,913,222,728	28,758,929,225
Staff Loans	1,164,080,610	1,185,207,474
Loans against Credit Card	497,068,922	454,331,680
Loans against Trust Receipts (LTR)	4,835,440,906	4,758,365,164
Payment Against Documents (PAD)	2,542,719,056	971,516,183
Packing Credit (Loan agt. Packing Credit)	34,500,629	35,825,196
	<b>167,913,407,129</b>	<b>160,585,671,460</b>

### Loans And Advances under Islamic Banking

Bai-Muajjal	12,267,849,221	10,907,885,315
Hire Purchase under Shirkatul Melk	2,025,280,305	2,031,468,050
IHSAN Apartment Purchase Scheme	190,862,325	207,994,897
BARAKAT Home Construction Scheme	176,802,179	178,046,172
BARAKAT Car Scheme	7,374,212	12,325,097
HPSM-Real Estate	1,516,108,918	1,392,251,484
Murabaha TR	2,311,380,185	2,542,332,666
Bai-Salam	6,725,753	6,725,753
Household Durable & others scheme	1,535,930	718,484
TIB House Building Scheme-HBL (RM)	9,010,101	9,670,101
TIB Household Durable Scheme( Household Durable)	258,731	422,282
HPSM General	3,601,432,785	3,059,757,304
HPSM under Stimulus Package (RMG)	32,287,329	-
Barkat Doctors Scheme	1,234,065	826,027
Murabaha Import Bills (MIB) (BTB LC)	-	-
MIB- EDF - TIB	478,650,256	660,492,490
Trust Nibash	4,393,924	4,251,009
Trust Power	20,548,609	21,045,844
Bai Muajjal under Stimulus Package	546,589,325	-
Bai-Muajjal under Stimulus Package (SME)	342,459,065	-
Baim WES/Doc Bills	51,319,000	-
	<b>23,592,102,218</b>	<b>21,036,212,975</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>Cash Credit</b>		
Cash Credit	1,310,890,465	1,452,552,346
Cash Collateral	2,282,288,532	2,755,698,901
	<b>3,593,178,997</b>	<b>4,208,251,247</b>
<b>Overdraft</b>		
Overdrafts	17,079,828,134	19,941,322,271
Secured Overdrafts	1,405,400,562	1,551,791,589
	<b>18,485,228,696</b>	<b>21,493,113,860</b>
<b>Total Loans, Cash Credits and Overdrafts</b>	<b>213,583,917,040</b>	<b>207,323,249,542</b>
<b>Bills Purchased and Discounted</b>		
Under Conventional banking	7,379,834,362	3,282,543,373
Under Islamic banking	99,934,779	160,946,194
	<b>7,479,769,141</b>	<b>3,443,489,567</b>
	<b>221,063,686,181</b>	<b>210,766,739,109</b>
<b>7.1 Residual maturity grouping of Loans and Advances Including Bills Purchased and Discounted</b>		
Repayable on demand	34,960,429,144	13,849,978,129
Not more than 3 months	24,256,219,751	40,995,979,895
More than 3 months but not more than 1 Year	42,084,237,621	59,251,356,445
More than 1 Year but not more than 5 Years	58,842,839,997	79,406,894,506
More than 5 Years	60,919,959,668	17,262,530,134
	<b>221,063,686,181</b>	<b>210,766,739,109</b>
<b>7.2 Loans and Advances including Bills Purchased and Discounted</b>		
<b>Inside Bangladesh</b>		
Loans	180,288,163,945	181,621,884,435
Cash Credit	1,310,890,465	4,208,251,247
Overdraft	31,984,862,630	21,493,113,860
Bills purchased and discounted	7,479,769,141	3,443,489,567
	<b>221,063,686,181</b>	<b>210,766,739,109</b>
<b>Outside Bangladesh</b>	-	-
	<b>221,063,686,181</b>	<b>210,766,739,109</b>
<b>7.3 Loans and Advances on the basis of significant concentration</b>		
<b>7.3.1 Advances to Directors and Others</b>		
Advance to Directors and their allied concerns	27,422,398	10,406,005
Advances to CEO and Senior Executives	188,703,664	218,143,704
Advances to Customers (Group wise)	89,691,242,273	81,979,537,443
Industrial Advances (Project finance)	30,029,113,516	30,755,368,478
Other Staff Loan	975,376,946	967,063,770
Other Customers	100,151,827,384	96,836,219,709
	<b>221,063,686,181</b>	<b>210,766,739,109</b>

#### 7.3.2 Disclosure of Large Loan

As per BRPD Circular No. 5 dated 9 April 2005 issued by Bangladesh Bank, disclosure on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10%

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or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under:

Total Capital	26,891,082,734	23,753,320,824
Total Loans and Advances	68,972,968,575	82,799,661,448
No. of Customers	16	20
Classified amount thereon	Nil	Nil

Single Borrower Exposure Limit has been calculated on the basis of total eligible capital as on 31 December 2020 according to BRPD Circular 02, dated 16 January 2014.

### Details of Large Loans

SL #	Name of the Client	CL Status	Outstanding Loan		Total 31.12.2020	Total 31.12.2019
			Funded	Non-Funded		
1	Bangladesh Machine Tools Factory Limited (BMTF)	UC	3,764,217,184	4,477,812,191	8,242,029,375	11,046,938,291
2	Jolshiri Abashon	UC	-	-	-	3,486,071,642
3	Biswas Trading & Construction, Biswas Builders Limited and JV	UC	3,148,232,782	1,033,633,419	4,181,866,201	5,443,904,595
4	Sena Hotel Development Ltd., SPKS, Trust Transport Services	UC	2,911,875,277	68,717,654	2,980,592,931	3,157,905,361
5	Sena Kalyan Sangstha & allied	UC	2,594,895,012	2,766,977,369	5,361,872,381	5,316,249,076
6	ZABER & ZUBAIR FABRICS LTD + Talha Spinning Mills Ltd. + Yasmin Spinning Mills Ltd. + Nice Denim Ltd. + ZARBA TEXTILE MILLS LIMITED	UC	3,400,425,232	1,293,050,000	4,693,475,232	3,424,736,824
7	MASIHATA SWEATERS LTD. + MEGA YARN DYEING MILLS LTD.	UC	-	-	-	2,605,231,298
8	Durable Plastic Ltd., Habigonj Agro Ltd., Mymensingh Agro Ltd., Sun Basic Chemicals Ltd., Property Development Ltd.	UC	1,356,384,257	2,008,622,593	3,365,006,850	4,204,116,093
9	Dhaka Northern Power Generations Ltd., Eastern Cement Industries Ltd., Doreen Power House & Technologies Ltd.	UC	2,377,753,285	1,400,622,347	3,778,375,632	3,256,117,536
10	Wahid Construction Ltd.	UC	-	-	-	3,245,357,426
11	The ACME Laboratories LTD	UC				2,736,279,330
12	Western Engineering (Pvt.) Ltd.	UC	3,740,266,560	1,454,058,707	5,194,325,267	6,096,985,644
13	Bangladesh Steel Re-rolling Mills Ltd., BSRM Steels Ltd., BISCO, BSRM Wires Ltd.	UC	989,463,619	2,026,691,178	3,016,154,796	2,923,645,135
14	GPH Ispat Ltd.	UC	2,070,441,739	2,283,714,533	4,354,156,272	4,343,960,737
15	Pretty Sweater Ind. Ltd.	UC	3,980,441,113	1,133,539,145	5,113,980,257	4,203,692,195
16	Abdul Monem Ltd.	UC	1,596,524,233	1,723,528,823	3,320,053,056	3,499,377,059
17	Desh Cambridge Kumargaon Power Company Ltd., Jadoo Media Limited, Desh Energy Chandpur Power Company Ltd.	UC	4,133,743,498	16,637,067	4,150,380,565	4,399,777,174
18	Strip Processing Ltd., Abul Khair Steel	UC	241,439,973	3,213,417,239	3,454,857,212	3,735,941,926
19	KYCR Coil Industries Limited, Steel	UC	-	-		3,056,119,124
20	Accessories Limited, KDS Logistics Limited,	UC	3,528,884,894	1,116,718,849	4,645,603,742	2,617,254,981
21	KSRM Power Plant Ltd., MAA SHIPPING PVT	UC	2,918,253,190	201,985,615	3,120,238,805	
<b>Total</b>			<b>42,753,241,847</b>	<b>26,219,726,729</b>	<b>68,972,968,575</b>	<b>82,799,661,448</b>



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### 7.3.3 Restructured Loans & Advances

According to Bangladesh Bank Circular no. 04 dated 29 January 2015 relating to Large Loan Restructuring, the term loans provided to Rising Steel Limited and Modern Steel Mills Limited have been restructured after getting approval from Bangladesh Bank against of which provision has been kept after treating the loans as SMA with additional 1% provision. Details of restructured loan is given in the following table:

Name of the Client	Nature of Loan	Restructure Date	Expiry Date	Limit	Outstanding	Status of Loan
Rising Steel Limited	Term Loan	27-Dec-15	27-Dec-21	95,544,112	103,083,202	BL
	Term Loan	27-Dec-15	27-Dec-21	1,237,212,826	1,331,668,231	BL
Modern Steel Mills Limited	Term Loan	3-Sep-15	3-Mar-28	836,688,762	1,218,676,888	SMA
	Term Loan	3-Sep-15	3-Mar-22	221,695,247	314,274,668	SMA
<b>Total</b>				<b>2,391,140,947</b>	<b>2,967,702,989</b>	

### 7.3.4 Geographical location-wise concentration of Loans and Advances

#### Inside Bangladesh

Dhaka Division	142,563,016,572	139,972,866,077
Chittagong Division	45,463,777,485	41,351,431,555
Khulna Division	10,924,674,658	10,055,879,379
Sylhet Division	4,024,358,851	3,575,844,945
Rangpur Division	4,901,723,318	506,717,956
Barisal Division	541,319,244	4,956,696,757
Rajshahi Division	4,394,669,707	4,449,609,186
Mymensingh Division	8,250,146,346	5,897,693,254
	<b>221,063,686,181</b>	<b>210,766,739,109</b>
Outside Bangladesh	-	-
	<b>221,063,686,181</b>	<b>210,766,739,109</b>

### 7.3.5 Industry-wise concentration of Loans and Advances

Agro & Fisheries	3,810,252,852	3,362,726,155
RMG	26,412,133,373	22,415,249,570
Textile	8,428,761,984	7,986,703,786
Food and allied industries (Edible Oil included)	15,097,584,749	13,365,820,747
Pharmaceutical industries	2,944,069,105	3,183,218,170
Chemical, fertilizer, etc.	3,660,757,709	3,131,650,463
Cement and ceramic industries	4,717,331,025	5,145,785,864
Ship building industries	1,198,212,293	855,459,621
Ship breaking industries	3,005,928,836	3,053,479,555
Power and gas	11,388,738,745	10,767,196,071
Other manufacturing or extractive industries (Rubber & Plastic, Paper, Steel Engineering & Metal Products included)	29,369,399,581	26,675,475,443
Service Industries (Telecom & ICT, Medical Service included)	16,121,251,464	17,948,454,418
Other Industry	466,089,546	400,535,287
Trade & Commerce	18,473,595,232	16,963,493,974
Residential Real Estate	11,691,257,977	10,790,670,612
Commercial Real Estate	10,160,746,312	9,430,937,855
Infrastructure Development	11,530,423,487	11,164,979,376
Construction & Housing	77,658,430	289,445,316
Transport	847,313,878	2,131,832,067
Consumer Financing (Personal Services)	35,438,850,758	36,845,341,027
Loans to Financial Institution (NBFI & NGO included)	3,862,127,322	2,885,047,318
Miscellaneous (Others)	2,361,201,523	1,973,236,414
	<b>221,063,686,181</b>	<b>210,766,739,109</b>

### 7.3.6 Nature wise Loans and Advances

	31.12.2020 Taka	31.12.2019 Taka
Continuous	40,035,226,284	37,066,957,209
Demand Loan	56,992,544,300	53,550,978,158
Term Loans	122,848,360,315	118,938,361,257
Short Term Agri. Credit & Micro Credit	23,474,672	25,235,012
Staff Loan	1,164,080,610	1,185,207,473
-	<b>221,063,686,181</b>	<b>210,766,739,109</b>

### 7.4 Classification of Loans and Advances including Bills Purchased and Discounted

Unclassified Loans and Advances (including staff loan)		
Consumer Financing (House Financing, HF)	5,681,957,722	6,417,798,162
Consumer Financing (Loans for Professional, LP)	4,249,022	5,901,056
Consumer Financing (Other than HF & LP)	4,320,574,506	4,596,373,204
Small & Medium Enterprise Financing (SMEF)	20,926,521,172	20,230,377,322
Loans to BHs/ MBs/ SD's against Shares etc.	1,048,392,309	46,697,431
All Other Credit	175,333,358,455	161,083,346,307
Short Term Agri Credit	19,564,543	19,697,903
Staff Loans	1,164,080,610	1,185,207,474
	<b>208,498,698,339</b>	<b>193,585,398,859</b>
Special Mentioned Accounts	<b>2,598,841,364</b>	<b>5,604,258,822</b>
Classified Loans and Advances		
Sub-Standard Loans and Advances	568,584,192	1,206,881,155
Doubtful Loans and Advances	201,488,421	482,694,424
Bad /Loss Loans and Advances	9,196,073,865	9,887,505,849
	<b>9,966,146,478</b>	<b>11,577,081,428</b>
	<b>221,063,686,181</b>	<b>210,766,739,109</b>

### 7.5 Particulars of Loans and Advances

(i) Loans considered good in respect of which the bank is fully secured.	152,996,344,841	138,512,049,930
(ii) Loans considered good for which the bank holds no other security than the debtor's personal security.	2,189,236,333	2,318,434,130
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	53,313,117,165	52,754,914,799
(iv) Loans considered doubtful or bad not provided for	-	-
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other person.	1,191,503,008	1,195,613,479
(vi) Loans due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	1,191,503,008	1,195,613,479

	31.12.2020 Taka	31.12.2019 Taka
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company.	-	-
(ix) Due from Banking Companies.	-	-
(x) Amount of classified loan on which no interest has been charged	9,196,073,865	9,887,505,849
a.i) Increase/(Decrease) in specific provision	3,133,117,500	1,400,839,500
a.ii) Amount of loan written off during the year	335,606,246	81,198,614
a.iii) Amount realized against loan previously written off	81,197,247	48,510,615
b) Provision kept against loans classified as bad debts	8,729,361,500	5,451,868,000
c) Interest credited to interest Suspense Account	2,211,123,962	1,697,904,206
(xi) Cumulative amount of written off loans		
Opening Balance	1,420,341,706	1,387,653,707
Amount written off during the year	335,606,246	81,198,614
Amount (recovery) during the year	(81,197,247)	(48,510,615)
	<b>1,674,750,705</b>	<b>1,420,341,706</b>
The amount of written off loans for which law suit has been filed	<b>1,674,750,705</b>	<b>1,420,341,706</b>

#### 7.6 Bills purchased and discounted

Payable in Bangladesh	7,007,912,312	3,109,962,724
Payable out side Bangladesh	471,856,829	333,526,843
	<b>7,479,769,141</b>	<b>3,443,489,567</b>

#### 7.7 Remaining maturity grouping of bills purchased and discounted

Payable within one month	4,717,153,187	2,171,653,627
Over one month but less than three months	1,937,286,384	891,875,849
Over three months but less than 01 year	825,329,570	379,960,091
More than 01 year	-	-
	<b>7,479,769,141</b>	<b>3,443,489,567</b>

#### 7.8 Litigation filed by the Bank

As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:

##### Name of the Branch

Principal Branch	34,279,251	34,279,251
Sena Kalyan Bhaban Branch	238,933,955	240,270,123
Bogra Cantonment Branch	12,573,040	12,658,039
Comilla Cantonment Branch	98,693,117	48,972,407
Chittagong Cantonment Branch	2,205,568	-
Rangpur Cantonment Branch	9,502,377	10,267,254
Jessore Cantonment Branch	8,635,613	8,642,871
Mymensingh Cantonment Branch	992,956	992,956
Savar Cantt. Branch	2,418,973	4,394,710

	31.12.2020 Taka	31.12.2019 Taka
Jalalabad Branch	1,415,173	1,415,173
Agrabad Branch	-	52,550,720
SS Cantt. Branch	386,065	627,865
Dhanmondi Branch	-	123,014
Khatunganj Branch	266,544,900	213,972,200
Gulshan Corporate Branch	774,966,254	695,634,858
Dilkusha Corporate Branch	1,366,500,174	1,044,510,055
RWGH Branch	25,253,190	25,253,190
KYAMCH Branch	24,229,964	24,263,964
CDA Avenue Branch	4,025,087,265	4,025,087,265
Sylhet Corp. Branch	11,826,144	11,406,291
Millennium Corporate Branch	392,852,956	132,285,157
Uttara Corporate Branch	302,908,921	146,936,996
Halishahar Branch	108,669,140	140,380,449
Beani Bazar Branch	51,782,384	39,799,627
Moulvibazar Branch	38,690,562	65,138,552
Goala Bazar Branch	4,987,379	5,637,319
Mirpur Branch	68,497,593	54,714,573
Naval Base Branch	-	233,869
Karwan Bazar Branch	643,170,146	496,727,022
Feni Branch	4,923,104	-
Joypara Branch	4,561,061	18,876,345
Joydevpur Branch	17,263,619	461,308
Narsingdi Branch	163,674,886	163,674,886
Narayanganj Branch	16,677,650	4,575,351
Jubilee Road Branch	188,999,274	188,999,274
Shahjalal Upashohor Branch	4,391,440	576,654
Amirabad Lohagara Branch	700,000	700,000
Ashugonj Branch	60,165,368	32,252,810
Khulna Branch	396,171,378	493,805,871
Kafrul Branch	2,448,150	2,448,150
Tongi Branch	31,871,683	57,958,329
Chowmohoni Branch	57,482,144	40,320,435
Bashundhara Branch	852,834	-
Cox's Bazar branch	4,269,778	4,270,278
Comilla Branch	85,358,808	24,321,831
Rajshahi Branch	18,911,613	18,227,022
Kadamtali Branch	912,271	21,916,268
Barisal Branch	5,257,888	2,640,947
Rajendrapur Branch	-	223,109
Elephant Road Branch	719,671,177	554,176,053
Kishoreganj Branch	6,292,158	8,292,158
Faridpur Branch	2,750,182	3,875,963
Mongla Branch	904,620	934,620
Keraniganj Branch	9,828,216	9,852,239
Jahanabad Cantt Branch	1,400,121	-
Munshiganj Branch	4,255,936	907,825
BUSM Cantonment	985,953	1,907,984
Mohakhali Branch	70,989,837	70,989,837
Kushtia Branch	1,827,323	2,275,323
Auliapur Branch	243,260	25,790,065
Gopalganj Branch	4,985,943	-

	31.12.2020 Taka	31.12.2019 Taka
Titas Branch	2,994,246	2,994,246
Shatibari Branch	5,192,733	5,108,052
Lalmonirhat Branch	41,642,003	2,041,569
Matuail Branch	861,025	2,461,585
Kanchpur Branch	3,605,011	2,208,446
BB Cantt. Branch	-	865,105
Centennial Branch	3,537,102	3,165,250
Taranagar Branch	203,301	203,301
Companygonj Branch	11,468,788	-
Daulatpur Branch	830,860	-
Dholaikhal SME Service Centre	5,342,255	5,382,255
Mirerbazar SME/Krishi Branch	9,991,945	9,937,029
Madhobdi SME Branch	101,370,771	54,983,638
Madina Market Branch	3,716,155	4,433,434
Natore SME/ Krishi Branch	28,553,127	18,309,638
Manikganj SME/Krishi Branch	130,667,571	118,612,563
	<b>10,755,007,627</b>	<b>9,523,132,814</b>

#### 7 (a) Consolidated Loans and Advances/Islami Banking Investments

##### Loans And Advances

Trust Bank Limited	213,583,917,040	207,323,249,542
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	2,167,232,695	2,068,876,546
Trust Axiata Digital Limited	-	-
	<b>215,751,149,735</b>	<b>209,392,126,088</b>
Less : Inter Company Transaction	15,003	12,058
	<b>215,751,134,732</b>	<b>209,392,114,030</b>

##### Bills purchased and discounted

Trust Bank Limited	7,479,769,141	3,443,489,567
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	-	-
Trust Axiata Digital Limited	-	-
	<b>7,479,769,141</b>	<b>3,443,489,567</b>
	<b>223,230,903,873</b>	<b>212,835,603,597</b>

#### 8 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

##### Cost

Leasehold Land	327,276,677	160,469
Office Building	12,680,000	12,680,000
Furniture and Fixtures	664,970,810	658,242,790
Office Equipment	1,031,755,787	997,864,754
Motor Vehicles	93,881,958	93,881,958
	<b>2,130,565,232</b>	<b>1,762,829,971</b>
Less: Accumulated depreciation		
Office Building	3,497,658	3,262,218
Furniture and Fixtures	371,742,191	337,201,614
Office Equipment	891,216,254	848,328,032
Motor Vehicles	84,187,604	79,395,338
	<b>1,350,643,707</b>	<b>1,268,187,202</b>
	<b>779,921,525</b>	<b>494,642,769</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>Lease assets-Premises</b>		
Right-of-use assets	1,854,700,034	1,769,642,377
Less: Accumulated depreciation	698,020,783	334,593,130
	<b>1,156,679,251</b>	<b>1,435,049,247</b>
	<b>1,936,600,776</b>	<b>1,929,692,016</b>
For details please refer to Annexure - B		

The recognition and measurement policy of fixed assets including Right of use (RoU) assets are described in note 2.19 and note 2.27.

#### 8 (a) Consolidated Fixed assets including premises, furniture and fixtures

Trust Bank Limited	1,936,600,776	1,929,692,016
Trust Bank Securities Limited	1,227,221	1,448,217
Trust Bank Investment Limited	9,553,893	5,804,891
Trust Axiata Digital Limited	76,212,721	-
	<b>2,023,594,611</b>	<b>1,936,945,124</b>

#### 9 OTHER ASSETS

i) Investment in shares of Subsidiary Companies	Note - 9.1		
In Bangladesh		3,579,499,290	3,349,999,290
Outside Bangladesh		-	-
ii) Stationery, stamps, printing materials in stock etc.;		39,161,886	31,098,247
iii) Advance Rent and Advertisement		52,587,462	57,662,588
iv) Interest/Profit accrued on investment but	Note - 9.2	3,500,910,785	702,565,156
not collected, commission and brokerage			
receivable on shares and debentures and			
other income receivable;			
v) Security Deposits		7,803,013	8,014,197
vi) Preliminary, formation and organization	Note - 9.3	160,912,701	145,601,191
expenses, renovation/ development			
expenses and prepaid expenses;			
vii) Branch Adjusting (net)		-	-
viii) Suspense Account		109,248,490	154,789,207
ix) Silver		-	-
x) Others	Note - 9.4	1,718,553,125	2,478,319,006
		<b>9,168,676,752</b>	<b>6,928,048,882</b>

#### 9.1 Investment in shares of Subsidiary Companies in Bangladesh

Trust Bank Investment Limited	2,999,999,300	2,999,999,300
Trust Bank Securities Limited	349,999,990	349,999,990
Trust Axiata Digital Limited	229,500,000	-
	<b>3,579,499,290</b>	<b>3,349,999,290</b>

#### 9.2 Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;

Interest accrued on investments and deposits	Note-9.2.1	1,611,852,177	648,804,168
Interest accrued on Loans & advances	Note-9.2.2	1,790,288,197	4,295,361
Commission Receivable on SP, WEDB & Mobile Banking Activities		98,770,411	49,465,627
		<b>3,500,910,785</b>	<b>702,565,156</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>9.2.1 Interest accrued on investments and deposits</b>		
Interest/Profit accrued on Fixed Deposits/MTDR	66,161,920	75,985,318
Interest Receiv. on Short Notice Lending	-	1,702,083
Interest accrued on Money at Call	39,653	-
Interest accrued Corporate Bonds	230,373,810	116,062,519
Interest accrued on Government Treasury Bond	1,308,719,960	454,392,748
Interest Receivable on Swap/ Forward Deal	2,340,552	-
Interest Receiv. on FDR with other Banks- USD	126,606	-
Dividend Receivable from Non-Listed Companies	2,570,312	-
Dividend Receivable from Listed Companies	1,315,854	661,500
Income Receivable on Bangladesh Government Investment Sukuk (BGIS)	203,510	-
	<b>1,611,852,177</b>	<b>648,804,168</b>
<b>9.2.1.1 Interest/Profit accrued on Fixed Deposits/MTDR</b>		
Interest accrued on Fixed Deposits	21,867,399	75,985,318
Profit accrued on MTDR	44,294,521	-
	<b>66,161,920</b>	<b>75,985,318</b>
<b>9.2.2 Interest accrued on Loans &amp; advances</b>		
Interest / Profit receivable from Borrowers for COVID-19 and Interest / Profit receivable from Bangladesh Bank for COVID-19 as subsidy to the Borrowers are included with the interest accrued on loans and advances according to BRPD Circular # 11 dated 03 May 2020, BRPD Circular # 12 dated 10 June 2020 and BRPD Circular Letter # 23 dated 04 May 2020.		
<b>9.3 Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses;</b>		
Office Renovation	75,162,200	83,990,847
Prepaid Expenses	85,750,501	61,610,344
	<b>160,912,701</b>	<b>145,601,191</b>
<b>9.4 Others</b>		
Deferred Tax Asset	176,443,674	172,083,524
Intangible Assets	5,359,500	712,779
Intl. Credit Report Agency Charge	-	-
Encashment of Sanchaya patra awaiting reimbursement-Principal	477,127,957	849,934,358
Encashment of Sanchaya patra awaiting reimbursement-Interest	111,219,573	326,247,699
Encashment of WEDB awaiting reimbursement-Principal	18,250,300	74,714,438
Encashment of WEDB awaiting reimbursement-Interest	48,845,636	226,090,133
US\$ Premium Bond - Interest	957,030	2,535,864
US\$ Investment Bond - Principal	-	6,537,300
US\$ Investment Bond - Interest	3,436,732	7,168,532
Advance against Capital Expenditure	18,332,360	795,441,708
Advance against Investment in Capital Market through Special Fund	800,000,000	-
Clearing Adjustment	17,729,008	10,662,655
Receivable from Exchange House	4,502,906	6,190,016
Bangladesh Bank Subsidy Receivables Account	36,310,347	-
Credit Card Adjustment - Debit	38,102	-
	<b>1,718,553,125</b>	<b>2,478,319,006</b>



**9.4.1 Deferred Tax Asset**

Note - 9.4.1.1

Balance as on 1 January  
Addition during the year  
Closing Balance

31.12.2020 Taka	31.12.2019 Taka
172,083,524	150,639,170
4,360,150	21,444,354
<b>176,443,674</b>	<b>172,083,524</b>

**9.4.1.1 As per BRPD Circular # 11 Dated: 12 December 2011, the accounting for Deferred Tax policies are as follows:**

Particulars	Book Value	Tax Base	(Deductible) /Taxable Temporary Differences	Deferred Tax (Assets)/Liability
Fixed Assets	779,921,525	1,205,184,518	(425,262,993)	(159,473,622)
Righ-of -Use Assets (Adjustment for IFRS 16, Leases)	789,679,373	834,932,844	(45,253,471)	(16,970,052)
	<b>1,569,600,898</b>	<b>2,040,117,362</b>	<b>(470,516,464)</b>	<b>(176,443,674)</b>

**9.4.1.2 Position of Deferred Tax as at 31 December 2020**

Deferred Tax Asset	172,083,524	150,639,170
Deferred Tax Liability	-	-
Net Deferred Tax Assets	<b>172,083,524</b>	<b>150,639,170</b>
Increase of deferred Tax Assets recognized in to the P&L Account	4,360,150	21,444,354
Decreased of deferred Tax Liability recognized in to the P&L Account	-	-
Total Deferred tax Income recognized into P&L Account during the period	<b>176,443,674</b>	<b>172,083,524</b>

Trust Bank Limited recognizes deferred tax asset/liability where it has identified a taxable temporary difference between an asset's or liability's carrying amount for accounting purposes and its value for tax purposes. A deferred tax liability arises where the carrying amount of an assets/(Liability) for accounting purposes is greater (less) than its tax value as per IAS - 12 para 12.15 A deferred tax assets arises where the carrying amount of an assets/(Liability) for accounting purposes is less(greater) than its tax value.

**9.4.1.3 To maintain the deferred tax Asset of Tk.176,443,674 as on 31 December 2020, a deferred tax Income of Tk.4,360,150 has been recognized for the year ended 31 December 2020 as per IAS-12 - Income Taxes.****9.4.1(a) Consolidated Deferred Tax Asset**

Trust Bank Limited	176,443,674	172,083,524
Trust Bank Securities Limited	100,027	59,391
Trust Bank Investment Limited	1,606,899	1,751,958
Trust Axiata Digital Limited	2,315,273	-
	<b>180,465,873</b>	<b>173,894,873</b>

**9.5 Break-up of Other Assets**

Income generating other assets	3,579,499,290	3,349,999,290
Non income generating other assets	5,589,177,462	3,578,049,592
	<b>9,168,676,752</b>	<b>6,928,048,882</b>

**9.6 As on 31 December 2020, there were no outstanding balance with inter Branch adjustment Account of the Bank, Hence no disclosure is provided here.****9.7 Provision for other asset has been made as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank and shown in Note # 12.2 under Other Liability.**

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**Taka**

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**9.8 Suspense Account includes BDT 3,038,184.00 as receivable from Trust Axiata Digital Limited for the year ended as on 31 December 2020.**

**9 (a) Consolidated other assets**

Trust Bank Limited	9,168,676,752	6,928,048,882
Trust Bank Securities Limited	305,392,605	293,908,542
Trust Bank Investment Limited	53,830,980	43,948,661
Trust Axiata Digital Limited	34,620,018	-
	9,562,520,355	7,265,906,085
Less: Investment in Subsidiaries Company	3,582,537,474	3,349,999,290
	<b>5,979,982,881</b>	<b>3,915,906,795</b>

**10 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS**

**In Bangladesh**

**Call Borrowings**

Call Loan from Banks	-	-
Short Notice Borrowings	-	-

**Other Borrowings**

Borrowing from Bangladesh Bank - EDF	2,913,029,126	1,027,944,521
Borrowing from Bangladesh Bank - IPFF	4,455,587,994	4,892,649,532
Borrowing from Bangladesh Bank - IPFF (BDT)	1,727,659,482	1,272,355,916
Bangladesh Bank SME - Refinance	520,867,733	-
Bangladesh Bank Refinance - WC (30,000 Cr)	2,551,524,034	-
Bangladesh Bank Green-Refinance	925,000	-
Borrowing from Bangladesh Bank - LTFF (USD)	343,054,983	423,025,761
Borrowing From Bangladesh Bank-EDF (USD)-TIB	-	426,596,963
Borrowing from Offshore Unit	147,647,513	211,542,213
Bangladesh Bank: Re-finance	652,078,884	45,654,887
	<b>13,312,374,749</b>	<b>8,299,769,793</b>

**Outside Bangladesh**

Borrowed by Offshore Banking Unit		
Habib Bank AG Zurich, UAE	243,440,299	1,615,301,966
National Bank of RAS - UAE	424,922,064	681,330,617
ICIC Bank -India	-	178,305,791
	<b>668,362,363</b>	<b>2,474,938,374</b>

**Issuance of Bonds**

**Sub-ordinated Bond** Note - 10.1 Interest Rate

Trust Bank Limited Subordinated Bond II	12.50%	400,000,000	800,000,000
Trust Bank Limited Subordinated Bond III	8.24%	2,400,000,000	3,200,000,000
Trust Bank Limited Subordinated Bond IV	7.19%	5,000,000,000	5,000,000,000
Trust Bank Limited Subordinated Bond V	7.78%	4,000,000,000	-
		<b>11,800,000,000</b>	<b>9,000,000,000</b>

**Perpetual Bonds** Note - 10.2

Trust Bank Limited Perpetual Bond	9.06%	650,000,000	-
		<b>12,450,000,000</b>	<b>9,000,000,000</b>
		<b>26,430,737,112</b>	<b>19,774,708,167</b>

**10.1** As per Bangladesh Bank letter ref # BRPD (BIC)661/14B(P)/2011-264 dated: May 31, 2011 & Guidelines on Risk Based Capital Adequacy ( December 2010){ Annex A}: Unsecured Subordinated Non-Convertible Bonds are shown as long term borrowings. Trust Bank Limited has issued the subordinated bonds for five times out of which Bond - I has already been adjusted. The features of the other bonds are stated below:

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#### 10.1.1 Trust Bank Limited Subordinated Bond II

Trust Bank Limited issued an Unsecured Subordinated Non-Convertible Bond of Taka 2,000,000,000 for a term of Seven (7) years to strengthen the capital base of the Bank. The Bond was issued on September 2014 on the consent of BSEC vide Letter Ref# BSEC/CI/DS-211 /2014/444 dated June 24, 2014 and Bangladesh Bank permission Letter Ref# BRPD (BIC)661/14B(P)I2014/4723 dated July 21, 2014. It is fixed interest rated bond. 80% repayment of the Bond has already been made on 06 September 2017, 06 September 2018, 08 September 2019 & 06 September 2020 @ 20% to the respective Bond holders.

#### 10.1.2 Trust Bank Limited Subordinated Bond III

Trust Bank Limited issued an Unsecured Subordinated Non-Convertible Bond of Taka 4,000,000,000 for a term of Seven (7) years to strengthen the capital base of the Bank. The Bond was issued on October 2016 on the consent of BSEC vide Letter Ref# BSEC/CI/DS-44/2016/343 dated 16 June 2016 and Bangladesh Bank permission Letter Ref# BRPD (BFIC)661/14B(P)I2016-5594 dated 18 August 2016. The Bond was issued at floating rate of interest. 40% repayment of the Bond has already been made on 24 October 2019 & 25 October 2020 @ 20% to the respective Bond holders.

#### 10.1.3 Trust Bank Limited Subordinated Bond IV

Trust Bank Limited issued an Unsecured Subordinated Non-Convertible Bond of Taka 5,000,000,000 for a term of Seven (7) years to strengthen the capital base of the Bank. The Bond was issued on December 2018 on the consent of BSEC vide Letter Ref# BSEC/CI/DS-111/2014/694 dated 11 October 2018 and Bangladesh Bank permission Letter Ref# BRPD (BFIC)661/14B(P)I2018-8228 dated 28 October 2018. The Bond was issued at floating rate of interest. The repayment of the Bond will start after three years from the date of issue of the Bond.

#### 10.1.4 Trust Bank Limited Subordinated Bond V

Trust Bank Limited issued an Unsecured Subordinated Non-Convertible Bond of Taka 4,000,000,000 for a term of Seven (7) years to strengthen the capital base of the Bank. The Bond was issued on December 2020 on the consent of BSEC vide Letter Ref#BSEC/CI/DS-125/2020/297 dated December 23, 2020 and Bangladesh Bank permission Letter Ref# BRPD(BFIS)661/14B(P)I2020-10358 dated December 01, 2020. The Bond was issued at floating rate of interest. The repayment of the Bond will start after three years from the date of issue of the Bond.

#### 10.2 Trust Bank Limited Perpetual Bond

Trust Bank Limited has been permitted to issue an unsecured, contingent-convertible, floating rate Perpetual Bond of Taka 4,000,000,000 to strengthen the capital base of the Bank on the consent of BSEC/CI/DS-125/2020/290 dated December 09, 2020 and Bangladesh Bank permission letter ref # BRPD(BFIS)661/14B(P)I2020/7904 dated September 24, 2020. The coupon rate of the Bond will be limited to minimum 6.00% and maximum 10.00%.

#### 10.3 Security wise borrowings

Secured Borrowings  
Unsecured Borrowings

-	-
26,430,737,112	19,774,708,167
<b>26,430,737,112</b>	<b>19,774,708,167</b>

#### 10.4 Repayment nature wise borrowings

Repayment on Demand  
Others

-	-
26,430,737,112	19,774,708,167
<b>26,430,737,112</b>	<b>19,774,708,167</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>10.5 Remaining maturity grouping of Borrowings from other banks, financial institutions and agents</b>		
Payable	-	-
On demand	-	-
Up to 1 month	2,371,254,283	2,273,176,140
Over 1 month but within 3 months	3,080,056,396	2,952,428,617
Over 3 months but within 1 Year	8,558,659,208	6,403,339,696
Over 1 Year but within 5 Years	7,770,767,225	7,145,763,714
Over 5 Years	4,650,000,000	1,000,000,000
	<b>26,430,737,112</b>	<b>19,774,708,167</b>

**10 (a) Consolidated borrowings from other Banks, financial institutions and agents**

Trust Bank Limited	Note-10	26,430,737,112	19,774,708,167
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		13,879,261	1,568,285
Trust Axiata Digital Limited		-	-
		<b>26,444,616,373</b>	<b>19,776,276,452</b>
Less: Inter company transaction		15,003	12,058
		<b>26,444,601,370</b>	<b>19,776,264,394</b>

**11 DEPOSITS AND OTHER ACCOUNTS**

Current / Al-wadeeah Current Accounts and other Accounts	Note - 11.2	31,881,848,838	35,352,423,907
Bills Payable	Note - 11.3	5,756,649,635	3,316,469,487
Savings Bank Deposits/Mudaraba Savings Deposits	Note - 11.4	48,906,165,234	36,085,273,119
Fixed Deposits/Mudaraba Term Deposits	Note - 11.5	201,859,240,178	167,270,591,932
		<b>288,403,903,885</b>	<b>242,024,758,445</b>

**11.1 Remaining maturity grouping of Deposits and other accounts**

Inside Bangladesh Payable	Banks	Other than Banks	31.12.2020 Taka	31.12.2019 Taka
Repayable on Demand	230,517,322	36,468,852,611	36,699,369,933	35,657,660,619
Repayable within 1 month	396,804,595	49,450,302,683	49,847,107,278	32,108,958,403
Over 1 month but within 6 months	-	69,081,165,306	69,081,165,306	59,488,277,616
Over 6 months but within 1 Year	-	90,050,781,892	90,050,781,892	85,949,990,702
Over 1 Year but within 5 Years	-	29,901,068,011	29,901,068,011	21,141,294,161
Over 5 Years	-	12,824,411,465	12,824,411,465	7,678,576,944
	<b>627,321,917</b>	<b>287,776,581,968</b>	<b>288,403,903,885</b>	<b>242,024,758,445</b>
<b>Outside Bangladesh</b>	-	-	-	-
	<b>627,321,917</b>	<b>287,776,581,968</b>	<b>288,403,903,885</b>	<b>242,024,758,445</b>

**11.2 Current / Al-wadeeah Current Accounts and other Accounts**

Conventional Banking	Note-11.2.1	30,595,717,426	34,020,335,983
Islamic Banking	Note-11.2.2	1,286,131,412	1,332,087,924
		<b>31,881,848,838</b>	<b>35,352,423,907</b>

**11.2.1 Conventional Banking**

Current Account		20,287,561,473	24,490,368,024
Unclaimed Dividend	Note-11.2.3	23,061,222	20,750,185
Other Accounts	Note-11.2.4	10,308,155,953	9,529,967,959
		<b>30,595,717,426</b>	<b>34,020,335,983</b>

### 11.2.2 Islamic Banking

Al-wadeeah Current Accounts  
Foreign Currency Deposits  
Sundry Deposits  
Profit payable on Deposits

31.12.2020 Taka	31.12.2019 Taka
648,283,187	479,005,761
40,771,407	113,804,351
259,779,587	246,783,468
337,297,231	492,494,344
<b>1,286,131,412</b>	<b>1,332,087,924</b>

### 11.2.3 Unclaimed Dividend

As per Bangladesh Securities and Exchange Commission directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, year wise unclaimed dividend information is given below:

2019	2,394,514	-
2018	42,105	42,105
2017	3,459,845	3,499,274
2016	2,947,377	2,968,322
2015	2,421,443	2,433,675
2014	2,966,096	2,976,967
2013	41,685	41,685
2012	30,994	30,994
2011	2,379,570	2,379,570
2010	2,432,883	2,432,883
2009	3,034,117	3,034,117
2007	910,594	910,594
	<b>23,061,222</b>	<b>20,750,185</b>

### 11.2.4 Other Accounts

Foreign Currency Deposits  
Interest Payable on Deposits  
Sundry Deposits

5,562,735,856	3,940,409,917
2,068,381,320	2,414,449,211
2,677,038,777	3,175,108,831
<b>10,308,155,953</b>	<b>9,529,967,959</b>

### 11.3 Bills Payable

Conventional Banking  
Demand Draft payable  
Pay Order payable

3,724,829	3,818,430
5,750,602,794	3,306,653,085
<b>5,754,327,623</b>	<b>3,310,471,515</b>

#### Islamic Banking

Demand Draft payable  
Pay Order payable

-	-
2,322,012	5,997,972
2,322,012	5,997,972
<b>5,756,649,635</b>	<b>3,316,469,487</b>

### 11.4 Savings Bank Deposits/Mudaraba Savings Deposits

Savings Bank Deposits  
Mudaraba Savings Deposits

45,002,251,212	33,571,406,967
3,903,914,022	2,513,866,152
<b>48,906,165,234</b>	<b>36,085,273,119</b>

### 11.5 Fixed Deposits/Mudaraba Term Deposits

#### 11.5.1 Conventional Banking

Fixed Deposits  
Short Notice Deposits  
Scheme Deposits

128,011,252,908	109,743,409,232
26,623,312,767	14,710,766,484
17,640,191,433	16,241,419,074
<b>172,274,757,108</b>	<b>140,695,594,790</b>

### 11.5.2 Islamic Banking

Mudaraba Term Deposits  
Mudaraba Short Notice Deposits  
Mudaraba Scheme Deposits

31.12.2020 Taka	31.12.2019 Taka
24,751,574,657	24,009,711,537
493,229,485	289,320,209
4,339,678,928	2,275,965,396
<b>29,584,483,070</b>	<b>26,574,997,142</b>
<b>201,859,240,178</b>	<b>167,270,591,932</b>

### 11.5.3 Fixed Deposits

Inside Bangladesh Payable	Banks	Other than Banks	31.12.2020 Taka	31.12.2019 Taka
One month	-	283,211,384	283,211,384	275,484,126
Three months	-	60,166,433,999	60,166,433,999	55,159,411,891
Six months	-	26,781,245,835	26,781,245,835	18,366,705,554
One year	-	40,514,252,395	40,514,252,395	35,650,794,081
Two years	-	20,395,977	20,395,977	22,986,289
Three years	-	204,605,671	204,605,671	226,229,307
Four years	-	45,337	45,337	42,856
Five Years	-	33,681,733	33,681,733	34,008,522
More than five years	-	7,380,577	7,380,577	7,746,607
	-	<b>128,011,252,908</b>	<b>128,011,252,908</b>	<b>109,743,409,232</b>

### 11.5.3(a) Mudaraba Term Deposits

Inside Bangladesh Payable	Banks	Other than Banks	31.12.2020 Taka	31.12.2019 Taka
One month	-	6,049,153	6,049,153	6,343,714
Three months	-	12,113,500,944	12,113,500,944	11,864,898,074
Six months	-	6,506,494,587	6,506,494,587	6,205,968,772
One year	-	6,101,891,458	6,101,891,458	5,909,054,629
Two years	-	-	-	-
Three years	-	23,338,994	23,338,994	22,763,891
Five Years	-	299,521	299,521	682,457
More than five years	-	-	-	-
	-	<b>24,751,574,657</b>	<b>24,751,574,657</b>	<b>24,009,711,537</b>

### 11.6 Geographical location-wise concentration of Deposits & Other Accounts

Inside Bangladesh

Dhaka Division	207,737,281,516	177,336,472,343
Chittagong Division	45,215,030,820	34,635,454,391
Khulna Division	10,007,956,010	8,046,309,337
Sylhet Division	8,581,426,555	7,575,955,639
Rangpur Division	4,345,401,034	4,030,629,736
Barisal Division	1,476,960,531	888,520,056
Rajshahi Division	9,525,691,311	8,254,279,358
Mymensingh Division	1,514,156,108	1,257,137,585

Outside Bangladesh

<b>288,403,903,885</b>	<b>242,024,758,445</b>
-	-
<b>288,403,903,885</b>	<b>242,024,758,445</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>11.7 Sector-wise deposits</b>		
Government	40,951,683,194	29,867,367,905
Deposit money banks	627,321,917	497,244,636
Other public	9,963,265,019	10,508,249,799
Private	228,852,447,941	194,190,738,282
Foreign Currency Deposits	5,603,507,263	4,054,214,268
Interest Payable on Deposits	2,405,678,551	2,906,943,555
	<b>288,403,903,885</b>	<b>242,024,758,445</b>

#### 11 (a) CONSOLIDATED DEPOSITS AND OTHER ACCOUNTS

Current / Al-wadeeah Current Accounts and other Accounts

Trust Bank Limited	31,881,848,838	35,352,423,907
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	86,843,950	47,035,990
Trust Axiata Digital Limited	-	-
	31,968,692,788	35,399,459,897
Less : Inter Company Transaction	1,556,069,759	249,769,323
	30,412,623,029	35,149,690,574
Bills Payable	5,756,649,635	3,316,469,487
Savings Bank Deposits/Mudaraba Savings Deposits	48,906,165,234	36,085,273,119
Fixed Deposits/Mudaraba Term Deposits	201,859,240,178	167,270,591,932
	<b>286,934,678,076</b>	<b>241,822,025,112</b>

#### 12 OTHER LIABILITIES

Provision for Loans and Advances	Note - 12.1	11,469,299,000	8,852,441,000
General Provision for Off Balance Sheet Exposures	Note - 12.1.5	855,160,000	793,589,000
Provision for Investment	Note - 12.2	27,608,872	27,289,935
Provision for other asset	Note - 12.3	169,298,525	169,298,525
Provision for CSR Fund	Note - 12.4	120,000,000	120,000,000
Start Up Fund	Note - 12.5	17,881,973	-
Rebate of interest payable to good borrowers	Note - 12.6	19,502,477	19,502,477
Unearned profit on TIB Investment		407,434,274	387,293,161
Interest Suspense Account	Note - 12.7	5,063,712,219	2,959,262,738
Provision for Income Tax Less Advance Income Tax	Note - 12.8	1,804,495,449	1,830,770,498
Interest Payable on Borrowings		66,224,020	111,139,408
Accrued Expenses		280,708,428	104,164,816
Audit Fees Payable		575,000	575,000
Sundry Creditors		1,258,130,871	982,030,522
Compensation Fund Account	Note - 12.8.2	14,834,479	200,774,270
Sale proceed from Government Securities		-	-
Lease Liability	Note- 12.9	1,128,432,226	1,356,632,580
Others	Note- 12.10	201,361,679	238,201,881
		<b>22,904,659,492</b>	<b>18,152,965,811</b>

#### 12.1 Provision for Loans and Advances/Islami Banking Investments and Off Balance Sheet Exposure

##### Provision for Loans and Advances

##### Specific Provision for Loans and Advances

Against Classified Loans & Advances	Note- 12.1.1	8,891,472,500	5,758,355,000
<b>General Provision for Loans and Advances</b>			
Against Unclassified Loans & Advances	Note- 12.1.2	1,834,409,000	3,024,787,000
Special General Provision for COVID-19	Note- 12.1.4	703,116,000	-
Against Special Mention Accounts	Note- 12.1.3	40,301,500	69,299,000

		<b>2,577,826,500</b>	<b>3,094,086,000</b>
		<b>11,469,299,000</b>	<b>8,852,441,000</b>
General Provision for Off Balance Sheet Exposures	Note- 12.1.5	855,160,000	793,589,000
		<b>12,324,459,000</b>	<b>9,646,030,000</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>12.1.1 Specific Provision for Classified Loans &amp; Advances</b>		
Provision held on 1 January	5,758,355,000	4,357,515,500
Fully provided debts written off	(335,606,246)	(81,198,614)
Recoveries from previously written off debts	81,197,247	48,510,615
Specific provision for the year	3,387,526,499	1,433,527,499
Recoveries and provisions no longer required	-	-
Net Charge to the Profit Loss Account	<b>3,133,117,500</b>	<b>1,400,839,500</b>
Provision held at end of year	<b>8,891,472,500</b>	<b>5,758,355,000</b>
<b>12.1.2 General Provision for Unclassified Loans &amp; Advances</b>		
Provision held on 1 January	3,024,787,000	1,990,930,000
Provisions made during the year	(1,190,378,000)	1,033,857,000
Provision held at end of year	<b>1,834,409,000</b>	<b>3,024,787,000</b>
<b>12.1.3 General Provision for Special Mention Accounts</b>		
Provision held on 1 January	69,299,000	93,357,500
Provisions made during the year	(28,997,500)	(24,058,500)
Provision held at end of year	<b>40,301,500</b>	<b>69,299,000</b>
<b>12.1.4 Special General Provision for COVID-19 for Tk. 703,116,000.00 has been kept as per Bangladesh Bank's BRPD Circular Letter No.-56, dated 10 December 2020.</b>		
<b>12.1.5 General Provision for Off Balance Sheet Exposures</b>		
Provision held on 1 January	793,589,000	968,197,000
Provisions made during the year	61,571,000	(174,608,000)
	<b>855,160,000</b>	<b>793,589,000</b>
<b>12.1.6 Required Provision against Loans and Advances</b>		
<b>Required General Provision</b>		
Unclassified Loans & Advances	1,834,409,000	3,024,787,000
Special General Provision for COVID-19	703,116,000	-
Special Mention Account	40,301,500	69,299,000
Off Balance Sheet Items	855,160,000	793,589,000
	<b>3,432,986,500</b>	<b>3,887,675,000</b>
<b>Required Specific Provision</b>		
Sub Standard	55,893,000	161,140,500
Doubtful	106,218,000	145,346,500
Bad	8,729,361,500	5,451,868,000
	<b>8,891,472,500</b>	<b>5,758,355,000</b>
	<b>12,324,459,000</b>	<b>9,646,030,000</b>
<b>12.1 (a) Consolidated General Provision for Loans and Advances</b>		
Trust Bank Limited	3,432,986,500	3,887,675,000
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	145,009,724	103,649,697
Trust Axiata Digital Limited	-	-
	<b>3,577,996,224</b>	<b>3,991,324,697</b>
<b>12.1.5 (a) Consolidated General Provision for Off Balance Sheet Exposures</b>		
Trust Bank Limited	855,160,000	793,589,000
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	605,300	605,300
Trust Axiata Digital Limited	-	-
	<b>855,765,300</b>	<b>794,194,300</b>

31.12.2020  
Taka

31.12.2019  
Taka

## 12.2 Provision for Investment

Cost price of holding of quoted shares and mutual funds (both close end and open end) as on 31 December 2020 is Tk. 225,444,585 whereas the market of these securities is Tk. 195,235,680 showing a loss on fall of market price Tk. 30,208,906.

As per DOS circular letter No.03 issued on 12 March 2015, bank has to keep provision on mutual funds on the basis of

- i) Cost Price minus Market value or 85% of NAV at Market Price for close end mutual funds and
- ii) Cost Price minus 95% of NAV at Market Price for open end mutual funds

Consequently, the required provision as per DOS circular letter No. 03 issued on 12 March 2015 is Tk. 6,616,820.

Details workings relating to provision on Investment is given below:

SL #	Name of the Company	No. of shares	Average cost rate	Total Investment Cost Price	Market rate as on 31 Dec 2020	NAV at Market Value for MF	85% / 95% of NAVcmp of MF	Applicable Rate for Provision	Market Price	Aggregate Net off (Loss) / Gain	Value of MF / Share for Provision	Required Provision Excess / (Shortage)
1	Popular Life First Mutual Fund	1,089,298	6.69	7,284,124	5.40	10.75	9.14	9.14	5,882,209	(1,401,915)	9,953,460	-
2	Trust Bank 1st Mutual Fund	4,593,045	6.59	30,258,555	6.10	11.06	9.40	9.40	28,017,575	(2,240,981)	43,179,216	-
3	LR Global Bangladesh Mutual Fund One	6,554,016	9.64	63,205,696	6.60	11.60	9.86	9.86	43,256,506	(19,949,190)	64,622,598	-
4	CAPM Unit Fund	100,000	100.00	10,000,000	100.00	106.65	101.32	100.00	10,000,000	-	10,000,000	-
<b>Provision Required for Mutual Funds</b>												-
5	IBBL Mudaraba Perpetual Bond	56,210	966.67	54,336,290	1,010.00				56,772,100	2,435,810	56,772,100	2,435,810
6	Prime Bank Ltd.	67,760	29.71	2,012,905	17.10				1,158,696	(854,209)	1,158,696	(854,209)
7	Pubali Bank Ltd.	27,593	36.16	997,688	24.10				664,991	(332,697)	664,991	(332,697)
8	Summit Power Ltd.	314,637	45.69	14,375,320	38.90				12,239,379	(2,135,941)	12,239,379	(2,135,941)
9	Olympic Industries Ltd.	135,000	288.57	38,957,269	191.10				25,798,500	(13,158,769)	25,798,500	(13,158,769)
10	Golden Harvest Agro Industries Ltd.	4,215	42.42	178,801	16.70				70,391	(108,410)	70,391	(108,410)
11	Padma Oil Co. Ltd.	3,000	350.47	1,051,416	205.10				615,300	(436,116)	615,300	(436,116)
12	IT Consultants Ltd.	323,568	7.10	2,189,115	32.10				10,386,533	8,197,418	10,386,533	8,197,418
13	ACMELAB	5,000	119.48	597,406	74.70				373,500	(223,906)	373,500	(223,906)
<b>Provision Required for Shares</b>												(6,616,820)
<b>TOTAL</b>				<b>225,444,585</b>					<b>195,235,680</b>	<b>(30,208,906)</b>	<b>235,834,664</b>	<b>(6,616,820)</b>

### 12.2.1 Provision for Diminution in value of Investment

Balance on 1 January

Provisions made for Investment in Shares during the year

27,289,935	9,385,978
318,937	17,903,957
<b>27,608,872</b>	<b>27,289,935</b>

### 12.2.2 Break-up of Provision for Investment

Provision for Diminution in value of Investment

Provision for decreased in NAV of Trust Axiata Digital Limited

24,049,859	27,289,935
3,559,013	-
<b>27,608,872</b>	<b>27,289,935</b>

## 12.3 Provision for other asset

Balance on 1 January

Provisions made during the year

169,298,525	48,518,467
-	120,780,058
<b>169,298,525</b>	<b>169,298,525</b>

### 12.3.1 Provision for other asset

Provision for Prepaid Legal Expense

Provision for Decoration & Renovation

Provision for Protested Bill

Provision for Advance/Suspense Account

56,092,916	50,403,923
1,800,000	-
79,406,602	79,406,602
31,999,007	39,488,000
<b>169,298,525</b>	<b>169,298,525</b>

31.12.2020  
Taka

31.12.2019  
Taka

#### 12.4 Provision for Special Reserve Fund

Special Reserve Fund (SRF) under Section 29(V) of the Income Tax Ordinance, 1984 was formed according to the approval of Finance Ministry of Bangladesh Government vide thier Letter no. OM/OB/Ba: Ni: Shakha-1/11(2)/2000/30 dated 06 February 2007 in the year 2007 for Corporate Social Responsibility (CSR) activities. CSR activities includes humanitarian belief, disaster management, health care, education, training, green initiatives and environmental degradation. As per Bangladesh Bank FFD Circular no. 03, dated 16 June 2020, at the beginning of the year, the fund has been allocated for education, health care and climate risk @ 30%, 60% & 10% respectively and expensed over the year accordingly.

#### 12.5 Start Up Fund

According to SMESPD Circular no. 04 dated 29 March 2021 as well as SMESPD Circular Letter no. 05 dated 26 April 2021, 1% of Net Profit has been transferred to Start Up Fund Account under Other Liabilities at the time of finalization of Financial Statements for the year ended as on 31 December 2020.

#### 12.6 Rebate of interest payable to good borrowers

According to BRPD Circular no. 06 dated 19 March 2015, BRPD Circular no. 16 Dated 30 December 2015 and BRPD Circular Letter no. 03 dated 04 February 2016, the Bank has to keep provision for incentive of Good Borrowers in every year. As Bank's existing provision in this issue is more than requirement, so the Bank has not been accounted for additional provision for incentive of Good Borrowers during the year 2020.

#### 12.7 Interest Suspense Account

Balance on 1 January	2,959,262,738	2,209,515,763
Amount transferred during the year	2,211,123,962	1,697,904,206
Amount recovered during the year	(81,197,247)	(910,231,727)
Amount written off / waived during the year	(25,477,234)	(37,925,504)
Balance at the end of the year	<b>5,063,712,219</b>	<b>2,959,262,738</b>

#### 12.8 Provision for Income Tax Less Advance Income Tax

<b>Provision for Income Tax</b>		
Balance on 1 January	11,102,389,605	8,344,799,258
Provisions made during the year	2,568,180,000	2,696,000,000
Provision for Doubtful Income of Islamic Banking	6,957,436	61,590,347
Settlement for previous year(s)	-	-
	<b>13,677,527,041</b>	<b>11,102,389,605</b>
<b>Less: Advance Income Tax</b>		
Balance on 1 January	9,271,619,107	6,644,466,585
Paid during the year	2,601,412,485	2,627,152,522
Settlement for previous year(s)	-	-
	<b>11,873,031,592</b>	<b>9,271,619,107</b>
<b>Net Closing Balance</b>	<b>1,804,495,449</b>	<b>1,830,770,498</b>

- 12.8.1** Provision for current tax of Tk.2,568,180,000.00 has been made @ 37.50% on Business Income and @ 20% on Dividend Income of the accounting profit made by the Bank during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.

The Bank has challenged some disputed income tax assessments which are pending at various appeal stages (i.e. Appellate Tribunal, High Court Division). The Bank is confident that once these appeals are finally disposed off, there should not be any additional tax demand against the Bank and hence no further provision is required.

### 12.8.2 Compensation Fund Account

Opening Balance  
Amount credited during the year  
Compensation Realized during the year  
Income Tax Provision @ 37.50%

Amount distributed during the period

31.12.2020 Taka	31.12.2019 Taka
200,774,270	100,673,403
18,553,163	164,240,924
6,957,436	61,590,347
11,595,727	102,650,577
212,369,997	203,323,980
197,535,518	2,549,710
<b>14,834,479</b>	<b>200,774,270</b>

Islamic Banking is a trade-based mode of banking where compliance of sharia guidelines in the precondition for its legitimacy. In addition to the prohibition of the interest and classification of business activities between lawful (halal) and un-lawful (haram), sharia also provides guidelines of business process and translation. Any income generated from trading or investments without confirming to these Sharia instructions are considered un-lawful and termed as “doubtful Income” in the terminology of Islamic Banking.

However, since the “Doubtful Income” is not an “income” - as such the nomenclature has been already been changed as “Compensation” instead of “Doubtful Income”.

### 12.8 (a) Consolidated Current Tax Expenses

Trust Bank Limited  
Trust Bank Securities Limited  
Trust Bank Investment Limited  
Trust Axiata Digital Limited

Note-12.5

2,568,180,000	2,696,000,000
5,769,946	6,325,831
14,330,000	17,396,000
197,256	-
<b>2,588,477,202</b>	<b>2,719,721,831</b>

### 12.9 Lease Liability

Balance as at 1 January  
Add: Interest charge during the year  
Less: Payment made during the year  
Balance as at 31 December

1,356,632,580	1,621,105,707
61,742,652	75,169,408
289,943,006	339,642,535
<b>1,128,432,226</b>	<b>1,356,632,580</b>

### 12.10 Others

ITCL A/c - Fees payable  
Miscellaneous  
Imprest Fund for Cash-Incentive against Remittance  
Trust Money Fees Received- Credit Card  
UPI Member Bank Payable

8,185,621	2,295,740
361,883	300,141
192,234,701	235,606,001
81,617	-
497,857	-
<b>201,361,679</b>	<b>238,201,882</b>

### 12 (a) Consolidated other liabilities

Trust Bank Limited  
Trust Bank Securities Limited  
Trust Bank Investment Limited  
Trust Axiata Digital Limited

Note-12

22,904,659,492	18,152,965,811
860,119,945	25,781,944
1,588,917,535	1,397,044,895
118,775,590	-
25,472,472,562	19,575,792,650
3,038,184	-
<b>25,469,434,378</b>	<b>19,575,792,650</b>

Less: Inter company transaction

### 13 CAPITAL

#### 13.1 Authorized Capital

1,000,000,000 Ordinary shares of Tk. 10 each

31.12.2020  
Taka

31.12.2019  
Taka

**10,000,000,000**

**10,000,000,000**

#### 13.2 Issued, Subscribed and Paid Up Capital

116,667,000 Ordinary shares of Tk. 10 each issued for cash	1,166,670,000	1,166,670,000
11,666,700 Ordinary shares of Tk. 10 each issued bonus shares	116,667,000	116,667,000
25,666,740 Ordinary shares of Tk. 10 each issued for right 1R:5	256,667,400	256,667,400
30,800,080 Ordinary shares of Tk. 10 each issued bonus shares	308,000,800	308,000,800
36,960,100 Ordinary shares of Tk. 10 each issued bonus shares	369,601,000	369,601,000
44,352,120 Ordinary shares of Tk. 10 each issued bonus shares	443,521,200	443,521,200
26,611,274 Ordinary shares of Tk. 10 each issued bonus shares	266,112,740	266,112,740
53,222,550 Ordinary shares of Tk. 10 each issued for right 1R:5	532,225,500	532,225,500
34,594,656 Ordinary shares of Tk. 10 each issued bonus shares	345,946,560	345,946,560
45,664,946 Ordinary shares of Tk. 10 each issued bonus shares	456,649,460	456,649,460
42,620,616 Ordinary shares of Tk. 10 each issued bonus shares	426,206,160	426,206,160
37,506,142 Ordinary shares of Tk. 10 each issued bonus shares	375,061,420	375,061,420
50,633,292 Ordinary shares of Tk. 10 each issued bonus shares	506,332,920	506,332,920
55,696,621 Ordinary shares of Tk. 10 each issued bonus shares	556,966,210	556,966,210
30,633,141 Ordinary shares of Tk. 10 each issued bonus shares	306,331,410	-
	<b>6,432,959,780</b>	<b>6,126,628,370</b>

#### 13.3 Capital to Risk-weighted Asset Ratio (CRAR)

In terms of section 13 (2) of the Banking Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 18 dated 21 December 2014 relating to implementation of Basel III in Bangladesh, risk weighted assets (RWA), required capital, available common equity tier 1 capital, additional tier 1 capital and tier 2 capital of the Bank as on 31 December 2020 are shown below:

##### 13.3.1 Capital to Risk-weighted Asset Ratio (CRAR) under SOLO basis

###### A. Total Risk Weighted Assets (RWA)

Credit Risk Weighted Assets	169,917,045,406	166,780,772,691
Market Risk Weighted Assets	7,853,410,777	1,197,827,092
Operational Risk Weighted Assets	18,156,620,745	16,224,394,499
	<b>195,927,076,928</b>	<b>184,202,994,282</b>

###### B. Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]

**24,490,884,616**      **23,025,374,285**

###### C. Common Equity Tier 1 (CET1) (Going-concern capital)

Paid up share capital	6,432,959,780	6,126,628,370
Share premium	-	-
Statutory reserve	6,979,751,092	6,579,751,092
Retained earnings	2,966,440,052	2,208,787,515
	<b>16,379,150,924</b>	<b>14,915,166,977</b>
<b>Less : Regulatory Adjustments</b>		
Deferred tax assets	176,443,674	172,083,524
Intangible assets	5,359,500	712,779
	<b>16,197,347,750</b>	<b>14,742,370,674</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>D. Additional Tier 1 (AT1) Capital</b>		
Non-cumulative Irredeemable Preference Shares	-	-
Trust Bank Limited Perpetual Bond	650,000,000	-
Others (if any item approved by Bangladesh Bank)	-	-
	<b>650,000,000</b>	-
Less : Regulatory Adjustments	-	-
	<b>650,000,000</b>	-
<b>E. Total Tier- 1 Capital (C+D)</b>	<b>16,847,347,750</b>	<b>14,742,370,674</b>
<b>F. Tier 2 Capital (Gone-Concern Capital)</b>		
<b>F.1 Actul Tier-2 Capital</b>		
General Provision	3,432,986,500	3,887,675,000
Trust Bank Limited Subordinated Bond	9,600,000,000	7,800,000,000
Revaluation reserves	-	273,661
	<b>13,032,986,500</b>	<b>11,687,948,661</b>
<b>Less : Regulatory Adjustments</b>		
Revaluation Reserves (according to Phase-in deductions as per Basel III Guideline)	-	273,661
	<b>13,032,986,500</b>	<b>11,687,675,000</b>
<b>F.2 Maximum Limit of Tier 2 Capital</b>		
4% of Risk Weighted Assets	7,837,083,077	7,368,119,771
Add: 88.89% of Excess CET 1 Capital (Excess CET I Capital = (CETI Cap-RWA X 7%))	2,206,651,907	1,642,830,379
	<b>10,043,734,984</b>	<b>9,010,950,150</b>
<b>Total Admissible Tier-2 Capital (Actul or limit whichever is lower)</b>	<b>10,043,734,984</b>	<b>9,010,950,150</b>
<b>G. Total Eligible Regulatory Capital (Tier 1 &amp; 2) (C+D+F)</b>	<b>26,891,082,734</b>	<b>23,753,320,824</b>
<b>Surplus Capital as per Bank weighted Assets (G - B)</b>	<b>2,400,198,118</b>	<b>727,946,539</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR) (G/A)*100</b>	<b>13.73%</b>	<b>12.90%</b>
Common Equity Tier 1 to RWA (C/A)*100	8.27%	8.00%
Tier I Capital to RWA (E/A)*100	8.60%	8.00%
Tier-2 Capital to RWA (F/A)*100	5.13%	4.90%

As on 31 December 2019, the CRAR was 14.34% and the Tier-2 Capital was 6.34% considering Tier 2 capital could be maximum up to 4.00% of the total RWA or 88.89% of CET 1, whichever is higher. If similarly considered, Tier-2 Capital as on 31 Decemer 2020 would be 6.65% as well as CRAR would be 15.25%.

### 13.3 (a) Capital Adequacy Ratio under Consolidated basis

#### A. Total Risk Weighted Assets (RWA)

Credit Risk Weighted Assets	168,906,535,722	165,615,491,200
Market Risk Weighted Assets	11,225,942,342	3,898,105,299
Operational Risk Weighted Assets	18,545,673,263	16,649,628,223
	<b>198,678,151,327</b>	<b>186,163,224,722</b>

#### B. Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.50% of risk weighted assets]

	<b>24,834,768,916</b>	<b>23,270,403,090</b>
--	-----------------------	-----------------------

	31.12.2020 Taka	31.12.2019 Taka
<b>C. Common Equity Tier 1 (CET1) (Going-concern capital)</b>		
Paid up capital	6,432,959,780	6,126,628,370
Non-controlling interest	217,081,346	789
Share premium	-	-
Statutory reserve	6,979,751,092	6,579,751,092
Retained earnings	3,319,387,820	2,547,843,316
	<b>16,949,180,038</b>	<b>15,254,223,567</b>
<b>Less: Regulatory Adjustments</b>		
Deferred Tax-Assets	180,465,873	173,894,873
Intangible assets	5,359,500	712,779
	<b>16,763,354,665</b>	<b>15,079,615,915</b>
<b>D. Additional Tier 1 (AT1) Capital</b>		
Non-cumulative irredeemable preference shares	-	-
	650,000,000	-
Others (if any item approved by Bangladesh Bank)	-	-
	<b>650,000,000</b>	-
Less : Regulatory Adjustments	-	-
	<b>650,000,000</b>	-
<b>E. Total Tier- 1 Capital (C+D)</b>	<b>17,413,354,665</b>	<b>15,079,615,915</b>
<b>F. Tier 2 Capital (Gone-Concern Capital)</b>		
General Provision (Maximum 1.25% of Credit RWA)	3,432,986,500	3,887,675,000
	9,600,000,000	7,800,000,000
Revaluation Reserves	-	273,661
	<b>13,032,986,500</b>	<b>11,687,948,661</b>
<b>Less : Regulatory Adjustments</b>		
Revaluation Reserves (according to Phase-in deductions as per Basel III Guideline)	-	273,661
	<b>13,032,986,500</b>	<b>11,687,675,000</b>
<b>F.2 Maximum Limit of Tier 2 Capital</b>		
4% of Risk Weighted Assets	7,947,126,053	7,446,528,989
Add: 88.89% of Excess CET 1 Capital (Excess CET I Capital = (CETI Cap-RWA X 7%))	2,538,595,351	1,820,636,255
	<b>10,485,721,404</b>	<b>9,267,165,244</b>
<b>Total Admissible Tier-2 Capital (Actual or limit whichever is lower)</b>	<b>10,485,721,404</b>	<b>9,267,165,244</b>
<b>G. Total Eligible Regulatory Capital (Tier 1 &amp; 2) (C+D+F)</b>	<b>27,899,076,069</b>	<b>24,346,781,159</b>
<b>Surplus Capital as per Bank weighted Assets (G - B)</b>	<b>3,064,307,153</b>	<b>1,076,378,069</b>
<b>Capital to Risk-weighted Asset Ratio (CRAR) (G/A)*100</b>	<b>14.04%</b>	<b>13.08%</b>
Common Equity Tier 1 to RWA (C/A)*100	8.44%	8.10%
Tier I Capital to RWA (E/A)*100	8.76%	8.10%
Tier II Capital to RWA (F/A)*100	5.28%	4.98%

As on 31 December 2019, the CRAR was 14.38% and the Tier-2 Capital was 6.28% considering Tier 2 capital could be maximum up to 4.00% of the total RWA or 88.89% of CET 1, whichever is higher. If similarly considered, Tier-2 Capital as on 31 Decemer 2020 would be 6.56% as well as CRAR would be 15.32%.



	31.12.2020 Taka	31.12.2019 Taka
<b>13.4 Leverage Ratio under SOLO basis</b>		
A. Tier-1 Capital - considering all regulatory adjustments	<b>16,847,347,750</b>	<b>14,742,370,674</b>
B. On- Balance Sheet Exposure	345,886,856,006	289,133,776,508
C. Off-Balance Sheet Exposure	46,324,650,137	43,028,380,396
D. Total Deduction from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	181,803,174	172,796,304
E. Total Exposure (B+C-D)	<b>392,029,702,969</b>	<b>331,989,360,600</b>
Leverage Ratio (A/E)*100	4.30%	4.44%
<b>13.4 (a) Leverage Ratio under Consolidated basis</b>		
A. Tier-1 Capital - considering all regulatory adjustments	<b>17,413,354,665</b>	<b>15,079,615,915</b>
B. On- Balance Sheet Exposure	347,569,737,652	290,694,542,830
C. Off-Balance Sheet Exposure	46,385,180,137	43,088,910,396
D. Total Deduction from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	186,230,386	174,607,653
E. Total Exposure (B+C-D)	<b>393,768,687,403</b>	<b>333,608,845,573</b>
Leverage Ratio (A/E)*100	4.42%	4.52%

### 13.5 Percentage of shareholdings at the closing date

	Amount (in Taka)		Percentage (%)	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Sponsors	385,972,0380	3,675,924,180	60.00%	60.00%
Financial Institutions	105,096,7290	1,047,464,260	16.34%	17.10%
Foreign Investors	3,765,4450	68,106,720	0.59%	1.11%
Non-Resident Bangladeshi	1,055,1260	11,904,740	0.16%	0.19%
General Public	147,406,6400	1,323,228,470	22.91%	21.60%
<b>Total</b>	<b>643,295,9780</b>	<b>6,126,628,370</b>	<b>100.00%</b>	<b>100.00%</b>

### 13.6 Shareholding Range on the basis of shareholdings as on 31 December 2020

Shareholding Range			No. of Sh. Holders	Number of Shares	%
1	to	500	5,216	836,725	0.13%
501	to	5,000	6,595	12,786,669	1.99%
5,001	to	10,000	585	3,986,714	0.62%
10,001	to	20,000	314	4,287,363	0.67%
20,001	to	30,000	92	2,331,818	0.36%
30,001	to	40,000	50	1,729,500	0.27%
40,001	to	50,000	20	911,137	0.14%
50,001	to	100,000	54	3,872,676	0.60%
100,001	to	1,000,000	63	18,934,532	2.94%
1,000,001	and More		30	593,618,844	92.28%
<b>Total</b>			<b>13,019</b>	<b>643,295,978</b>	<b>100.00%</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>13 (a) Non-Controlling Interest</b>		
<b>Share Capital</b>		
07 nos. shares of Trust Bank Investment Limited @ Tk. 100 each	700	700
01 no Share of Trust Bank Securities Limited @ Tk. 10 each	10	10
22,050,000 nos Shares of Trust Axiata Digital Limited @ Tk. 10 each	220,500,000	-
	220,500,710	710
<b>Undistributed Profit</b>		
Cumulative Profit as of 1 January	79	79
Profit for the year	(3,419,443)	-
	(3,419,364)	79
	<b>217,081,346</b>	<b>789</b>
<b>14 STATUTORY RESERVE</b>		
Balance on 1 January	6,579,751,092	5,638,527,443
Reserve made during the year	400,000,000	941,223,649
Closing Balance	<b>6,979,751,092</b>	<b>6,579,751,092</b>

- 14.1** As per Section 24(1) of The Banking Companies Act, 1991, every banking company shall create a statutory reserve and if the amount of such fund together with the amount in such fund together with the amount in the share premium account is less than its paid-up capital, it shall transfer at an amount not less than 20% of net profit before taxes to statutory reserve fund. Trust Bank Limited has maintained the required fund for statutory reserve, an amount of Tk. 400,000,000 has been transferred to statutory reserve in current year on lump sum basis.

**15 OTHER RESERVE**

Revaluation Reserve		
Balance on 1 January	22,299,687	1,978,275
Reserve made/(adjusted) during the year	635,379,061	20,321,412
Closing Balance	<b>657,678,748</b>	<b>22,299,687</b>

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity and must be amortized at the end of the year before maturity. Investments classified in the category of 'Held for Trading' are held indeed selling or purchasing -in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week. The increase in case of amortization of Investment under 'Held to maturity' and any change in the fair value in case of Investment under 'held for Trading' is to be accounted for in the 'Statement of changes in Equity' under the head Other Reserve as Surplus/Deficit on revaluation of investment.

**16 RETAINED EARNINGS**

Balance on 1 January	2,208,787,515	1,675,414,773
Issue of Bonus Shares	(306,331,410)	(556,966,210)
Cash Dividend	(306,331,419)	-
	1,596,124,686	1,118,448,563
Net Profit for the year transferred from Profit and Loss Account	1,788,197,339	2,031,562,601
Less: Transferred to Statutory Reserve	400,000,000	941,223,649
Less: Transferred to Start up Fund	17,881,973	-
	1,370,315,366	1,090,338,952
Closing Balance	<b>2,966,440,052</b>	<b>2,208,787,515</b>

		31.12.2020 Taka	31.12.2019 Taka
<b>16 (a) Consolidated retained earnings</b>			
Trust Bank Limited	Note - 16	2,966,440,052	2,208,787,515
Trust Bank Securities Limited		19,616,563	2,165,583
Trust Bank Investment Limited		336,890,297	336,890,297
Trust Axiata Digital Limited		(6,978,456)	-
		3,315,968,456	2,547,843,395
Less: Transfer to non-controlling interest		(3,419,364)	79
Closing Balance		<b>3,319,387,820</b>	<b>2,547,843,316</b>
<b>17 CONTINGENT LIABILITIES</b>			
Acceptances and endorsements	Note - 17.1	21,015,859,746	18,083,824,075
Letters of Guarantee	Note - 17.2	28,545,333,973	35,803,241,879
Irrevocable Letter of Credits	Note - 17.3	33,158,638,906	27,263,413,482
Bills for Collection	Note - 17.4	4,683,845,177	3,971,133,916
		<b>87,403,677,802</b>	<b>85,121,613,352</b>
Other commitments			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		4,626,951,550	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<b>4,626,951,550</b>	-
		<b>92,030,629,352</b>	<b>85,121,613,352</b>
<b>17.1 Acceptances and endorsements</b>			
Acceptance Bills - Local		1,512,620,845	1,591,731,005
Acceptance Bills - Foreign		18,913,134,942	15,716,555,210
Acceptance Liabilities - Back to Back L/C		590,103,959	775,537,860
		<b>21,015,859,746</b>	<b>18,083,824,075</b>
<b>17.2 Letters of Guarantee</b>			
Letters of Guarantee - Local		27,293,861,336	34,599,332,146
Letters of Guarantee -Foreign		1,251,472,637	1,203,909,733.00
		<b>28,545,333,973</b>	<b>35,803,241,879</b>
Money for which the bank is contingently liable in respect of guarantees given favoring :			
Directors or Officers		-	-
Government		714,425,240	2,511,555,370
Banks and other financial institutions		1,489,696,428	1,908,664,411
Others		26,341,212,305	31,383,022,098
		<b>28,545,333,973</b>	<b>35,803,241,879</b>
<b>17.2 (a) Consolidated Letters of Guarantee</b>			
Trust Bank Limited	Note-17.2	28,545,333,973	35,803,241,879
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		60,530,000	60,530,000
Trust Axiata Digital Limited		-	-
		<b>28,605,863,973</b>	<b>35,863,771,879</b>

		31.12.2020 Taka	31.12.2019 Taka
<b>17.3 Irrevocable Letter of Credits</b>			
Letter of Credit - Local		334,946,385	673,317,061
Letter of Credit - Foreign		22,890,623,657	19,504,915,646
Letter of Credit - Back to Back L/C		2,251,739,212	2,136,198,556
Letter of Credit - Usance (Foreign)		7,081,623,204	4,485,845,769
Letter of Credit - Back to Back (EDF) - Foreign		599,706,448	463,136,450
		<b>33,158,638,906</b>	<b>27,263,413,482</b>
<b>17.4 Bills for Collection</b>			
Outward Bills for Collection		13,328,574	11,315,710
Local Documentary Bill for Collection		1,830,316,863	1,805,915,793
Foreign Documentary Bills for Collection		2,840,199,740	2,153,902,413
		<b>4,683,845,177</b>	<b>3,971,133,916</b>
<b>17 (a) Consolidated Contingent Liabilities</b>			
Trust Bank Limited	Note-17	92,030,629,352	85,121,613,352
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		60,530,000	60,530,000
Trust Axiata Digital Limited		-	-
		<b>92,091,159,352</b>	<b>85,182,143,352</b>
<b>18 INCOME STATEMENTS</b>			
<b>Income:</b>			
Interest/Profit, discount and similar income		23,077,667,126	22,549,440,048
Dividend income		42,736,013	28,721,051
Fees, commission and brokerage		1,324,176,433	1,490,638,448
Gains less losses arising from dealing in securities		489,184,801	20,444,682
Other operating income		473,468,166	506,796,346
		<b>25,407,232,539</b>	<b>24,596,040,575</b>
<b>Expenses:</b>			
Interest / profit paid on deposits, borrowings etc.,		13,678,470,839	13,473,906,936
Administrative expenses		3,336,010,424	3,142,632,347
Other operating expenses		1,013,030,677	794,232,992
Depreciation on banking assets		94,546,474	71,748,039
		<b>18,122,058,414</b>	<b>17,482,520,314</b>
<b>Profit before provision</b>		<b>7,285,174,125</b>	<b>7,113,520,261</b>
<b>19 INTEREST INCOME</b>			
<b>19.1 Interest Income under Conventional banking</b>			
Interest from Loans and Advances			
Interest on Repair & Recon. of Dwelling House (RRDH)		59,311,215	74,789,857
Interest on Consumer Durable Scheme		12,713	977
Interest on Marriage Loans		126,452	392,035
Interest on Car Loans		6,400,039	9,879,352
Interest on House Building Loans		586,797,731	618,063,625
Interest on Term Loans		5,130,736,340	5,996,219,748
Interest on Other Loans		5,789,884,479	5,855,537,842
Interest on SME Loan		698,691,075	806,303,033

	31.12.2020 Taka	31.12.2019 Taka
Interest on PAD - EDF	65,648,700	42,102,264
Interest on Staff Loan	36,698,042	37,317,398
Interest on LTR	428,667,649	593,685,856
Interest on Payment Against Documents (PAD)	5,720,976	5,748,980
Interest on Cash Credit	114,391,870	135,588,737
Interest on Cash Collateral	264,386,395	361,053,620
Interest on Overdraft	1,635,108,881	2,127,142,810
Interest on SOD	105,796,884	129,613,988
Interest on Inland Bills Purchased and Discounted	236,021,440	169,969,779
Interest on Foreign Bills Purchased and Discounted	18,262,448	15,264,306
	<b>15,182,663,329</b>	<b>16,978,674,207</b>
<b>Interest from Banks and Other Financial Institutions</b>		
Interest on FDR Account	379,057,783	133,853,093
Interest on Bangladesh Bank Foreign Currency Accounts	12,529,667	35,958,848
Interest on SND Account	1,047,791	521,492
Interest Received on Call Lending to Banks- USD	16,620,527	-
Interest Received on FDR with other Banks- USD	4,661,095	-
Interest on Short Notice Lending	106,318,473	64,432,639
Interest on Call Deposits	29,252,222	129,022,750
	<b>549,487,558</b>	<b>363,788,822</b>
Interest received from Foreign Banks	1,053,087	16,065,345
	<b>15,733,203,974</b>	<b>17,358,528,374</b>
<b>19.2 Profit under Islamic banking</b>		
Profit on Bai-Muajjal	987,777,219	1,072,958,079
Profit on HPSM-Capital Machinery	185,761,262	276,600,331
Profit on IHSAN Apartment Purchase Scheme	19,191,374	23,162,134
Profit on BARAKAT Home Construction Scheme	16,650,428	19,340,139
Profit on BARAKAT Car Scheme	803,008	1,449,444
Profit on HPSM- Real Estate	102,935,906	117,624,412
Profit on Murabaha TR	167,619,579	270,199,989
Profit on Bai-Salam	-	223,098
Profit on Murabaha Import Bills (MIB)	-	826,036
Profit on TIB House Building Scheme-HBL (RM)	3,514	-
Profit on TIB Car Scheme(Car Loan)	-	775
Profit on TIB Household Durable Scheme( Household Durable)	151,650	220,329
Profit on MIB - EDF - TIB	26,163,581	31,662,898
Profit on TIB HB Inv. for Rtd. Def. Officer (M)	-	127,702
Profit on HPSM General	268,574,018	290,701,912
Profit on Barkat Doctors Scheme	131,829	179,064
Profit on Trust Nibash	423,477	580,828
Profit on Trust Power	129,448	60,730
Profit on FDBP - TIB	2,449	-
Profit on Bai Muajjal under Stimulus Package	9,721,169	-
Profit on Bai-Muajjal under Stimulus Package (SME)	7,677,856	-
Profit on Baim WES/Doc Bills	39,211	-
Profit on HPSM under Stimulus Package (RMG)	605,349	-
Profit on Musharaka agt. IBP	3,553,954	30,908,446
Profit Suspense - Musharaka IBP USD	3,324,121	4,728,044
	<b>1,801,240,402</b>	<b>2,141,554,390</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>Profit from Banks and Other Financial Institutions</b>		
Profit on Mudaraba Term Deposits	287,724,140	221,949,065
	<b>2,088,964,542</b>	<b>2,363,503,455</b>
	<b>17,822,168,516</b>	<b>19,722,031,829</b>

The Bank has transferred interest accrued during the year on "Sub-Standard", "Doubtful" or "Bad/Loss" to Interest Suspense Account instead of Interest Income Account in line with BRPD Circular No. 14 date 23 September 2012. The Bank has also transferred any unrealized accrued interest on rescheduled loans to Interest Suspense Account instead of Interest Income in line with BRPD Circular No. 14 date 23 September 2012.

To comply with the aforementioned circulars, the Bank had transferred a sum of Tk. 2,211,123,962 to Interest Suspense Account during the year, resulting in total Interest Suspense of Tk. 5,063,712,219 as at 31 December 2020.

#### 19 (a) Consolidated Interest Income/profit on investment

Trust Bank Limited	Note-19	17,822,168,516	19,722,031,829
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		36,941,260	33,933,092
Trust Axiata Digital Limited		-	-
		<b>17,859,109,776</b>	<b>19,755,964,921</b>
Less : Inter Company Transaction		6,187	597
		<b>17,859,103,589</b>	<b>19,755,964,324</b>

## 20 INTEREST PAID ON DEPOSITS AND BORROWINGS

### 20.1 Interest paid on deposits

Interest on SND Account	307,580,522	233,050,121
Interest on FDR Account	7,232,105,637	7,255,701,000
Interest on Foreign Currency Deposit	77,433,284	118,411,571
Interest on Savings Account	879,638,351	747,763,091
Interest on Scheme Deposits	1,997,905,492	1,769,430,504
	<b>10,494,663,286</b>	<b>10,124,356,287</b>

### 20.2 Profit paid on Islamic Banking Deposits

Profit Paid on Mudaraba Savings Account	95,021,694	75,500,607
Profit Paid on Mudaraba SND	8,715,102	9,585,804
Interest Paid on Mudaraba TDR	1,570,243,379	1,429,179,484
Profit Paid on Mudaraba MTDR - 1 Month	186,299	1,567,836
Profit Paid on TBL Barakat Hajj Deposit Scheme	2,334,168	2,000,782
Profit on Mudaraba Kotipati Scheme (MKS)	19,348,637	14,976,679
Profit on Mudaraba Millionaire Scheme (MMS)	33,054,538	33,173,822
Profit on Mudaraba Money Double Scheme (MMDS)	20,009,608	13,611,015
Profit Paid on DPMSA	652,909	333,813
Profit Paid on TEMSA	1,889,723	1,556,558
Profit Paid on Mudaraba Monthly Savings Scheme	68,722,018	54,844,931
Profit paid on Trust Bank Mudaraba Cash Waqf	58,664	105,461
Profit Paid On - FC Deposits	-	84
Profit paid on MMPS	113,991,391	30,881,970
Profit paid on TIB Payroll	505,511	372,832

	31.12.2020 Taka	31.12.2019 Taka
Profit paid on Provident Fund Account (TIB Payroll)	77,113	36,376
Profit Paid on Trust Mudaapah Deposit Scheme (TMDS)	6,634,229	2,267,750
Profit Paid on Mudaraba Seniors Deposit Account [MSDA]	99	-
Profit Paid on MTDR-Seniors	109,602	-
Profit Paid on MMPS-Seniors	30,631	-
Profit paid on 10 Taka Farmers-MSA	650	638
Profit Paid on Mudaraba Porua Account	173	-
Profit Paid on Mudaraba Junior Savings Scheme (MJSS)	56	-
	<b>1,941,586,194</b>	<b>1,669,996,442</b>
<b>20.3 Interest paid on borrowings</b>		
<b>20.3.1 Conventional Banking</b>		
Interest on Call Deposits.	38,980,208	32,278,680
Interest on Repo	60,490,028	28,351,971
Interest on Lease Finance	61,742,652	75,169,408
Interest on Other Borrowings	1,068,385,538	1,518,609,700
	<b>1,229,598,426</b>	<b>1,654,409,759</b>
<b>20.3.2 Islamic Banking</b>		
Profit paid on Other Borrowings	12,622,933	25,144,448
	<b>13,678,470,839</b>	<b>13,473,906,936</b>
<b>20 (a) Consolidated Interest / profit paid on deposits, borrowings etc. on investment</b>		
Trust Bank Limited Note-20	13,678,470,839	13,473,906,936
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	6,187	597
Trust Axiata Digital Limited	-	-
	<b>13,678,477,026</b>	<b>13,473,907,533</b>
Less : Inter Company Transaction	6,187	597
	<b>13,678,470,839</b>	<b>13,473,906,936</b>
<b>21 INCOME FROM INVESTMENTS</b>		
<b>21.1 Income from Conventional Banking</b>		
Income from Treasury bills	1,827,918,078	893,033,341
Income from Treasury bonds	2,930,880,237	1,514,476,141
Income from Reverse REPO	45,480,757	-
Income from Corporate Bonds	335,840,316	329,960,914
Dividend Income	42,337,190	28,514,051
Income on Investment in Commercial Paper	32,908,133	43,460,000
Interest Income on Swap/ Forward Deal	10,522,202	-
Gain from sales of shares	-	14,754,032
Capital Gain on Sale of Treasury Bill/Bonds	489,184,801	5,690,650
	<b>5,715,071,714</b>	<b>2,829,889,129</b>
<b>21.2 Income from Islamic Banking Investments</b>		
Profit on Bangladesh Govt. Islamic Investment Bond	52,470,687	37,109,466
Income from Corporate Bonds	14,002,192	15,591,781
Profit on Investment of TIB	5,272,498	5,043,533
Dividend Income	398,823	207,000
Income on Bangladesh Government Investment Sukuk (BGIS)	203,510	-
	<b>72,347,710</b>	<b>57,951,780</b>
	<b>5,787,419,424</b>	<b>2,887,840,909</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>21(a) Consolidated Income from Investment</b>		
Trust Bank Limited	5,787,419,424	2,887,840,909
Trust Bank Securities Limited	12,835,997	2,283,339
Trust Bank Investment Limited	65,171,612	97,292,920
Trust Axiata Digital Limited	-	-
	<b>5,865,427,033</b>	<b>2,987,417,168</b>
<b>22 COMMISSION, EXCHANGE AND BROKERAGE</b>		
Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order etc.	4,541,039	5,821,243
Bills	21,577,166	21,062,797
Letter of Guarantees	246,352,433	322,896,412
Letter of Credits	264,610,915	339,446,286
Foreign Remittances	4,212,808	6,689,821
Commission on Sale of Government Securities	42,307,467	29,317,061
Fund Transfer Commission	8,305	1,700
Under writing Commission	5,093	-
Acceptance Commission	155,822,797	139,582,035
EMI Comm. on Credit Card	2,013,634	1,465,586
Miscellaneous Commission	14,458,722	19,232,799
	<b>755,910,379</b>	<b>885,515,740</b>
Foreign Currency Exchange Gain	568,266,054	605,122,708
	<b>1,324,176,433</b>	<b>1,490,638,448</b>
<b>22 (a) Consolidated Commission, exchange and brokerage</b>		
Trust Bank Limited	1,324,176,433	1,490,638,448
Trust Bank Securities Limited	18,724,716	15,542,422
Trust Bank Investment Limited	667	553
Trust Axiata Digital Limited	-	-
	<b>1,342,901,816</b>	<b>1,506,181,423</b>
<b>23 OTHER OPERATING INCOME</b>		
Locker Rent	1,754,600	2,025,375
Swift Charge (Net)	27,692,163	24,749,918
Postage Charge (Net)	2,274,477	-
Sale Proceeds of Forms	157,040	190,684
Service Charges	69,582,114	81,441,937
Service Compensation	707,202	471,074
Front End Fees	38,964,286	48,705,438
Notice Pay	1,069,159	2,854,974
Closing Charge	2,320,404	2,807,207
Sale Proceeds of Cheque books	5,500	31,500
Income form Mobile Banking	7,283,581	24,246,566
O/W Cheque Processing Fees	548,507	668,303
Syndication Fees	6,425,000	9,480,762
Income through Credit & ATM Card	134,440,618	118,653,335
Profit on sale of Fixed Assets	201,161	-
Insurance Premium Income	4,883	7,328
SMS Notification Fees	43,324,165	38,156,468
Service Charges on e-GP	885,827	2,366,356
Miscellaneous Foreign Exchange Income	60,575,544	73,237,016

	31.12.2020 Taka	31.12.2019 Taka
Trustee Fees	4,100,000	4,100,000
RTGS Settlement Charge	2,595,582	1,339,109
Charges for Footage	28,950	14,100
Income from SWIFT - Export	19,153	4,543
Indemnity for Shipping Guarantee Charge - Export	4,500	11,838
Miscellaneous Earnings	68,503,750	71,232,515
	<b>473,468,166</b>	<b>506,796,346</b>

#### 23 (a) Consolidated other operating income

Trust Bank Limited	Note-23	473,468,166	506,796,346
Trust Bank Securities Limited		8,181,271	10,139,143
Trust Bank Investment Limited		17,356,489	21,074,465
Trust Axiata Digital Limited		1,795,837	-
		<b>500,801,763</b>	<b>538,009,954</b>

#### 24 Salaries and allowances

Basic Salary	933,129,082	919,081,236
House Rent Allowances	466,561,925	459,614,443
Conveyance Allowances	51,036,207	50,643,223
Medical Allowances	187,268,834	186,689,035
Leave Fare Assistances	73,843,847	74,151,645
Leave Encashment	8,624,187	11,381,000
Utility Allowances	3,901,826	4,155,578
Telephone Allowance	372,577	412,440
Club Membership Allowance	1,393,309	1,489,877
Contractual Staffs Salary	23,264,185	25,768,586
Managers' Charge Allowance	3,283,500	3,230,000
Key Holding Allowance	1,152,000	1,129,500
Festival Bonus	171,123,320	167,906,370
Special Incentive for Covid 19	78,735,762	-
Incentive Bonus	108,817,200	35,069,521
Bank's Contribution to Provident Fund	91,163,442	89,990,908
Bank's Contribution to Superannuation Fund	6,677,000	6,690,000
Bank's Contribution to Employees' Gratuity Fund	94,018,320	90,754,543
Termination Benefit	53,600	-
SME DSR Commission	166,850	497,000
Salary & Allowances to the Advisor of the Bank	3,600,000	1,500,000
	<b>2,308,186,973</b>	<b>2,130,154,905</b>

According to BRPD Circular Letter no. 17 dated 12 April 2020 and BRPD Circular Letter no. 24 dated 05 May 2020, special incentive to the employees has been given who were attending office during general leave period declared by the Government in connection with prevention of COVID 19 Pandemic.

#### 24 (a) Consolidated salaries and allowances

Trust Bank Limited	Note-24	2,308,186,973	2,130,154,905
Trust Bank Securities Limited		10,200,183	9,603,004
Trust Bank Investment Limited		18,553,018	21,218,110
Trust Axiata Digital Limited		-	-
		<b>2,336,940,174</b>	<b>2,160,976,019</b>

		31.12.2020 Taka	31.12.2019 Taka
<b>25 RENT, TAXES, INSURANCE, ELECTRICITY, ETC.</b>			
Rent	Note-25.1	133,056,810	133,846,860
Electricity and Lighting		49,220,904	69,797,798
Insurance		179,487,461	165,474,348
Rates, Taxes & Excise Duty		19,019,881	1,517,582
Fees & Renewals		29,925,414	17,513,150
Generator Fuel		3,041,223	3,462,118
Gas/Water Bill		1,168,821	1,261,990
		<b>414,920,514</b>	<b>392,873,846</b>

**25.1** While implementing IFRS 16 (leases), the Bank recorded interest expense on lease liabilities (note 20) and depreciation on ROU assets (note 29) instead of charging rental expense of BDT 413,006,924 in 2020 against those rental premises that have been treated as lease assets (ROU) and shown in the financial statements according to IFRS 16.

**25 (a) Consolidated rent,taxes,insurance, electricity, etc.**

Trust Bank Limited	Note-25	414,920,514	392,873,846
Trust Bank Securities Limited		1,570,311	2,072,966
Trust Bank Investment Limited		1,736,418	14,546,326
Trust Axiata Digital Limited		-	-
		<b>418,227,243</b>	<b>409,493,138</b>

**26 POSTAGE, STAMPS, TELECOMMUNICATION, ETC.**

Postage		-	1,560,321
Stamp		7,130	65,645
VISA Connectivity Charges		544,600	623,700
VISA Membership Fees		352,000	128,000
VISA SBRL Commission		502,553	465,000
VISA Authorization Fees		2,089,495	-
VISA VIROL Fees		183,616	106,240
Bulk SMS Charge		8,495,000	10,226,000
USSD Gateway Service Charge		4,365,000	45,000
Security Compliance Charge		106,175	103,200
ATM Driving Charge		864,000	787,350
PCI-DSS, VbV, e-Mail Notification charges		264,600	158,200
(t-cash) for Mobile Banking Re-Branding		-	9,560,975
Link (Fibre/Radio) Charge		35,155,708	32,764,186
ATM Card Expenditure		21,146,142	9,563,598
Internet Charge		2,281,808	2,321,796
Reuter Charge		2,908,547	2,680,033
Telegram, Telex, Telephone, Trunk Call etc. (Net)		8,793,937	10,674,712
		<b>88,060,311</b>	<b>81,833,956</b>

**26 (a) Consolidated postages, stamps, telecommunication, etc.**

Trust Bank Limited	Note-26	88,060,311	81,833,956
Trust Bank Securities Limited		322,870	388,671
Trust Bank Investment Limited		352,659	339,356
Trust Axiata Digital Limited		-	-
		<b>88,735,840</b>	<b>82,561,983</b>

		31.12.2020 Taka	31.12.2019 Taka
<b>27 Stationery, Printing, Advertisement, etc.</b>			
Printing and Stationery (Net)		34,399,956	40,066,525
Publicity and Advertisement		9,594,830	13,735,691
		<b>43,994,786</b>	<b>53,802,216</b>
<b>27 (a) Consolidated stationery, printing, advertisement, etc.</b>			
Trust Bank Limited	Note-27	43,994,786	53,802,216
Trust Bank Securities Limited		90,395	178,687
Trust Bank Investment Limited		183,960	252,079
Trust Axiata Digital Limited		-	-
		<b>44,269,141</b>	<b>54,232,982</b>
<b>28 DIRECTORS' FEES</b>			
Meeting fees		2,952,000	2,736,000
Shariah Supervisory Committee's Fees		59,000	75,000
Other benefits		-	-
		<b>3,011,000</b>	<b>2,811,000</b>
Directors' fees include fees for attending the meeting of the Board, Executive Committee and Audit Committee. Each Director was remunerated @ Tk. 8,000 per meeting according to Bangladesh Bank BRPD Circular Letter no. 11 dated 4 October 2015.			
<b>28 (a) Consolidated directors fees</b>			
Trust Bank Limited	Note-28	3,011,000	2,811,000
Trust Bank Securities Limited		66,000	78,000
Trust Bank Investment Limited		72,000	78,000
Trust Axiata Digital Limited		148,190	-
		<b>3,297,190</b>	<b>2,967,000</b>
<b>29 AUDITORS' FEES</b>			
Statutory Audit		575,000	575,000
Special Audit		345,000	-
		<b>920,000</b>	<b>575,000</b>
<b>29 (a) Consolidated auditors' fees</b>			
Trust Bank Limited	Note-29	920,000	575,000
Trust Bank Securities Limited		86,250	57,500
Trust Bank Investment Limited		172,500	115,000
Trust Axiata Digital Limited		180,000	-
		<b>1,358,750</b>	<b>747,500</b>
<b>30 DEPRECIATION AND REPAIR OF BANK'S ASSETS</b>			
<b>Depreciation</b>			
Fixed assets (For details please refer to Annexure - B)		100,370,654	130,307,066
Right of Use Asses		363,427,653	334,593,131
		<b>463,798,307</b>	<b>464,900,197</b>
<b>Repairs</b>			
Building		8,260	12,750
Furniture and fixtures		8,664,100	5,356,453
Office equipment		19,186,477	15,512,587
Bank's vehicles		2,642,661	3,178,232
Maintenance		64,044,976	47,688,017
		<b>94,546,474</b>	<b>71,748,039</b>
		<b>558,344,781</b>	<b>536,648,236</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>30 (a) Consolidated depreciation and repair of bank's assets</b>		
Trust Bank Limited	558,344,781	536,648,236
Trust Bank Securities Limited	446,688	505,523
Trust Bank Investment Limited	10,683,391	1,492,161
Trust Axiata Digital Limited	664,799	-
	<b>570,139,659</b>	<b>538,645,920</b>
<b>31 OTHER EXPENSES</b>		
Business Development Expenses	9,509,238	13,085,037
Clearing House Charge	68,599	65,772
Conveyance	10,457,446	10,800,254
Entertainment	17,569,358	24,923,980
Car Expenses	107,816,538	105,622,539
Cash Handling Charge	5,804,500	3,588,190
Bank charges	1,131,623	513,827
Donation, Subscription and Membership Fees	6,038,108	4,846,726
News Paper and Periodicals	728,933	1,174,477
Oil and Lubricant	5,582,399	7,095,923
Remittance Charges	519,412	530,035
Support Staff Service	353,371,405	358,990,040
Internship Allowances	727,800	1,309,000
Honorarium for Banking Diploma	620,000	1,241,000
Training & Recruitment Expenses	2,281,345	7,726,947
Traveling Expenses	7,898,179	20,709,925
Up Keep of Office Premises	9,017,805	8,403,378
Washing Charges	3,131,194	2,177,407
Loss on Amortisation of T.Bond -HTM	101,422,467	11,266,957
Loss on Revaluation of Treasury Bond	7,601,521	-
Loss on Sale of Fixed Assets	-	1,396,428
Foreign Correspondence Expenses	5,893,984	4,679,437
Amortization of Intangible Assets	3,664,421	5,255,650
Special Reserve Fund	120,000,000	120,000,000
CDBL Charges	1,810	-
Share/Bond Issue Expense	34,039,950	551,700
Cash Carrying Charges	10,938,455	10,610,750
Wages paid to daily Labor	219,545	400,450
Purchase of Utensils	1,046,964	895,452
NID Verification Charge	336,157	164,737
Contact Point Verification Fees (RB)	133,189	209,550
Loss on sale of Treasury Bills	126,492,155	28,652,528
Commission Paid to NPSB	15,813,985	20,243,820
Trustee Fees	2,096,250	1,408,750
Priority Pass Expense	1,993,966	2,368,112
T Cash Expenses	-	8,040
T cash account opening incentive	958,931	826,253
Amortization of Renovation Expense	37,444,349	23,494,470
Miscellaneous Expenses	658,696	262,408
	<b>1,013,030,677</b>	<b>805,499,949</b>

		31.12.2020 Taka	31.12.2019 Taka
<b>31 (a) Consolidated other expenses</b>			
Trust Bank Limited	Note-31	1,013,030,677	805,499,949
Trust Bank Securities Limited		3,479,792	3,449,439
Trust Bank Investment Limited		9,737,014	7,642,189
Trust Axiata Digital Limited		9,899,321	-
		<b>1,036,146,804</b>	<b>816,591,577</b>

### 32 PROVISION FOR LOANS AND ADVANCES / INVESTMENTS

Specific Provisions-against classified loans & advances	3,387,526,499	1,433,527,499
General Provisions-against un-classified loans & advances	(1,190,378,000)	1,033,857,000
Special General Provision for COVID-19	703,116,000	-
General Provisions-against special mentioned accounts	(28,997,500)	(24,058,500)
	<b>2,871,266,999</b>	<b>2,443,325,999</b>

### 32 (a) Consolidated Provision for Loans & Advances / Investment

Trust Bank Limited	Note-32	2,871,266,999	2,443,325,999
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		62,034,060	23,400,000
Trust Axiata Digital Limited		-	-
		<b>2,933,301,059</b>	<b>2,466,725,999</b>

### 33 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:

Decline in value of investment should consist of the following divisions:

(a) Dealing securities

- Quoted

- Unquoted

(b) Investment securities

- Quoted

- Unquoted

Provision for decreased NAV of Trust Bank Securities Ltd

	-	-
	-	-
	-	-
	318,937	17,903,957
	-	-
	<b>318,937</b>	<b>17,903,957</b>
	<b>318,937</b>	<b>17,903,957</b>

Provision for Investment in Share has been made as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.

### 33 (a) Consolidated Provision for diminution in value of investments

Trust Bank Limited	Note-33	318,937	17,903,957
Trust Bank Securities Limited		281,427	-
Trust Bank Investment Limited		-	62,742,073
Trust Axiata Digital Limited		-	-
		<b>600,364</b>	<b>80,646,030</b>

### 34 OTHER PROVISION

General Provision for Off Balance Sheet Exposures	61,571,000	(174,608,000)
Provision for Other Assets	-	120,780,058
	<b>61,571,000</b>	<b>(53,827,942)</b>

- |  | 31.12.2020<br>Taka | 31.12.2019<br>Taka |
|--|--------------------|--------------------|
| <b>34.1</b> As per BRPD circular no. 10 dated 18 September 2007, the Bank has maintain provision @ 1% against off-balance sheet exposures complying BRPD Circular No. 07, dated 21 June 2018 and BRPD circular letter no. 01 dated 03 Jan 2018.              |                    |                    |
| <b>34.2</b> Provision for Other Assets has been made on the amount of Prepaid Legal Expenses that remained unadjusted as at 31 December 2020 as per rules & regulations enumerated in the BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank. |                    |                    |

**34 (a) Consolidated Other Provision**

Trust Bank Limited	Note-34	61,571,000	(53,827,942)
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		-	-
Trust Axiata Digital Limited		-	-
		<b>61,571,000</b>	<b>(53,827,942)</b>

- 35** The Bank has no secured liabilities on the reporting date and therefore the Bank has no asset pledged as security against such liabilities.

**36 Reconciliation of effective tax rate (Standalone)**

Particulars	31 December 2020		31 December 2019	
	%	Taka	%	Taka
Profit before tax		4,352,017,189		4,706,118,247
Income Tax as per applicable tax rate	37.50%	1,632,006,446	37.50%	1,764,794,343
Factors affecting the Tax Change for the current year				
Inadmissible Expenses	73.16%	3,184,068,496	-0.04%	(2,468,832,021)
Admissible Expenses	-31.66%	(1,377,863,093)	20.01%	941,658,418
Tax Exempted Income	0.00%	-	0.00%	-
Tax Savings from reduced tax rate for dividend	-0.17%	(7,478,802)	-0.09%	(4,276,510)
Tax loss/ savings from reduced tax rate rate for capital gain	-4.22%	(183,444,300)	-0.09%	(4,070,229)
Effect of deferred tax	-0.10%	(4,360,150)	-0.46%	(21,444,354)
<b>Total Income Tax expenses</b>	<b>58.91%</b>	<b>2,563,819,850</b>	<b>56.83%</b>	<b>2,674,555,646</b>

**37 EARNING PER SHARE (EPS)**

Profit attributable to outstanding ordinary share holders	1,788,197,339	2,031,562,601
Nos of Ordinary Outstanding Share	643,295,978	643,295,978
<b>Basic Earning per Share</b>	<b>2.78</b>	<b>3.16</b>

**37 (a) Consolidated Earning per Share (EPS)**

Profit attributable to outstanding ordinary share holders	1,798,669,863	2,036,656,647
Nos of Ordinary Outstanding Share	643,295,978	643,295,978
<b>Earning per Share</b>	<b>2.80</b>	<b>3.17</b>

**38 Net Asset Value (NAV) per Share**

Net Asset Value (NAV)	17,039,028,018	14,939,699,085
Number of Ordinary Shares Outstanding	643,295,978	643,295,978
<b>Net Asset Value (NAV) per Share</b>	<b>26.49</b>	<b>23.22</b>

**38 (a) Consolidated Net Asset Value (NAV) per Share**

Net Asset Value (NAV)	17,609,057,132	15,278,755,675
Number of Ordinary Shares Outstanding	643,295,978	643,295,978
<b>Net Asset Value (NAV) per Share</b>	<b>27.37</b>	<b>23.75</b>



	31.12.2020 Taka	31.12.2019 Taka
<b>39 NET OPERATING CASH FLOW PER SHARE (NOCFPS)</b>		
Net Operating Cash Flow	39,794,899,569	20,015,578,305
Nos of Ordinary Outstanding Shares outstanding	643,295,978	643,295,978
Net Operating Cash Flow per share (NOCFPS)	<b>61.86</b>	<b>31.11</b>
<b>39 (a) Net Operating Cash Flow per share (NOCFPS)</b>		
Net Operating Cash Flow	39,374,157,388	19,991,721,021
Nos of Ordinary Outstanding Shares outstanding	643,295,978	643,295,978
Net Operating Cash Flow per share (NOCFPS)	<b>61.21</b>	<b>31.08</b>
<b>40 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES</b>		
Locker Rent	1,754,600	2,025,375
Swift Charge (Net)	26,649,026	27,598,713
Postage Charge (Net)	2,274,477	-
Sale Proceeds of Forms	157,040	190,684
Service Charges	69,582,114	81,441,937
Service Compensation	707,202	471,074
Front End Fees	38,964,286	48,705,438
Notice Pay	1,069,159	2,854,974
Closing Charge	2,320,404	2,807,207
Sale Proceeds of Cheque books	5,500	31,500
Income form Mobile Banking	7,283,581	24,246,566
O/W Cheque Processing Fees	548,507	668,303
Syndication Fees	6,425,000	9,480,762
Income through Credit & ATM Card	134,440,618	118,653,335
Income from Government Securities	4,377,528,179	2,209,951,730
Interest on Corporate Bonds	235,531,217	337,315,069
Income on Investment in Commercial Paper	32,908,133	43,460,000
Interest Income on Swap/ Forward Deal	8,181,650	-
Profit on Investment in Islamic Bank Bond	5,272,498	5,043,533
Income from sale proceed of shares	-	67,674,621
Gain on Sale of Treasury Bills/Bonds	-	46,800
Insurance Premium Income	4,883	7,328
SMS Notification Fees	43,324,165	38,156,468
Service Charges on e-GP	885,827	2,366,356
Miscellaneous Foreign Exchange Income	60,575,544	73,237,016
Trustee Fees	4,100,000	4,100,000
RTGS Settlement Charge	2,595,582	1,339,109
Charges for Footage	28,950	14,100
Income from SWIFT - Export	19,153	4,543
Indemnity for Shipping Guarantee Charge - Export	4,500	11,838
Miscellaneous Earnings	68,503,750	71,232,515
	<b>5,131,645,545</b>	<b>3,173,136,894</b>
<b>40 (a) Consolidated Income from Other Operating Activities</b>		
Trust Bank Limited	5,131,645,545	3,173,136,894
Trust Bank Securities Limited	82,528,101	118,367,385
Trust bank Investment Limited	36,610,904	21,859,538
Trust Axiata Digital Limited	1,972,556	-
	<b>5,252,757,106</b>	<b>3,313,363,817</b>

#### 41 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES

	31.12.2020 Taka	31.12.2019 Taka
Business Development Expenses	(9,509,238)	(13,092,512)
Clearing House Charge	(68,599)	(65,772)
Conveyance	(10,457,446)	(10,800,254)
Entertainment	(17,731,214)	(24,984,847)
Car Expenses	(107,816,538)	(105,622,539)
Cash Handling Charge	(5,804,500)	(3,588,190)
Bank charges	(1,131,623)	(513,827)
Donation, Subscription and Membership Fees	(6,038,108)	(4,846,726)
News Paper and Periodicals	(903,790)	(972,706)
Oil and Lubricant	(5,923,037)	(6,747,828)
Remittance Charges	11,361,913	(531,961)
Other Contractual Service	(353,349,215)	(358,969,914)
Internship Allowances	(727,800)	(1,309,000)
Honorarium for Banking Diploma	(620,000)	(1,241,000)
Training Expenses	(2,281,345)	(7,726,947)
Traveling Expenses	(7,898,179)	(20,709,925)
Up Keep of Office Premises	(9,017,805)	(8,403,378)
Washing Charges	(3,131,194)	(2,177,407)
Foreign Correspondence Expenses	(5,893,984)	(4,679,437)
Special Reserve Fund	(120,000,000)	(120,000,000)
CDBL Charges	(1,810)	-
Share/Bond Issue Expense	(34,039,950)	(551,700)
Cash Carrying Charges	(10,952,225)	(9,956,854)
Wages paid to daily Labor	(219,545)	(400,450)
Purchase of Utensils	(1,046,964)	(895,452)
NID Verification Charge	(336,157)	(164,737)
Contact Point Verification Fees (RB)	(133,189)	(209,550)
Commission Paid to NPSB	(13,369,977)	(16,887,454)
Trustee Fees	(2,096,250)	(1,408,750)
Priority Pass Expense	(1,993,966)	(2,368,112)
T Cash Expenses	-	(8,040)
T cash account opening incentive	(958,931)	(826,253)
Amortization of Renovation Expense	(28,615,702)	(22,762,841)
Miscellaneous Expenses	30,199,963	(32,958,725)
Publicity and Advertisement	(9,594,830)	(13,810,691)
Rent, Taxes, Insurance, Lighting etc.	(792,990,623)	(729,054,966)
Legal Expenses	(9,226,387)	(15,090,008)
Postage, Telegram, Telephone	(71,659,748)	(93,835,203)
Audit Fee	(920,000)	(575,000)
Directors Fee	(3,011,000)	(2,811,000)
Repairs and maintenance of Fixed Assets	(95,151,918)	(67,008,903)
	<b>(1,703,060,911)</b>	<b>(1,708,568,859)</b>

#### 41 (a) Consolidated Expenses paid for Other Operating Activities

Trust Bank Limited	Note-41	(1,703,060,911)	(1,708,568,859)
Trust Bank Securities Limited		(12,511,190)	(23,582,642)
Trust Bank Investment Limited		(15,739,484)	(15,868,381)
Trust Axiata Digital Limited		-	-
		<b>(1,731,311,585)</b>	<b>(1,748,019,882)</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>42 CHANGES IN OTHER OPERATING ASSETS</b>		
Security Deposits	211,184	1,728,566
Encashment of Sanchaya patra awaiting reimbursement-Principal	372,806,401	(237,669,046)
Encashment of Sanchaya patra awaiting reimbursement-Interest	215,028,126	47,454,478
Encashment of WEDB awaiting reimbursement-Principal	56,464,138	(51,276,138)
Encashment of WEDB awaiting reimbursement-Interest	177,244,497	(175,022,810)
US\$ Premium Bond - Interest	1,578,834	(1,014,522)
US\$ Investment Bond - Principal	6,537,300	4,118,000
US\$ Investment Bond - Interest	3,731,800	34,528,929
Receivable from Exchange House	1,687,110	6,261,667
Advance against Capital Expenditure	777,109,348	(338,440,208)
Advance against Investment in Capital Market through Special Fund	(800,000,000)	-
Clearing Adjustment	(7,066,353)	6,483,446
Account Current - VAT	-	7,973,456
Credit Card Adjustment - Debit	(38,102)	-
Suspense Account	45,540,717	(41,191,016)
	<b>850,835,000</b>	<b>(736,065,198)</b>
<b>42 (a) Consolidated Changes in Other Operating Assets</b>		
Trust Bank Limited Note-42	850,835,000	(736,065,198)
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	(10,029,028)	(4,232,369)
Trust Axiata Digital Limited	-	-
	<b>840,805,972</b>	<b>(740,297,567)</b>
Less : Inter Company Transaction	-	-
	<b>840,805,972</b>	<b>(740,297,567)</b>
<b>43 CHANGES IN OTHER LIABILITIES</b>		
Sundry Creditors	276,100,349	220,163,180
Provision for Rebate of Interest	(185,939,791)	100,100,867
Others	(36,840,202)	225,785,710
	<b>53,320,356</b>	<b>546,049,757</b>
<b>43 (a) Consolidated Changes in Other Operating Liabilities</b>		
Trust Bank Limited Note-43	53,320,356	546,049,757
Trust Bank Securities Limited	833,769,041	(59,280,149)
Trust bank Investment Limited	127,849,024	149,758,906
Trust Axiata Digital Limited	-	-
	<b>1,014,938,421</b>	<b>636,528,514</b>
<b>44 CLOSING CASH AND CASH EQUIVALENT</b>		
Cash in hand (including foreign currencies)	4,540,041,205	4,182,750,418
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	12,975,762,494	15,272,236,431
Balance with Other Bank and Financial Institutions	13,468,714,886	12,470,755,575
Call Loan to other Banks	680,000,000	2,300,000,000
Prize Bond	5,782,800	6,238,900
	<b>31,670,301,385</b>	<b>34,231,981,324</b>

	31.12.2020 Taka	31.12.2019 Taka
<b>44 (a) CONSOLIDATED CLOSING CASH AND CASH EQUIVALENT</b>		
Trust Bank Limited	31,670,301,385	34,231,981,324
Trust Bank Securities Limited	111,500,573	76,521,007
Trust bank Investment Limited	-	-
Trust Axiata Digital Limited	-	-
	<b>31,781,801,958</b>	<b>34,308,502,331</b>

#### 45 Reconciliation of Consolidated Net Profit after tax with Cash flows from Operating Activities

<b>Net profit/(loss) after taxation</b>	<b>1,798,669,863</b>	<b>2,036,656,647</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Interest Income	(1,912,239,822)	138,314,511
Interest Expense	(484,437,740)	925,634,472
Fees and commission Income	(224,775,057)	(68,679,085)
Recoveries of loans previously written off	81,197,247	48,510,615
Salary and Allowances	115,033,464	9,532,174
Printing and Stationeries	(8,250,584)	(6,843,774)
Income Taxes	(35,989,102)	108,896,257
Other Operating Income	(1,070,829,263)	(167,820,987)
Other operating Expenses	398,315,970	110,840,877
Provision for loans & advances / Investments / Other Assets	2,995,472,423	2,493,544,087
Operating profit before changes in operating Assets and Liabilities	<b>1,652,167,399</b>	<b>5,628,585,794</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>		
Net Investment in trading securities	(1,110,499,463)	(849,872,199)
Loan & advance to customers	(8,637,172,909)	(13,097,781,078)
Other assets (item-wise)	840,805,972	(740,297,567)
Deposits from other banks	3,262,027,176	(2,634,705,259)
Deposits from customers	42,351,890,792	31,049,262,816
Other liabilities (item-wise)	1,014,938,421	636,528,514
	<b>37,721,989,989</b>	<b>14,363,135,227</b>
<b>Net cash flows from operating activities</b>	<b>39,374,157,388</b>	<b>19,991,721,021</b>

#### 46 EXPENDITURE INCURRED FOR EMPLOYEES

Salaries, allowances and benefits

Number of employees at 31 December 2020 was 1951; (31 December 2019 was 1940) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.

#### 47 AUDIT COMMITTEE

##### 47.1 Particulars of Audit Committee

An audit committee has been formed by the Board of Directors of the Bank in its 64<sup>th</sup> Board meeting held on 05 February 2003. In accordance with the BRPD circular letter no. 12 dated 23 December 2002, the committee constituted with a chairman, two members and a member secretary.

As on 31 December 2020, the Honorable Members of the committee were as follows:

Name	Status with Bank	Status with Committee	Educational Qualification
Mr. Shahedul Islam	Independent Director	Chairman	BA, CS
Brig Gen Saleem Ahmad Khan, SGP, ndc, afwc, psc, te, PhD	Director	Member	Masters, PhD
Mr. Arshad Jamal	Independent Director	Member	MBA, MDS, MDP

- 47.2** During the year ended on 31.12.2020 the following number of meetings of the Audit Committee held with the bank's Senior Management to consider and review the Bank's Financial Statements and Risk Management:

Meeting Number	Date of Meeting
90 (01/2020)	6-Jan-20
91 (02/2020)	2-Mar-20
92 (03/2020)	24-Jun-20
93 (04/2020)	16-Jul-20
94 (05/2020)	2-Sep-20
95 (06/2020)	29-Sep-20
96 (07/2020)	27-Oct-20
97 (08/2020)	29-Nov-20
98 (09/2020)	20-Dec-20
99 (10/2020)	27-Dec-20

- 47.3** Following steps have been taken for implementation of an effective Internal Control Procedures of the banks:

A strong internal control & compliance division has been formed with a view to establish compliance culture and full control.

Regular review of internal and external (including Bangladesh Bank) audit reports with a view to implement the suggestion of internal and external auditors (including Bangladesh Bank), in respect of internal control techniques.

To establish an effective management system that includes planning, organizing and supervising culture in the branches as well as at head office.

Continuous monitoring & evaluation on application of internal control system, internal audit policy, policy for financial risks, existing rules and regulations (internal and external), other obligations from controlling authority, disclosure process of financial statements etc. of the bank.

Review the accounting procedures with a view to ascertain that the International Financial Reporting Standards (IFRSs) have been applied in preparation and presentation of financial statements.

Formulation of HRM policy and other operating procedures.

#### **48 Related Party Disclosures**

Parties are considered to be related if one party has been ability to control the other party or to exercise significant influence over the other party in making financial and operating decision. Related party information is given below:

i) Directors' interest in different entities as at 31 December 2020:

Sl.	Name of the Directors	Status with Bank	Entities where they have interest	% of Interest
1	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G	Chairman (Representing Army Welfare Trust)	Sena Kalyan Sangstha, Chairman	Nominated
			Sena Hotel Development Ltd, Chairman	Nominated
			Bangladesh Machine Tools Factory Ltd., Chairman	Nominated
			Army Welfare Trust, Chairman	Nominated
			Trust Bank Investment Ltd., Chairman	Nominated
			Military Institute of Science & Technology, Vice Chairman	Nominated
			Council of the College, Armed Forces Medical College, Chairman	Nominated
			Sena Paribar Kalyan Samiti, Chief Patron	Nominated
			Advisory Committee of Proyash, President	Nominated
			National Defence College & Defence Services Command and Staff College Governing Body, Vice Chairman	Nominated
			Kurmitola Golf Club, President	Nominated
			Bangladesh Golf Federation, President	Nominated
			Defence Officers Housing Scheme Committee, Chairman	Nominated
			BAIUST Cumilla/BAUET Quadirabad/BAUST Saidpur, Chairman	Nominated
			Bangladesh Diesel Plant Ltd., Chairman	Nominated
			Jolshiri Abashon Project, President.	Nominated
			Bangladesh Olympic Association, President	Nominated
			Bangladesh Amateur Boxing Federation, President	Nominated
2	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Vice Chairman (Nominated Director)	Trust Axiata Digital Ltd, Chairman	Nominated
			Army Housing Scheme, Chairman	Nominated
			Sena Kalyan Sangstha, Chairman	Nominated
			Army Welfare Trust, Vice Chairman	Nominated
			Sena Hotel Developments Ltd., Vice Chairman	Nominated
			Trust Technical Training Institute, Chairman	Nominated
			Governing Bodies of Cadet Colleges, Chairman	Nominated
			Trust Bank Securities Ltd., Chairman,	Nominated
			Trust Bank Investment Ltd., Vice Chairman	Nominated
3	Brig Gen Saleem Ahmad Khan, SGP, ndc, afwc, psc, te, PhD	Director (Nominated)	Trust Axiata Digital Ltd, Director	Nominated
			Service	Nominated
4	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	Director (Nominated)	Service	Nominated
5	Brig Gen Rakib Uddin Ahmed, SUP, SPP, psc, G	Director (Nominated)	Service	Nominated
6	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Director (Nominated)	Army Welfare Trust, Managing Director	Nominated
			Sena Hotel Developments Ltd., Director,	Nominated
			Trust Technical Training Institute, Director	Nominated
			Army Housing Scheme, Managing Director	Nominated
			Trust Bank Investment Ltd., Director	Nominated
			Trust Bank Securities Limited, Vice Chairman	Nominated
			Trust Transport Service, Chairman	Nominated
			Trust Axiata Digital Ltd, Director	Nominated
7	Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	Director (Nominated)	Service	Nominated
8	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	Director	Service	Nominated
9	Mr. Shahedul Islam	Independent Director	Bengal Pacific (Pvt.) Ltd., Managing Director	35.55%
			Bengal Braided Rugs Ltd., Managing Director	47.50%
			Promises Medical Ltd., Chairman	11.00%
			Desh General Insurance Company Ltd., Independent Director	-
			Trust Bank Investment Ltd., Independent Director	Nominated
10	Mr. Arshad Jamal	Independent Director	Texel Ltd., Director	-
			Tusuka Fashions Ltd., Director	-
			Tusuka Jeans Ltd., Director	-
			Tusuka Trousers Ltd., Director	-
			Tusuka Processing Ltd., Director	-
			Tusuka Apparels Ltd., Director	-
			Tusuka Denim Ltd., Director	-
			Tusuka Washing Ltd., Director	-
			Novo Tel Ltd., Director	-
			Novo Air Ltd., Director & CFO	-
			Tusuka Stitches Ltd., Director	-
			Tusuka Laundry Ltd., Director	-

ii) Significant contracts where Bank is a party and wherein Directors have interest:

Nature of Contract	Branch Name	Name of Directors and related by
Lease Agreement with Army Welfare Trust	Principal Branch	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G Chairman, Board of Trustees, Army Welfare Trust
		Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc Vice Chairman, Board of Trustees, Army Welfare Trust
		Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc Director (Nominated), Army Welfare Trust
Lease Agreement with Sena Kalyan Sangstha	Sena Kalyan Bhaban Branch	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G Chairman, Board of Trustees, Sena Kalyan Sangstha
	Khulna Branch	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc Vice chairman, Board of Trustees, Sena Kalyan Sangstha.
	Tongi Branch	
Lease Agreement with Sena Paribar Kalyan Samiti	Head Office	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G Chief Patron, Sena Paribar Kalyan Samiti
Advertisement Agreement with Army Welfare Trust	Millenium Corporate Branch	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G Chairman, Board of Trustees, Army Welfare Trust
		Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc Vice Chairman, Board of Trustees, Army Welfare Trust
		Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc Director (Nominated), Army Welfare Trust

iii) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil

iv) Related party Transactions:

During the year ended 31 December 2020, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of the Company/Person	Nature of Relationship	Nature of Transaction	Amount of transaction made during the Period		Balance as on	
			31 Dec 2020 Taka	31 Dec 2019 Taka	31 Dec 2020 Taka	31 Dec 2019 Taka
Army Welfare Trust	Common Director	Office Rent	31,561,680	30,917,660	-	-
Sena Kalyan Sangstha	Common Director	Office Rent	13,744,842	15,995,463	-	-
Sena Paribar Kalyan Samiti	Common Director	Office Rent	256,202,315	246,966,676	-	-
Astha Life Insurance Company Ltd.	Common Director	Insurance Premium	19,482,898	-	-	-
Jolshiri Abashon Project	Common Director	Land Purchase	327,116,208	-	-	-
Trust Bank Investment Ltd.	Subsidiary company	Deposit Balance			83,052,599	36,437,966
Trust Bank Securities Ltd.	Subsidiary company	Deposit Balance			808,681,479	6,070,652
Trust Axiata Digital Limited	Subsidiary company	Deposit Balance & Income	3,038,184		447,926,211	-
Trust Securities & Logistic Support Ltd.	Common Director	Securities services to the Bank	353,371,405	358,990,040	-	-



v) Loan and Advances to Directors and their related concern:

Sl	Name of the Director(s)	Related Party	Purpose of the Loan	Total O/S	Status
1	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G	Chairman	Housing Finance (HBL-Mortgage)	488,812	Regular
2	Maj Gen Md Enayet Ullah OSP, BSP, ndu, psc	Vice Chairman	Housing Finance (Army Officer House Loan Scheme)	85,191	Regular
			Personal requirement (OD)	124,103	Regular
			Housing Finance (HBL-Res.)	10,421,399	Regular
3	Brig Gen Abu Naser Md Elias, SGP, ndc, afwc, psc	Director	Purchase of household items (Term Loan)	867,679	Regular
			Housing Finance (HBL-Mortgage)	973,537	Regular
			Personal requirement (OD)	636,696	Regular
4	Brig Gen Abul Mansur Md Ashraf Khan ndc, psc	Director	Housing Finance (Army Officer House Loan Scheme)	215,633	Regular
5	Brig Gen Md Golam Faruque, SGP, SUP, nswc, afwc, psc	Director	Personal use (Defence Personnel Special Loan)	1,172,550	Regular
			Personal use (Defence Personnel Special Loan)	3,185,586	Regular
			Personal requirement (OD)	814,897	Regular
6	Brig Gen Sheikh Mohammad Sarwar Hossain, SUP, psc	Director	Housing Finance (Army Officer House Loan Scheme)	512,378	Regular
			Personal requirement (OD)	77,911	Regular
			Personal requirement (Cash Collateral)	7,846,026	Regular
<b>Total :</b>				<b>27,422,398</b>	

The loan has been availed as Defence official as per entitlement.

vi) Investment in the Securities of Directors and related concern:

Nil

#### 49 Credit Rating of the Bank

As per BRPD Circular no. 6 dated 5 July 2016, the Bank has done its credit rating by Credit Rating Agency of Bangladesh Ltd. (CRAB) based on the financial statements as at and for the year ended 31 December 2019. The following ratings have been awarded:

Periods	Date of Rating	Surveillance Rating		Outlook
		Long Term	Short Term	
January to December 2019	10-Sep-20	AA 2	ST-2	Stable
January to December 2018	24-Jun-19	AA 2	ST-2	Stable
January to December 2017	27-Jun-18	AA 2	ST-2	Stable

#### 50 DIVIDEND

The Board of Directors in its 321 (05/2021) meeting held on 14 June 2021 recommended 10% stock Dividend i.e., 10 (Ten) Bonus shares for every 100 (One Hundred) Shares held and 10% Cash Dividend subject to the approval of the shareholders at the next Annual General Meeting (AGM). The proposed Dividend for the year is more than 30% of Net Profit after Tax.

#### 51 FINANCIAL HIGHLIGHTS

As per BRPD Circular # 14, dated 25 June 2003, Financial Highlights of the Bank for the half-year ended on 31 December 2020 shown in Annexure - C.

## Schedule of Balance with Other Banks-Outside Bangladesh (Nostro Accounts)

		31.12.2020			31.12.2019		
Name of the Bank	Name of the foreign currency	Amount in foreign currency	Exchange rate as on 31.12.2020	Total amount equivalent to Taka	Amount in foreign currency	Exchange rate as on 31.12.2019	Total amount equivalent to Taka
Standard Chartered Bank, USA	USD	7,926,063.42	84.80	672,130,179	5,371,079.05	84.90	456,004,611
Mashreqbank psc, USA	USD	3,063,864.33	84.80	259,815,695	6,135,755.18	84.90	520,925,615
ICICI Bank Ltd., Hongkong	USD	583,241.76	84.80	49,458,901	646,566.43	84.90	54,893,490
Commerz Bank, AG Germany	USD	247,275.86	84.80	20,968,993	773,853.06	84.90	65,700,125
Commerzbank Ag, Frankfurt, Germany	AUD	27,622.46	64.82	1,790,518	55,658.83	61.31	3,412,487
Standard Chartered Bank, UK	GBP	373,176.35	114.79	42,838,331	144,506.66	114.31	16,518,397
Standard Chartered Bank, Japan	YEN	986,070.00	0.82	809,268	965,449.00	0.80	777,090
Commerzbank Ag, Frankfurt, Germany	YEN	6,184,045.00	0.82	5,075,246	2,251,322.00	0.80	1,812,089
Standard Chartered Bank, UK	EURO	35,073.33	104.14	3,652,638	134,782.26	98.27	13,245,147
Commerz Bank, AG Germany	EURO	126,192.61	104.14	13,142,064	42,464.85	98.27	4,173,051
ICICI Bank Ltd., Mumbai, India	EURO	17,456.19	104.14	1,817,938	17,441.19	98.27	1,713,958
Standard Chartered Bank, Mumbai, India	ACU	408,314.26	84.80	34,625,049	790,857.39	84.90	67,143,792
Mashreqbank, Mumbai, India	ACU	486,593.78	84.80	41,263,153	1,036,702.33	84.90	88,016,028
ICICI Bank Ltd., Mumbai, India	ACU	651,480.90	84.80	55,245,580	941,093.54	84.90	79,898,842
AB Bank, Mumbai, India	ACU	311,241.14	84.80	26,393,249	432,041.58	84.90	36,680,330
United Bank of India	ACU	146,889.95	84.80	12,456,268	334,924.67	84.90	28,435,104
Bank Aljazira	SAR	132,330.84	22.60	2,990,373	145,530.84	23.30	3,390,214
Habib Bank, Zurich	CHF	19,302.62	96.10	1,855,011	34,176.78	89.93	3,073,508
Commerz Bank AG, Germany	CAD	115,172.61	66.27	7,632,569	-	-	-
<b>Offshore Banking Unit (OBU)</b>							
Mashreqbank psc, USA	USD	1,757,838	84.80	149,064,701	529,518	84.90	44,956,079
United Bank of India	ACU	856,606	84.80	72,640,204	36,252	84.90	3,077,824
<b>Total</b>				<b>1,475,665,928</b>			<b>1,493,847,781</b>

## Schedule of Fixed Assets

As at 31 December 2020

PARTICULARS	COST			DEPRECIATION				WRITTEN DOWN VALUE at 31 December 2020
	Balance on 1 January 2020	Additions during the year	Disposal/ adjustment during the year	Balance at 31 December 2020	Balance on 1 January 2020	Charge for the year	Disposal/ adjustment during the year	Balance at 31 December 2020
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	160,469	327,116,208	-	327,276,677	-	-	-	327,276,677
Office Building	12,680,000	-	-	12,680,000	3,262,218	235,440	-	9,182,342
Furniture and Fixtures	658,242,790	8,602,389	1,874,369	664,970,810	337,201,614	36,020,416	1,479,839	293,228,619
Office Equipment	997,864,754	51,331,959	17,440,926	1,031,755,787	848,328,032	59,322,532	16,434,310	140,539,533
Motor Vehicles	93,881,958	-	-	93,881,958	79,395,338	4,792,266	-	9,694,354
Right of Use Assets	1,769,642,377	85,057,657	-	1,854,700,034	334,593,130	363,427,653	-	1,156,679,251
<b>31 December 2020</b>	<b>3,532,472,348</b>	<b>472,108,213</b>	<b>19,315,295</b>	<b>3,985,265,266</b>	<b>1,602,780,332</b>	<b>463,798,307</b>	<b>17,914,149</b>	<b>1,936,600,776</b>
<b>31 December 2019</b>	<b>1,812,280,314</b>	<b>1,868,136,967</b>	<b>147,944,933</b>	<b>3,532,472,348</b>	<b>1,234,268,525</b>	<b>464,900,196</b>	<b>96,388,389</b>	<b>1,929,692,016</b>

## Financial Highlights

SI No	Particulars	Base	31.12.2020	31.12.2019
1	Paid up Capital	Taka	6,432,959,780	6,126,628,370
2	Total Capital	Taka	27,899,076,069	24,346,781,159
3	Capital surplus/(deficit)	Taka	3,064,307,153	1,076,378,069
4	Total Assets	Taka	354,778,328,507	294,892,131,508
5	Total Deposits	Taka	288,403,903,885	242,024,758,445
6	Total Loans and Advances	Taka	221,063,686,181	210,766,739,109
7	Total Contingent Liabilities and Commitments	Taka	92,030,629,352	85,121,613,352
8	Credit Deposit Ratio	%	76.65	87.08
9	Percentage of classified loans against total loans and advances	%	4.51	5.49
10	Profit after tax and provision	Taka	1,788,197,339	2,031,562,601
11	Amount of classified loans during current year	Taka	(1,610,934,950)	(4,002,927,495)
12	Provisions kept against classified loan	Taka	8,891,472,500	5,758,355,000
13	Provision surplus/(deficit)	Taka	-	-
14	Cost of fund	%	4.71	5.40
15	Interest Earning Assets	Taka	302,608,028,606	245,622,164,491
16	Non-interest earning Assets	Taka	52,170,299,901	49,269,967,017
17	Return on Investment (ROI)	%	6.41	8.34
18	Return on Asset (ROA)	%	0.50%	0.73%
19	Income from Investment	Taka	5,787,419,424	2,887,840,909
20	Earning per Share (EPS)	Taka	2.78	3.16
21	Net income per Share	Taka	2.78	3.16
22	Price Earning Ratio	Times	12.02	8.25
23	Net Asset Value (NAV)	Taka	17,039,028,018	14,939,699,085
24	Net Operating Cash Flow Per Share (NOCFPS)	Taka	61.86	32.67

## TRUST BANK LIMITED

### Islami Banking Division

#### Annexure - D

Profit and loss of Islami Banking Branch is calculated annually as at 31 December in every year. After retaining 35% as Mudareeb commission, the remaining 65% of the funded income has already been distributed to the depositors as per declared weightage and balance amount of final profit has been credited to depositors account on 30th December, 2020 after deducting statutory Taxes & charges at source.

In the year 2020, final profit has been paid to the depositors as per following rates:

Deposit Type	Final Profit Rate 2020
10 Taka Farmers MSA	3.09
Mudaraba Savings Account	2.85
TBL Employee Mudaraba Salary A/C	2.85
Defense Personnel Mudaraba Salary Account (DPMSA)	2.85
TIB Payroll	2.85
Provident Fund A/C (TIB Payroll)	2.85
Mudaraba Short Notice Deposit (MSND)	1.9
Mudaraba Term Deposit- 1 month	2.38
Mudaraba Term Deposit-3 month	4.28
Mudaraba Term Deposit-6 month	4.37
Mudaraba Term Deposit- 12 month	4.51
Mudaraba Term Deposit- 24 & 36 month	4.66
Mudaraba Term Deposit- 60 month	4.75
Mudaraba Monthly Savings Scheme-36 Month	4.66
Mudaraba Monthly Savings Scheme-60 month	4.75
Mudaraba Monthly Savings Scheme-96 month	4.85
Mudaraba Monthly Savings Scheme-120 month	4.99
Mudaraba Monthly Savings Scheme-144 month	5.13
Barakat Hajj Deposit Scheme up to 10 years	5.23
Barakat Hajj Deposit Scheme 10 years & above	5.46
Mudaraba Millionaire Scheme up to 10 years	5.13
Mudaraba Millionaire Scheme above to 10 years	5.23
Mudaraba Kotipati Scheme up to 10 years	5.13
Mudaraba Kotipati Scheme above to 10 years	5.23
Mudaraba Money Double Scheme	4.99
Mudaraba Monthly Profit Scheme- 1 & 2 Years	4.66
Mudaraba Monthly Profit Scheme- 3 Years	4.66
Mudaraba Monthly Profit Scheme- 5 Years	4.75
Mudaraba Cash Waqf Scheme 3 Years	4.66
Trust Mudaapah Deposit Scheme 3 Years	4.66
Trust Mudaapah Deposit Scheme 5 Years	4.75
Mudaraba Porua Account (MPA)	3.09
Mudaraba junior Saving Scheme (MJSS)	4.66
Mudaraba Seniors Deposit Account (MSDA)	3.09
Mudaraba Term Deposit-Seniors [3 Months]	4.28
Mudaraba Term Deposit-Seniors [6 Months]	4.37
Mudaraba Monthly Profit Scheme-Seniors [1, 2 & 3 Years]	4.66

## Balance Sheet of Islami Banking Division

### As at 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>		
Cash in hand (including foreign currencies)	37,639,694	44,921,939
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	1,498,284,364	1,655,223,802
	1,535,924,058	1,700,145,741
<b>Balance with other banks and financial institutions</b>		
In Bangladesh	5,781,049,914	5,181,946,785
Outside Bangladesh	-	-
	5,781,049,914	5,181,946,785
<b>Placement with banks and other financial institution</b>	-	-
<b>Investments in Shares and Securities</b>		
Government	2,785,940,000	1,641,000,000
Others	395,609,020	185,323,969
	3,181,549,020	1,826,323,969
<b>Investments</b>		
General Investments etc.	23,592,102,218	21,036,212,975
Bills purchased and discounted	99,934,779	160,946,194
	23,692,036,997	21,197,159,169
<b>Fixed assets including premises</b>	200,907	50,907
<b>Other assets</b>	2,385,632,722	3,290,415,697
<b>Non-banking assets</b>	-	-
<b>Total Assets:</b>	<b>36,576,393,618</b>	<b>33,196,042,268</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities:</b>		
Placement from banks and other financial institutions	13,091,921	640,480,765
<b>Deposits and other accounts:</b>		
Al-wadeeah Current Accounts and Other Deposit Accounts	1,286,131,412	1,332,087,924
Mudaraba Savings Deposits	3,903,914,022	2,513,866,152
Mudaraba Term Deposits	29,584,483,070	26,574,997,142
Other Mudaraba Deposits	-	-
Bills Payable	2,322,012	5,997,972
	34,776,850,516	30,426,949,190
<b>Other liabilities</b>	1,578,952,261	1,665,091,267
<b>Total Liabilities:</b>	<b>36,368,894,698</b>	<b>32,732,521,222</b>
<b>Capital/Shareholders' Equity</b>		
Paid up Capital	-	-
Foreign Currency Transaction Difference	-	-
Statutory Reserve	-	-
Other Reserve	-	-
Retained Earnings	207,498,920	463,521,046
<b>Total Shareholders' Equity</b>	<b>207,498,920</b>	<b>463,521,046</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>36,576,393,618</b>	<b>33,196,042,268</b>

## Profit and Loss Account of Islami Banking Division

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
Investment Income	2,088,964,542	2,363,503,455
Profit paid on deposits	1,954,209,127	1,695,140,890
<b>Net Investment Income</b>	<b>134,755,415</b>	<b>668,362,565</b>
Income from investments in Shares/Securities	72,347,710	57,951,780
Commission, exchange and brokerage	44,145,659	51,719,955
Other operating income	31,680,068	29,263,164
	148,173,437	138,934,899
<b>Total operating income</b>	<b>282,928,852</b>	<b>807,297,464</b>
Salaries and allowances	54,047,270	44,201,774
Rent, taxes, insurance, electricity, etc.	695,000	346,000
Legal expenses	-	-
Postage, stamps, telecommunications, etc.	1,379,000	464,000
Stationery, printing, advertisement etc.	170,327	748,669
Chief Executive's Salary & Fees	-	-
Directors' Fees and Expenses	-	-
Shariah Supervisory Committee's Fees ad Expenses	59,000	75,000
Auditors' Fees	-	-
Changes in Investment Losses	-	-
Depreciation and repair to bank's assets	-	7,091
Zakat Expenses	-	-
Other expenses	3,528,335	9,306,384
<b>Total operating expenses</b>	<b>59,878,932</b>	<b>55,148,918</b>
<b>Profit before provision</b>	<b>223,049,920</b>	<b>752,148,546</b>
Provision for loans & advances / Investments	17,141,500	294,902,500
Provision for Diminution in value of Investment	(5,000,000)	1,046,000
Other provision	3,409,500	(7,321,000)
	15,551,000	288,627,500
<b>Total Profit before Taxes</b>	<b>207,498,920</b>	<b>463,521,046</b>



## Cash Flow Statements of Islami Banking Division

### For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
<b>A. Cash flow from operating activities</b>		
Interest/Investment Income received in cash	2,058,816,391	2,308,432,017
Interest/Profit paid on Deposits	(1,954,209,127)	(1,695,140,890)
Dividend receipts	398,823	207,000
Fees and commission receipts in cash	-	-
Recoveries of written off Loans/Investments	-	-
Cash paid to employees	(54,047,270)	(44,201,774)
Cash paid to suppliers	-	-
Income Taxes paid	-	-
Received from other operating activities (item-wise)	147,774,614	138,727,899
Payments for other operating activities (item-wise)	(5,831,662)	(10,947,144)
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>192,901,769</b>	<b>697,077,108</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>		
Statutory Deposits	-	-
Net Investment in trading securities	(210,285,051)	40,000,000
Loan & advance/Investments to other banks	-	-
Loan & advance/Investments to customers	(2,494,877,828)	(314,124,182)
Other assets (item-wise)	934,931,126	(3,115,884,522)
Deposits from other banks	-	-
Deposits from customers	4,349,901,326	6,604,154,066
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities (item-wise)	(565,211,052)	(443,686,220)
<b>Net cash from operating activities (A)</b>	<b>2,207,360,290</b>	<b>3,467,536,250</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of securities	-	-
Payments for purchase of government securities	(1,144,940,000)	(338,500,000)
Purchase of property, plant & equipment	(150,000)	(50,907)
Purchase of intangible assets	-	-
Sale of property, plant & equipment	-	-
<b>Net cash from investing activities (B)</b>	<b>(1,145,090,000)</b>	<b>(338,550,907)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in Borrowing:		
Call loan	-	-
Other borrowings	(627,388,844)	(188,215,135)
Share Capital A/c	-	-
Share Premium A/c	-	-
<b>Net cash from financing activities (C)</b>	<b>(627,388,844)</b>	<b>(188,215,135)</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>434,881,446</b>	<b>2,940,770,208</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>F. Opening Cash and Cash Equivalent</b>	<b>6,882,092,526</b>	<b>3,941,322,319</b>
<b>Cash and cash equivalents at end of period (D+E+F)</b>	<b>7,316,973,972</b>	<b>6,882,092,527</b>

# TRUST BANK LIMITED

## Offshore Banking Unit

### Balance Sheet

As at 31 December 2020

Notes	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>				
<b>Cash</b>				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	-	-	-	-
	-	-	-	-
<b>Balance with other banks and financial institutions</b>				
3 In Bangladesh	-	-	-	-
Outside Bangladesh	2,614,444.64	221,704,905	565,770.35	48,033,903
	2,614,444.64	221,704,905	565,770.35	48,033,903
<b>Money at call and short notice</b>				
<b>Investments</b>				
Government	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>Loans and Advances/Islami Banking</b>				
4 Investments	-	-	-	-
Loans, Cash Credit, Overdrafts etc./ Investment	1,912,679.95	162,195,260	4,170,625.14	354,086,074
Bills purchased and discounted	79,474,919.71	6,739,473,191	30,903,429.52	2,623,701,166
	81,387,599.66	6,901,668,451	35,074,054.66	2,977,787,240
<b>Fixed assets including premises, furniture and fixtures</b>				
	-	-	-	-
<b>Other assets</b>				
5	-	-	16,656.70	1,414,154
<b>Non-banking assets</b>				
	-	-	-	-
<b>Total Assets</b>	<b>84,002,044.30</b>	<b>7,123,373,356</b>	<b>35,656,481.71</b>	<b>3,027,235,297</b>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
6 Borrowings from other banks, financial institutions and agents	7,881,631.64	668,362,363	29,151,217.61	2,474,938,375
<b>Deposits and other accounts</b>				
7 Current / Al-wadeeah Current Accounts and other Accounts	75,438,937.85	6,397,221,930	6,090,109.73	517,050,316
Bills Payable	-	-	-	-
Savings Bank / Mudaraba Savings Deposits	-	-	-	-
Fixed Deposits / Mudaraba Term Deposits	-	-	-	-
Bearer Certificates of Deposit	-	-	-	-
Other Deposits	-	-	-	-
	75,438,937.85	6,397,221,930	6,090,109.73	517,050,316
<b>Other liabilities</b>				
	-	-	-	-
<b>Total Liabilities</b>	<b>83,320,569.49</b>	<b>7,065,584,293</b>	<b>35,241,327.34</b>	<b>2,991,988,691</b>
<b>Capital/Shareholders' Equity</b>				
Paid up Capital	-	-	-	-
Foreign Currency Translation Difference	-	(34,075)	-	207,577
Statutory Reserve	-	-	-	-
Other Reserve	-	-	-	-
Retained Earnings	681,474.81	57,823,138	415,154.37	35,039,029
<b>Total Shareholders' Equity</b>	<b>681,474.81</b>	<b>57,789,063</b>	<b>415,154.37</b>	<b>35,246,606</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>84,002,044.30</b>	<b>7,123,373,356</b>	<b>35,656,481.71</b>	<b>3,027,235,297</b>

**TRUST BANK LIMITED**  
**Offshore Banking Unit**  
**Profit and Loss Account**

For the year ended 31 December 2020

	Notes	31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
Interest income / Profit on Investment	8	2,762,243.98	234,376,402	2,041,395.02	172,293,740
Interest / Profit paid on deposits and borrowings etc.	9	2,050,693.16	174,001,315	1,597,837.98	134,857,526
<b>Net interest income</b>		<b>711,550.82</b>	<b>60,375,087</b>	<b>443,557.04</b>	<b>37,436,214</b>
Income from investments		-	-	-	-
Commission, exchange and brokerage		-	-	-	-
Other operating income		-	-	-	-
		-	-	-	-
<b>Total operating income</b>		<b>711,550.82</b>	<b>60,375,087</b>	<b>443,557.04</b>	<b>37,436,214</b>
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps, telecommunications, etc.		-	-	-	-
Stationery, printing, advertisement etc.		-	-	-	-
Managing Director's salary and benefits		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fee		-	-	-	-
Charges on loan losses		-	-	-	-
Depreciation and repair of bank's assets		-	-	-	-
Other expenses		30,076.01	2,551,949	28,402.67	2,397,185
<b>Total operating expenses</b>		<b>30,076.01</b>	<b>2,551,949</b>	<b>28,402.67</b>	<b>2,397,185</b>
<b>Profit before provision</b>		<b>681,474.81</b>	<b>57,823,138.00</b>	<b>415,154.37</b>	<b>35,039,029</b>
Provision for loans & advances / Investments		-	-	-	-
Provision for Diminution in value of Investment		-	-	-	-
Other provision		-	-	-	-
		-	-	-	-
<b>Total Profit before Taxes</b>		<b>681,474.81</b>	<b>57,823,138</b>	<b>415,154.37</b>	<b>35,039,029</b>
<b>Provision for Taxation</b>					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
<b>Net Profit after Taxation</b>		<b>681,474.81</b>	<b>57,823,138</b>	<b>415,154.37</b>	<b>35,039,029</b>
Appropriations					
Statutory Reserve		-	-	-	-
General reserve		-	-	-	-
		-	-	-	-
<b>Retained surplus</b>		<b>681,474.81</b>	<b>57,823,138</b>	<b>415,154.37</b>	<b>35,039,029</b>

# TRUST BANK LIMITED

## Offshore Banking Unit

### Cash Flow Statements

For the year ended 31 December 2020

Notes	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
<b>A. Cash flow from operating activities</b>				
Interest received in cash	2,762,243.98	234,376,402	2,041,395.02	172,293,740
Interest payments	(2,050,693.16)	(174,001,315)	(1,597,837.98)	(134,857,526)
Dividend receipts	-	-	-	-
Fees and commission receipts in cash	-	-	-	-
Recoveries of loans previously written off	-	-	-	-
Cash paid to employees	-	-	-	-
Cash paid to suppliers	-	-	-	-
Income Taxes paid	-	-	-	-
Received from other operating activities (item-wise)	-	-	-	-
Payments for other operating activities (item-wise)	(30,076.01)	(2,551,949)	(28,402.67)	(2,397,185)
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>681,474.81</b>	<b>57,823,138</b>	<b>415,154.37</b>	<b>35,039,029</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>				
Statutory Deposits	-	-	-	-
Net Investment in trading securities	-	-	-	-
Loan & advance to other banks	-	-	-	-
Loan & advance to customers	(46,313,545)	(3,923,881,211)	6,948,471.30	547,902,688
Other assets (item-wise)	16,657	1,414,154	(16,656.70)	(1,414,154)
Deposits from other banks	69,348,828	5,880,171,614	(9,017,966.57)	(750,517,286)
Deposits from customers	-	-	-	-
Other liabilities account of customers	-	-	-	-
Trading liabilities	-	-	-	-
Other liabilities (item-wise)	-	-	-	-
<b>Net cash from operating activities (A)</b>	<b>23,733,414.63</b>	<b>2,015,527,695</b>	<b>(1,670,997.60)</b>	<b>(168,989,723)</b>
<b>B. Cash flow from investing activities</b>				
Proceeds from sale of securities	-	-	-	-
Payments for purchase of government securities	-	-	-	-
Purchase of property, plant & equipment	-	-	-	-
Purchase of intangible assets	-	-	-	-
Sale of property, plant & equipment	-	-	-	-
<b>Net cash from investing activities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>				
Increase/(Decrease) in Borrowing:				
Call loan	(21,269,586)	(1,806,576,012)	2,019,944.39	198,624,552
Re-Purchase agreement (REPO)	-	-	-	-
Other borrowings	-	-	-	-
Share Capital A/c	-	-	-	-
Share Premium A/c	-	-	-	-
Profit transfer to Head Office	(415,154.37)	(35,039,029)	(697,066.27)	(58,239,887)
<b>Net cash from financing activities (C)</b>	<b>(21,684,740.34)</b>	<b>(1,841,615,041)</b>	<b>1,322,878.12</b>	<b>140,384,665</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>2,048,674.29</b>	<b>173,912,654</b>	<b>(348,119.48)</b>	<b>(28,605,058)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>(241,652)</b>	<b>-</b>	<b>(36,396)</b>
<b>F. Opening Cash and Cash Equivalent</b>	<b>565,770.35</b>	<b>48,033,903</b>	<b>913,889.83</b>	<b>76,675,357</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	<b>2,614,444.64</b>	<b>221,704,905</b>	<b>565,770.35</b>	<b>48,033,903</b>

**TRUST BANK LIMITED**  
Off-shore Banking Unit (OBU)  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2020**

**1 Status of the unit**

Off-shore banking Unit ("the Unit") is a separate business unit of Trust Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore banking unit permission vide letter no.BRPD(P-3)744(116)/2010-2462 dated 02 June 2010. The Bank commenced the operation of its Off-shore Banking Unit from 24 October 2013 and its office is located at Dilkusha Corporate Branch, Dhaka.

**1.1 Principal activities**

The principal activities of the unit is to provide all kinds of commercial banking services to its customers through its Off-Shore Banking Unit in Bangladesh.

**2 Significant accounting policies and basis of preparations**

**2.1 Basis of preparation**

The financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the Off-shore Banking Unit (OBU). The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular, Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, Bangladesh Bank BCD Circular No. (P) 744(27), dated 17 December, 1985, other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standards (BFRSs) and other rules and regulations where necessary.

**2.2 Foreign currency transaction**

Items included in the financial statements of the Unit are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Unit are presented in US Dollar (USD) and Taka where USD is the functional currency and Taka are the Unit's presentation currency.

**2.3 Cash flow statement**

Cash flow statement has been prepared in accordance with the IAS-7 Cash Flow Statement under direct method as recommended in the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

**2.4 Reporting period**

These financial statements of the Unit cover the financial year from 01 January to 31 December 2020.

**2.5 Cash and cash equivalents**

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

**2.6 Loans and advances**

a) Loans and advances are stated in the balance sheet on gross basis.

b) Interest is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 16 of 1998, 9 of 2001 and 10 of 2005 and recognised as income on realisation. Interest is not charged on bad and loss loans and advances/investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) As per BRPD circular no. 16 dated 18 November 2014, BRPD Circular 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012 and BRPD Circular no. 05 dated 29 May 2013, provision for sub-standard loans, doubtful loans and bad loss loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Provision for unclassified loan was made at the specified rate i.e. 0.25% to 5%.

## 2.7 Revenue recognition

### 2.7.1 Interest income

Interest income is recognized on accrual basis.

### 2.7.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

### 2.7.3 Interest paid and other expenses

In terms of the provisions of the IAS - I Presentation of Financial Statements, interest and other expenses are recognized on accrual basis.

## 2.8 General

Assets and liabilities have been translated into Taka currency @USD 1 = BDT 84.80 (2019 : BDT 84.90). Income and expenses are translated at an average rate @ USD 1 = BDT 84.85 (2019 : BDT 84.40).

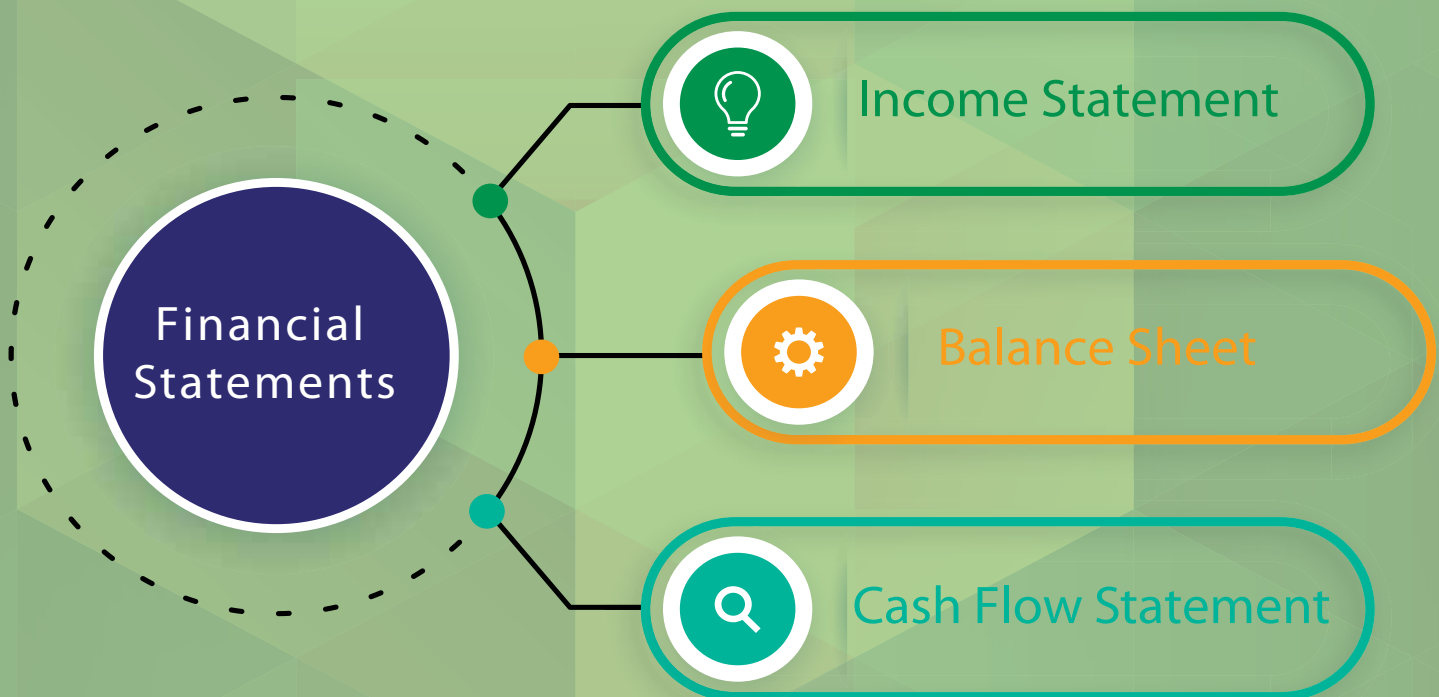
		31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
<b>3</b>	<b>Balance with other banks and financial institutions</b>				
	In Bangladesh	-	-	-	-
	Outside Bangladesh				
	Mashreqbank psc, New York	1,757,838.46	149,064,701	529,518	44,956,079
	United Bank of India, Kolkata	856,606.18	72,640,204	36,252	3,077,824
		<b>2,614,444.64</b>	<b>221,704,905</b>	<b>565,770</b>	<b>48,033,903</b>
<b>4</b>	<b>Loans and advances</b>				
	Loans, Cash Credit, Overdrafts etc./ Investment (Note-4.1)	1,912,679.95	162,195,260	4,170,625	354,086,074
	Bills purchased and discounted (Note-4.2)	79,474,919.71	6,739,473,191	30,903,430	2,623,701,166
		<b>81,387,599.66</b>	<b>6,901,668,451</b>	<b>35,074,055</b>	<b>2,977,787,240</b>
<b>4.1</b>	<b>Loans, Cash Credit, Overdrafts etc./ Investment</b>				
	Term Loan (Commercial)	-	-	-	-
	Term Loan (Industrial)	1,912,679.95	162,195,260	4,170,625	354,086,074
		<b>1,912,679.95</b>	<b>162,195,260</b>	<b>4,170,625</b>	<b>354,086,074</b>
<b>4.2</b>	<b>Bills purchased and discounted</b>				
	Bill Purchased and Discounting	77,835,041.96	6,600,411,558	28,382,575	2,409,680,595
	Loan to AD Branch	1,639,877.75	139,061,633	2,520,855	214,020,571
		<b>79,474,919.71</b>	<b>6,739,473,191</b>	<b>30,903,430</b>	<b>2,623,701,166</b>

		31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
<b>5</b>	<b>Other assets</b>				
	Prepaid Expense: Advance Subscription	4,277.78	362,756	4,277.78	363,184
	Prepaid Expense: Others	(4,277.78)	(362,756)	12,378.92	1,050,970
		-	-	<b>16,656.70</b>	<b>1,414,154</b>
<b>6</b>	<b>Borrowings from other banks, financial institutions and agents</b>				
	Borrowing From Other Banks (Note-6.1)	7,881,631.64	668,362,363	29,151,217.61	2,474,938,375
	Borrowing From Trust Bank Limited	-	-	-	-
		<b>7,881,631.64</b>	<b>668,362,363</b>	<b>29,151,217.61</b>	<b>2,474,938,375</b>
<b>6.1</b>	<b>Borrowing From Other Banks</b>				
	Mashreq Bank PSC	-	-	1,521,939.25	129,212,642
	Noor Bank	-	-	2,040,151.86	173,208,893
	Standard Chartered Bank	-	-	15,079,926.25	1,280,285,739
	Habib Bank AG, Zurich, UAE	2,870,758.24	243,440,299	-	-
	The National Bank Of RAS Al-Khaimah	5,010,873.40	424,922,064	10,509,200.25	892,231,101
		<b>15,763,263.28</b>	<b>668,362,363</b>	<b>29,151,217.61</b>	<b>2,474,938,375</b>
<b>7</b>	<b>Deposits and other accounts</b>				
	Customer deposits and other accounts	75,438,937.85	6,397,221,930	6,090,109.73	517,050,316
		<b>75,438,937.85</b>	<b>6,397,221,930</b>	<b>6,090,109.73</b>	<b>517,050,316</b>
<b>8</b>	<b>Interest income / Profit on Investment</b>				
	Interest on Term Loan (Commercial)	-	-	13,539.14	1142703
	Interest on Term Loan (Industrial)	157,291.00	13,346,141	272,272.00	22,979,757
	Interest on Loan to Others	-	-	3,791.66	320,016
	Interest On Bill Purchase & Discounting	2,457,989.71	208,560,427	1,650,089.64	139,267,566
	Interest on Loan to Branch	103,574.00	8,788,254	60,490.01	5,105,357
	Interest Received from FC Deposit	43,389.27	3,681,580	41,212.57	3,478,341
		<b>2,762,243.98</b>	<b>234,376,402</b>	<b>2,041,395.02</b>	<b>172,293,740</b>
<b>9</b>	<b>Interest / Profit paid on deposits and borrowings etc.</b>				
	Interest Paid on Deposit from other Bank	1,257,966.00	106,738,415	284,802.00	24,037,289
	Interest Paid on Borrowing from other Bank	792,727.16	67,262,900	1,313,035.98	110,820,237
		<b>2,050,693.16</b>	<b>174,001,315</b>	<b>1,597,837.98</b>	<b>134,857,526</b>



# FINANCIAL STATEMENTS of Trust Bank Investment Limited

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## **Independent Auditors' Report** **To the Shareholders of Trust Bank Investment Limited** **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Trust Bank Investment Limited (the Company), which comprise the Statement of Financial Position as at 31 December 2020, Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and the Companies Act 1994, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

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

Risk	Our response to the risk
<p><u>Loans and advances:</u></p> <p>Key element among the current asset balance of Trust Bank Investment Limited comprises of marginal loan provided to clients of BDT 2,167,232,695.</p> <p>Loans and advances were valued at BDT 2,167,232,695 and represents 43.12% of total assets. This was an area of focus for our audit and significant audit effort was directed.</p> <p>However, the company made provision on unrealised value of investment BDT. 145,009,724 for the current year as per Directive BSEC Press Release No. BSEC /Surveillance/Press Release (5th Part)/196 dated 16 July 2020.</p> <p>We focused on this area because of the significance of the investment in the financial statements especially loans and advances being the primary form of investment of such companies, and also the complexity of this area and departure from the recognition and presentation criteria of IFRS 9 &amp; IFRS 7 to comply the above Directive of BSEC for determining the valuation methodology and presentation to be applied by the management of the company.</p> <p>See notes # 2.9.3, # 5, # 10.1 &amp; # 27 to the financial statements.</p>	<p>Our audit procedures included obtaining our understanding of the process of issuing loans and advances &amp; ascertaining the loan balance and the interest charged over the financial year.</p> <p>Additionally, we performed the following:</p> <ul style="list-style-type: none"> <li>▪ Reviewed the carrying balance of the total outstanding loans;</li> <li>▪ Recalculated interest charged during the year;</li> <li>▪ Carried out cut-off testing to ensure the interest was recognized in correct period;</li> <li>▪ Check the subsequent positioning of this unrealized amount after the year end;</li> <li>▪ Our audit approach was a combination of test of internal control and substantive procedures;</li> <li>▪ We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the determination of marginal loans are within a reasonable range and that policies were consistently applied by the management of the company;</li> <li>▪ We assessed the design and operating effectiveness of the company's key controls supporting the identification, measurement and oversight of any form of risk of financial assets;</li> <li>▪ We tested the calculations of provision for negative equity and checked the presentation and disclosure of investment in compliance with BSEC Direction BSEC/SRI/MB/Policy-5/2020/132 dated, 30 January 2020, BSEC Press Release No. BSEC/Surveillance/Press Release (5<sup>th</sup> Part)/196 dated 16 July 2020.</li> </ul>

Risk	Our response to the risk
<p><u>Investment and provision for diminution in value of investment</u></p> <p>The investment portfolio of the Trust Bank Investment Limited comprises investments in ordinary quoted shares of BDT 2,502,424,220.</p> <p>Investments in securities are valued at BDT 2,502,424,220 and represent 49.78% of total assets. This was an area of focus for our audit and significant audit effort was directed.</p> <p>Investments in quoted shares valued at average cost. However, the company made provision on unrealised loss of investment BDT. 131,007,518 for the current year as per Directive BSEC Press Release No. BSEC/ Surveillance/Press Release (5<sup>th</sup> Part)/196 dated 16 July 2020.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and presentation criteria of IFRS 9 &amp; IFRS 7 to comply the above circular of BSEC for determining the valuation methodology and presentation to be applied by the management of the company.</p> <p>See notes # 2.9.2, # 4, # 10.2 and # 28 to the financial statements.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio.</p> <p>Additionally, we perform the following:</p> <ul style="list-style-type: none"> <li>▪ Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report.</li> <li>▪ Reviewed the assumptions used for the valuation models for any unquoted securities.</li> <li>▪ Recalculated unrealized gain or loss at the year end.</li> <li>▪ Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period.</li> <li>▪ Check the subsequent positioning of this unrealized amount after the year end.</li> <li>▪ Our audit approach was a combination of test of internal control and substantive procedures.</li> <li>▪ We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company.</li> <li>▪ We verified the existence and legal ownership of equity investments by confirming investment holdings with Portfolio statement and record from the Registrar of Joint Stock Companies &amp; Firm appropriate.</li> <li>▪ We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with BSEC Direction BSEC/SRI/MB/Policy-5/2020/132 dated, 30 January 2020, BSEC Press Release No. BSEC/ Surveillance/Press Release (5<sup>th</sup> Part)/196 dated 16 July 2020.</li> </ul>

## Other Matter

There was an outbreak of the global pandemic COVID-19 on 11 March 2020, which is a force majeure event, unique in nature and has divested the world and mankind. The surge of COVID-19 has negatively impacted almost all types of business across the world. The global pandemic had a favourable impact on the Capital market trading well during the last quarter of the financial year ended 2020. As a result, the provision for diminution in value of investments has not been required to increase by the Company, as shown in note # 10.2. Changes in the Leases (affecting the notes # 6,10,26 and Annexure-A to the financial statements), Deferred tax assets (affecting the note # 7), Interest Income (affecting the note # 15), Income from investment (affecting the note # 17), Other operating income (affecting the note # 19) and remuneration policies (affecting the note # 20) are the significant effects that took place due to COVID-19.

## Other Information

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

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

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

When we will review the director's report in the annual report for the year ended 31 December, 2020, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- Taking into consideration the impact of the outbreak of the coronavirus pandemic (Covid-19) and suggesting to the company to make any required financial adjustments and any relative disclosures to consider the view on the possible impacts of covid-19.

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

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

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

### Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report the following:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii) the Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

**For Syful Shamsul Alam & Co.**

Chartered Accountants

[Firm Registration No: I/I/ICAB-2003(1)]



**Md. Syful Islam FCA, FCMA**

Managing Partner

Enrolment No: 615

DVC: 2105200615AS479789

Dated: Dhaka

19 May 2021

# Trust Bank Investment Limited

## Balance Sheet

As at 31 December 2020

	Notes	Amount in Taka	
		2020	2019
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (including foreign currencies)		-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-	-
<b>Balance with other banks and financial institutions</b>	3		
In Bangladesh		293,489,255	243,699,562
Outside Bangladesh		-	-
		293,489,255	243,699,562
<b>Money at call and short notice</b>			
Investments	4		
Government		-	-
Others		2,502,424,220	2,420,209,807
		2,502,424,220	2,420,209,807
<b>Loans and advances</b>	5		
Loan to investors		2,167,232,695	2,068,876,546
Other loan		-	-
		2,167,232,695	2,068,876,546
<b>Fixed assets including premises, furniture and fixtures</b>	6	9,553,893	5,804,891
<b>Other assets</b>	7	53,830,980	43,948,661
<b>Non-banking assets</b>		-	-
<b>Total assets:</b>		<b>5,026,531,043</b>	<b>4,782,539,467</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings	8	13,879,261	1,568,285
<b>Deposits and other accounts</b>	9		
Deposit from investors		86,843,950	47,035,990
Other deposits		-	-
		86,843,950	47,035,990
<b>Other liabilities</b>	10	1,588,917,535	1,397,044,895
<b>Total liabilities</b>		<b>1,689,640,746</b>	<b>1,445,649,170</b>
<b>Capital/Shareholders' equity</b>			
Paid up capital	11.2	3,000,000,000	3,000,000,000
Share premium account		-	-
Statutory reserve		-	-
Other reserve		-	-
Retained earnings	12	336,890,297	336,890,297
<b>Total shareholders' equity</b>		<b>3,336,890,297</b>	<b>3,336,890,297</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,026,531,043</b>	<b>4,782,539,467</b>



## OFF-BALANCE SHEET ITEMS

### Contingent liabilities:

Acceptances and endorsements  
Letter of guarantees  
Irrevocable letter of credits  
Bills for collection

### Other contingent liabilities:

Value of travelers' cheques in hand

### Total:

### Other commitments:

Documentary credit and short term trade related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving facilities  
Undrawn formal standby facilities, credit lines and other commitments

### Total Off-Balance Sheet items including contingent liabilities:

Notes	Amount in Taka	
	2020	2019
13		
	-	-
	60,530,000	60,530,000
	-	-
	-	-
	60,530,000	60,530,000
	-	-
	60,530,000	60,530,000
	-	-
	-	-
	-	-
	-	-
	60,530,000	60,530,000

The annexed notes form an integral part of the Balance Sheet.



Vice Chairman



Director



Director

Signed as per annexed report on same date



Managing Director

Dated: Dhaka  
19 May 2021

  
Syful Shamsul Alam & Co.  
Chartered Accountants

# Trust Bank Investment Limited

## Profit and Loss Account

For the year ended 31 December 2020

	Notes	Amount in Taka	
		2020	2019
Interest income	15	36,941,260	33,933,092
Interest paid on deposits and borrowings etc.	16	6,187	597
<b>Net interest income</b>		<b>36,935,073</b>	<b>33,932,495</b>
Income from investments	17	65,171,612	97,292,920
Commission, exchange and brokerage	18	667	553
Other operating income	19	17,356,489	21,074,465
		82,528,768	118,367,938
<b>Total operating income</b>		<b>119,463,841</b>	<b>152,300,433</b>
Salaries and allowances	20	18,553,018	21,218,110
Rent, taxes, insurance, electricity, etc.	21	1,736,418	14,546,326
Legal expense		97,712	546,779
Postage, stamps, telecommunications, etc.	22	352,659	339,356
Stationery, printing, advertisement etc.	23	183,960	252,079
Managing director's salary and benefits		1,366,050	2,538,220
Directors' fees	24	72,000	78,000
Auditors' fee		172,500	115,000
Depreciation and repair of bank's assets	25	10,683,391	1,492,161
Other expenses	26	9,737,014	7,642,189
<b>Total operating expenses</b>		<b>42,954,722</b>	<b>48,768,220</b>
<b>Profit before provision</b>		<b>76,509,119</b>	<b>103,532,213</b>
Provision for loans & advances	27	62,034,060	23,400,000
Provision for diminution in value of investment	28	-	62,742,073
Other provision	29	-	-
		62,034,060	86,142,073
<b>Total profit before taxes</b>		<b>14,475,059</b>	<b>17,390,140</b>
Provision for taxation			
Current tax	10.4.1	14,330,000	17,396,000
Deferred tax		145,059	(5,860)
		14,475,059	17,390,140
<b>Net profit after taxation</b>		-	-
Appropriations:			
Statutory reserve		-	-
General reserve		-	-
		-	-
<b>Retained surplus</b>		-	-
Earning per share (EPS)	30	-	-

Annexed notes form an integral part of these financial statements

Vice Chairman

Director

Director

Managing Director

Signed as per annexed report on same date

Dated: Dhaka  
19 May 2021

Syful Shamsul Alam & Co.  
Chartered Accountants

# Trust Bank Investment Limited

## Cash Flow Statement

For the year ended 31 December 2020

	Notes	Amount in Taka	
		2020	2019
<b>A. Cash flow from operating activities</b>			
Interest received in cash		36,941,260	33,933,092
Interest payments		(6,187)	(597)
Fees and commission receipts in cash		667	553
Cash paid to employees		(19,919,068)	(23,756,330)
Cash paid to suppliers		(139,722)	(260,956)
Income taxes paid		(16,788,517)	(18,325,951)
Income Received from other operating activities (item-wise)	31	82,528,101	118,367,385
Payments for other operating activities (item-wise)	32	(12,511,190)	(23,582,642)
<b>Operating profit before changes in operating Assets and liabilities</b>		<b>70,105,344</b>	<b>86,374,554</b>
Increase/(Decrease) in operating assets & liabilities			
Net investment in trading securities		(82,214,413)	(184,702,862)
Loan & advance to customers		(98,356,149)	8,568,343
Other assets (item-wise)	33	(10,029,028)	(4,232,369)
Deposits from customers		39,807,960	(23,391,952)
Other liabilities (item-wise)	34	127,849,024	149,758,906
<b>Net cash from operating activities (A)</b>		<b>47,162,738</b>	<b>32,374,620</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant & equipment		(87,360)	(45,180)
Purchase of intangible asset		-	-
Sale of property, plant & equipment		129,824	20,082
<b>Net cash from investing activities (B)</b>		<b>42,464</b>	<b>(25,098)</b>
<b>C. Cash flow from financing activities</b>			
Lease Payment-Office Premises		(9,726,485)	-
Increase/(Decrease) in borrowing:		-	-
Other borrowings		12,310,976	(1,448,984)
<b>Net cash from financing activities (C)</b>		<b>2,584,491</b>	<b>(1,448,984)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>		<b>49,789,693</b>	<b>30,900,538</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>F. Opening cash and cash equivalent</b>		<b>243,699,562</b>	<b>212,799,024</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	35	<b>293,489,255</b>	<b>243,699,562</b>
<b>Net Operating Cash flow per share (NOCFPS)</b>		<b>1.57</b>	<b>1.08</b>

Annexed notes form an integral part of these financial statements

Vice Chairman

Director

Director

Managing Director

Dated: Dhaka  
19 May 2021

## Trust Bank Investment Limited

### Statement of Changes in Equity

For the year ended 31 December 2020

Amount in Taka

Particulars	Paid up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
Balance on 1 January 2020	3,000,000,000	-	-	336,890,297	3,336,890,297
Adjustment for IFRS 16	-	-	-	-	-
Restated Balance					
Surplus/Deficit on revaluation of properties	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	-
Currency transaction difference	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-
Statutory reserve	-	-	-	-	-
Balance at 31 December 2020	3,000,000,000	-	-	336,890,297	3,336,890,297

Balance at 31 December 2019	3,000,000,000	-	-	336,890,297	3,336,890,297
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**Trust Bank Investment Limited**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2020**

Amount in Taka

Particulars	Up to 01 Month	01- 03 Months	03-12 Months	1- 05 Years	More than 5 Years	Total Amount
Assets:						
Cash in hand	-	-	-	-	-	-
Balance with Bangladesh Bank and Sonali Bank	-	-	-	-	-	-
Balance with other banks and financial institutions	293,489,255	-	-	-	-	293,489,255
Investments	2,502,424,220	-	-	-	-	2,502,424,220
Loans and advances	216,723,270	325,084,904	541,808,174	1,083,616,348	-	2,167,232,695
Fixed assets including premises, furniture and fixtures	-	-	-	-	9,553,893	9,553,893
Other assets	50,760,623	15,135	1,225,330	-	1,829,892	53,830,980
Non-banking assets	-	-	-	-	-	-
<b>Total assets</b>	<b>3,063,397,368</b>	<b>325,100,039</b>	<b>543,033,504</b>	<b>1,083,616,348</b>	<b>11,383,785</b>	<b>5,026,531,043</b>
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	13,879,261	-	-	-	-	13,879,261
Deposits	86,843,950	-	-	-	-	86,843,950
Other accounts	-	-	-	-	-	-
Provision and other liabilities	50,231,844	311,659,881	945,955,195	276,622,542	-	1,584,469,462
<b>Total liabilities</b>	<b>150,955,055</b>	<b>311,659,881</b>	<b>945,955,195</b>	<b>276,622,542</b>	<b>-</b>	<b>1,685,192,673</b>
<b>Net liquidity gap</b>	<b>2,912,442,312</b>	<b>13,440,159</b>	<b>(402,921,691)</b>	<b>806,993,806</b>	<b>11,383,785</b>	<b>3,341,338,370</b>

Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Company

# Trust Bank Investment Limited

## Notes to the Financial Statements

As at and for the Period ended 31 December 2020

### 1 LEGAL STATUS AND NATURE OF THE COMPANY

#### 1.1 Legal status of the Company

Trust Bank Investment Limited was incorporated on 09 September 2010 as a Public Limited Company bearing registration No. C-86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25 October 2010 as a full fledged Merchant Bank bearing Certificate No. MB-45/10. The Company started its operation on 14 November 2010.

The registered office of the Company is located at 36, Dilkusha Commercial Area, Dhaka - 1000.

#### 1.2 Nature of Business Activities

Trust Bank Investment Limited offers full range of merchant banking services that include Issue Management, Underwriting, Portfolio Management etc.

### 2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.01 Reporting period

The financial Statements have been prepared for the year ended 31 December 2020

#### 2.02 Basis of preparation and presentation of the financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), The Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh and in the format prescribed by Bangladesh Bank vide DFIM Circular # 11 dated 23 December 2009 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

#### 2.03 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 2.04 Non-banking assets

IFRS:

There is no particular/specific guideline about non-banking assets in IFRSs.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, there must exist a face item named non-banking asset.

The Company has no Non-banking assets as on and for the period ended.

#### 2.05 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- a) Balance Sheet as at 31 December 2020;
- b) Profit and Loss Account for the Period ended 31 December 2020;
- c) Statement of Cash Flows for the Period ended 31 December 2020;
- d) Statement of Changes in Equity for the Period ended 31 December 2020;
- e) Liquidity Statement for the Period ended 31 December 2020;
- f) Notes to the Financial Statements as at and for the Period ended 31 December 2020.

## 2.06 Functional and presentation currency

The figures of the Financial Statements are presented in Bangladesh Taka (BDT/Taka/Tk.) which is Company's functional currency. All financial Information presented in Taka has been rounded off to the nearest integer except otherwise indicated.

## 2.07 Materiality and aggregation

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

## 2.08 Provision for taxation

In compliance with IAS-12 "Income Taxes", provision for current income tax has been made @ 37.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment through different S.R.O and circulars issued by the N.B.R.

## 2.09 Assets and basis of their valuation

### 2.09.1 Cash and cash equivalents

Cash and cash equivalents include highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the company management for its short-term commitments.

### 2.9.2 Investment

These are acquired and held primarily for the purpose of selling them in future or held for dividend income and reported at cost. Unrealized gains are not recognized in the Profit and Loss Account. Provision for diminution in value of investment is provided in the Financial Statements on those securities whose market price is below the cost of investment.

### 2.9.3 Loans and advances

Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability. Interest income is accounted for on accrual basis until the loans and advances are defined as Special Mention Account (SMA) or classified accounts as per Bangladesh Bank guidelines.

## 2.10 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straight-line method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	5% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.
Office Decoration	12% p.a.



Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their acquisition and in case of sale upto the date of sale.

Repairs and maintenance costs of fixed assets are charged to profit & loss account, when incurred.

## **2.11 Revenue recognition**

- i) Interest income  
In terms of the provisions of the IFRS-15 “Revenue from contracts with customers”, the interest income is recognized on accrual basis.
- ii) Fees and commission income  
Fees and commission income arises on services provided by the Company are credited to income at the time of effecting the transactions.
- iii) Interest paid and other expenses  
In terms of the provisions of the IAS-1 “Presentation of Financial Statements” interest and other expenses are recognized on accrual basis.

## **2.12 Earning per share (EPS)**

The Company calculates Earning per Share (EPS) for the period ended 31 December 2020 in accordance with IAS-33 “Earning per Share” which has been shown on the face of Profit & loss Account and the computation of EPS is stated in Note 30.

## **2.13 Statement of Cash flows**

IFRS:

Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, statement of cash flows is a mixture of direct and indirect method.

## **2.14 Statement of liquidity**

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

## **2.15 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)**

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting

Standards (IFRS). While preparing the financial statements, Trust Bank Investment Limited applied most of the IAS and IFRS, details of which are given below:

Name of IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statements of Cash Flow	7	Applied*
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Date	10	Applied
Construction Contracts	Applied11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	Applied20	N/A
The effects of Changes in Foreign Exchange Rate	21	N/A
Borrowing Cost	23	Applied
Related Party Disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	Applied31	N/A
Financial instruments: presentation	N/A32	Applied
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of IFRS	IFRS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	Applicable
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	N/A
Financial Instruments: Recognition and Measurement	9	Applied*
Fair value measurement	13	Applicable
Revenue from contracts with customers	15	Applied
Leases	16	Applied**

\*As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with regulatory requirements.

\*\*The applicability of IFRS 16 has come into effect from 1st January 2019. However, We have implemented the standard from the financial year 2020.

## 2.16 GENERAL

Prior years figures shown for comparison purpose, have been rearranged whenever necessary to conform to current year's presentation.

## 2.17 GOING CONCERN

The Company has adequate resources to continue in operation for foreseeable future. Accordingly, the company continue to adopt the going concern basis in preparing the accounts. The current resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

		Amount in Taka	
		2020	2019
<b>3</b>	<b>BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS</b>		
	<b>In Bangladesh</b>		
	<b>Special Notice Deposits</b>		
	Trust Bank Limited	83,607,567	37,025,542
	Trust Bank Limited-FDR	209,881,688	206,674,020
		<b>293,489,255</b>	<b>243,699,562</b>
	<b>Outside Bangladesh</b>	-	-
		<b>293,489,255</b>	<b>243,699,562</b>
<b>3.1</b>	<b>Remaining maturity grouping of balance with other banks and financial institutions</b>		
	On demand	-	-
	Upto 1 month	83,607,567	37,025,542
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 Year	209,881,688	206,674,020
	Over 1 Year but not more than 5 Years	-	-
	Over 5 Years	-	-
		<b>293,489,255</b>	<b>243,699,562</b>
<b>4</b>	<b>INVESTMENTS</b>		
	<b>Government Securities</b>	-	-
		-	-
	<b>Other Investments</b>		
	Ordinary Shares		
	Quoted	2,502,424,220	2,420,209,807
	Unquoted	-	-
		<b>2,502,424,220</b>	<b>2,420,209,807</b>
		<b>2,502,424,220</b>	<b>2,420,209,807</b>
<b>4.1</b>	<b>Remaining maturity grouping of Investments</b>		
	On demand	-	-
	Upto 1 month	2,502,424,220	2,420,209,807
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 Year	-	-
	Over 1 Year but not more than 5 Years	-	-
	Over 5 Years	-	-
		<b>2,502,424,220</b>	<b>2,420,209,807</b>
<b>5</b>	<b>LOANS AND ADVANCES</b>		
	<b>Loans and Advances</b>		
	Loan to Investors	2,167,232,695	2,068,876,546
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
<b>5.1</b>	<b>Residual maturity grouping of Loans and Advances</b>		
	Repayable on demand	-	-
	Upto 1 month	216,723,270	206,887,655
	Over 1 month but not more than 3 months	325,084,904	310,331,482
	Over 3 months but not more than 1 Year	541,808,174	517,219,137
	Over 1 Year but not more than 5 Years	1,083,616,348	1,034,438,273
	Over 5 Years	-	-
		<b>2,167,232,695</b>	<b>2,068,876,546</b>

		Amount in Taka	
		2020	2019
<b>5.2</b>	<b>Loans and Advances</b>		
	<b>Inside Bangladesh</b>		
	Loans	2,167,232,695	2,068,876,546
	Cash Credit	-	-
	Overdraft	-	-
	Bills purchased and discounted	-	-
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
	<b>Outside Bangladesh</b>	-	-
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
<b>5.3</b>	<b>Loans and Advances on the basis of significant concentration</b>	-	-
<b>5.3.1</b>	<b>Advances to Directors and Others</b>		
	Advance to Directors and their allied concerns	-	-
	Advances to CEO and Senior Executives	-	-
	Advances to Customers (Group wise)	-	-
	Others Loan	2,167,232,695	2,068,876,546
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
<b>5.3.2</b>	<b>Geographical location-wise concentration of Loans and Advances</b>		
	<b>Inside Bangladesh</b>		
	Dhaka Division	2,167,232,695	2,068,876,546
	Chittagong Division	-	-
	Khulna Division	-	-
	Sylhet Division	-	-
	Barisal Division	-	-
	Rangpur Division	-	-
	Rajshahi Division	-	-
		2,167,232,695	2,068,876,546
	<b>Outside Bangladesh</b>	-	-
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
<b>5.4</b>	<b>Classification of Loans and Advances including Bills Purchased and Discounted</b>		
a	Unclassified Loans and Advances (including staff loan)	2,167,232,695	2,068,876,546
b	Special Mentioned Accounts		
c	Classified Loans and Advances		
1	Sub-Standard Loans and Advances	-	-
2	Doubtful Loans and Advances	-	-
3	Bad /Loss Loans and Advances	-	-
		-	-
		<b>2,167,232,695</b>	<b>2,068,876,546</b>
<b>6</b>	<b>FIXED ASSETS</b>		
	<b>Cost</b>		
	Furniture and fixtures	1,804,696	2,160,863
	Office equipment	8,684,254	8,596,894
	Office renovation	12,555,945	12,555,945
	Right Of Use Assets(ROU)	14,174,558	
		<b>37,219,453</b>	<b>23,313,702</b>
	Less: Accumulated depreciation	27,665,560	17,508,811
		<b>9,553,893</b>	<b>5,804,891</b>
	For details please refer to Annexure - A		

		Amount in Taka	
		2020	2019
<b>7 OTHER ASSETS</b>			
i) Stationery, stamps, printing materials in stock etc.;		22,589	24,239
ii) Advance Rent and Advertisement		1,225,330	4,144,071
iv) Security Deposits		222,992	222,992
ix) Others	7.1	52,360,069	39,557,359
		<b>53,830,980</b>	<b>43,948,661</b>
<b>7.1 Others</b>			
Deferred Tax Asset	7.1.1	1,606,900	1,751,959
Brokers Account		-	-
Sundry Debtors		50,753,169	37,805,400
		<b>52,360,069</b>	<b>39,557,359</b>
<b>7.1.1 Deferred Tax Asset</b>			
Balance as on 01 January		1,751,959	1,746,099
Addition during the year		(145,059)	5,860
Closing Balance		<b>1,606,900</b>	<b>1,751,959</b>

Deferred tax has been calculated based on deductible / taxable temporary difference arising due to difference in the carrying amount of the assets / liabilities and its tax base in accordance with the provision of International Accounting Standards (IAS)- 12 : Income Taxes.

Particulars	Carrying Amount at Dec 31, 2020 Accounting Base	Carrying Amount at Dec 31, 2020 Tax Base	(Taxable)/ Deductible temporary difference
Property, plant and equipment	4,806,619	9,390,886	4,584,267
Expense Charged in PL (IFRS 16)	10,136,006	10,435,207	(299,201)
<b>Total</b>	<b>14,942,625</b>	<b>19,826,093</b>	<b>4,285,066</b>
Applicable Tax Rate			37.5%
Deferred tax asset as on December 31, 2020			1,606,900
Deferred tax asset as on December 31, 2019			1,751,959
Deferred tax assets accounted for during the year			(145,059)
<b>7.2 Break-up of Other Assets</b>			
Income generating other assets		-	-
Non income generating other asset		53,830,980	43,948,661
		<b>53,830,980</b>	<b>43,948,661</b>
<b>8 BORROWINGS</b>			
<b>In Bangladesh</b>			
Borrowing from Trust Bank Limited		13,879,261	1,568,285
		13,879,261	1,568,285
<b>Outside Bangladesh</b>		-	-
		<b>13,879,261</b>	<b>1,568,285</b>

			Amount in Taka		
			2020	2019	
8.1	Security wise borrowings				
	Secured Borrowings		13,879,261	1,568,285	
	Unsecured Borrowings		-	-	
			<b>13,879,261</b>	<b>1,568,285</b>	
8.2	Repayment nature wise borrowings				
	Repayment on Demand		-	-	
	Others		13,879,261	1,568,285	
			<b>13,879,261</b>	<b>1,568,285</b>	
8.3	Remaining maturity grouping of Borrowings from other banks, financial institutions and agents Payable				
	On demand		-	-	
	Upto 1 month		13,879,261	1,568,285	
	Over 1 month but within 3 months		-	-	
	Over 3 months but within 1 Year		-	-	
	Over 1 Year but within 5 Years		-	-	
	Over 5 Years		-	-	
			<b>13,879,261</b>	<b>1,568,285</b>	
9	DEPOSITS AND OTHER ACCOUNTS				
	Current and Other Accounts		86,843,950	47,035,990	
			<b>86,843,950</b>	<b>47,035,990</b>	
9.1	Remaining maturity grouping of Deposits and other accounts				
	Inside Bangladesh	Banks	Other than Banks	Taka	Taka
	Payable On demand	-	-	-	-
	Upto 1 month	-	86,843,950	86,843,950	47,035,990
	Over 1 month but within 3 months	-	-	-	-
	Over 3 months but within 1 Year	-	-	-	-
	Over 1 Year but within 5 Years	-	-	-	-
	Over 5 Years	-	-	-	-
		-	86,843,950	86,843,950	47,035,990
	Outside Bangladesh	-	-	-	-
	Total	-	86,843,950	86,843,950	47,035,990
9.2	Unclaimed Deposits for 10 Years and Above		-	-	-
10	OTHER LIABILITIES				
	Provision for Loans and Advances	10.1	145,615,024	104,254,997	
	Provision for Investment	10.2	131,007,518	131,007,518	
	Interest Suspense Account	10.3	1,245,895,742	1,105,102,716	
	Provision for Income Tax Less Advance Income Tax	10.4	11,049,931	13,508,448	
	Lease Liabilities		4,448,073	-	
	Accrued Expenses		743,781	429,000	
	Audit Fees Payable		115,000	115,000	
	Others		50,042,466	42,627,216	
			<b>1,588,917,535</b>	<b>1,397,044,895</b>	

		Amount in Taka	
		2020	2019
<b>10.1 Provision for Loans and Advances</b>			
<b>Specific Provision</b>			
Against Classified Loans & Advances		-	-
<b>General Provision</b>			
Against Unclassified Loans & Advances	10.1.1	145,009,724	103,649,697
Against Special Mention Accounts		-	-
Against Off Balance Sheet Exposures		605,300	605,300
		<u>145,615,024</u>	<u>104,254,997</u>
		<b>145,615,024</b>	<b>104,254,997</b>
<b>10.1.1</b> Against Unclassified Loans & Advances			
Provision held on 01 January		103,649,697	110,821,296
Provision made during the year	10.1.1.1	62,034,060	23,400,000
Provisions adjusted during the year		(20,674,033)	(30,571,599)
Provision held at end of year		<u>145,009,724</u>	<u>103,649,697</u>
<b>10.1.1.1</b> As per BSEC Press release # BSEC/Surveillance/Spokesperson (5th part)/2019/196 dated July 16, 2020, Merchant Banks are required to keep provision over the years w.e.f 2020 to 2023 against Unrealized Losses on Clients' Portfolio. So, TBIL is required to keep 7.69% provision amounting to BDT 103,084,175 against negative equity of Tk. 1,340,496,418 for the year ended as on December 31, 2020. TBIL has Interest Suspense of Tk. 1,245,895,742 and Margin Loan provision of Tk. 144,852,723 as on December 31, 2020.			
<b>10.2 Provision for Investment</b>			
Provision held on 01 January		131,007,518	68,265,445
Provision made during the year		-	62,742,073
Provisions adjusted during the year		-	-
Provision held at end of year		<u>131,007,518</u>	<u>131,007,518</u>
<b>10.2.1</b> As per BSEC Press release # BSEC/Surveillance/Spokesperson (5th part)/2019/196 dated July 16, 2020, TBIL is required to keep 7.69% provision amounting to BDT 62,762,584 against unrealized loss on (BDT 816,158,437) under own portfolio account as on December 31, 2020.			
<b>10.3 Interest Suspense Account</b>			
Balance on 01 January		1,105,102,716	933,904,938
Transfer during the year		232,874,870	229,646,806
Adjustment during the year		(92,081,844)	(58,449,028)
Balance at the end of year		<u>1,245,895,742</u>	<u>1,105,102,716</u>
<b>10.3.1</b> As of reporting date, an aggregate amount of Tk. 1,245,895,742 have been transferred to Interest Suspense Account instead of Interest from Loans and Advances as this income was charged to negative equity holders account which were doubtful of recovery.			
<b>10.4 Provision for Income Tax Less Advance Income Tax</b>			
<b>Provision for Income Tax</b>			
Balance on 01 January		648,008,785	630,612,785
Provisions made during the year		14,330,000	17,396,000
Provision made for previous year(s)		25,888,766	-
Settlement for previous year(s)		(179,181,288)	-
		<u>509,046,263</u>	<u>648,008,785</u>



	Amount in Taka	
	2020	2019
<b>Less: Advance Income Tax</b>		
Balance on 01 January	634,500,337	616,174,386
Paid during the year	42,677,283	18,325,951
Settlement for previous year(s)	(179,181,288)	-
	497,996,332	634,500,337
<b>Net Closing Balance</b>	<b>11,049,931</b>	<b>13,508,448</b>

- 10.4.1** Provision for current tax of Tk. 14,330,000 has been made @ 37.50% on Business Income and @ 20% on Dividend Income and 10% on Capital Gain of the accounting profit made by the Company during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984. See in (Annexure-C)

## 11 CAPITAL

### 11.1 Authorized Capital

50,000,000 Ordinary shares of Tk. 100 each

-	-
<b>5,000,000,000</b>	<b>5,000,000,000</b>

### 11.2 Issued, Subscribed and Paid Up Capital

30,000,000 Ordinary Shares of Tk. 100 each issued for cash

<b>3,000,000,000</b>	<b>3,000,000,000</b>
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### 11.3 Pattern of shareholdings

Name	Nos. of shares subscribed	BDT	BDT
Trust Bank Limited represented by Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, PhD	29,999,993	2,999,999,300	2,999,999,300
Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	1	100	NIL
Maj General Mohammad Humayun kabir, SUP, rcds, psc	-	NIL	100
Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	1	100	NIL
Brig General Md. Golam Faruque, SGP, SUP, nswc, afwc, psc	-	NIL	100
Brig General Md Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	1	100	100
Mr. Faruq Mainuddin Ahmed	1	100	100
Mr. Ashrafuzzaman Khan	1	100	100
Mr. Shahedul Islam	1	100	100
Mr. Monzur Morshed Khan	1	100	100
<b>Total</b>	<b>30,000,000</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>

### 11.4 Percentage of shareholdings at the closing date

Title	Amount (In Taka)	Percentage (%)
Sponsors	3,000,000,000	100.00%
Financial Institutions	-	0.00%
Foreign Investors	-	0.00%
Non-Resident Bangladeshi	-	0.00%
General Public	-	0.00%
<b>Total</b>	<b>3,000,000,000</b>	<b>100.00%</b>

**11.5 Shareholding Range on the basis of shareholdings as on 31 December 2020**

Share Holding	No. of Shares	No. of Shares	Percentage (%)
10 to 500	7	7	0.000%
501 to 5,000	0	-	0%
5,001 to 10,000	0	-	0%
10,001 to 20,000	0	-	0%
20,001 to 30,000	0	-	0%
30,001 to 40,000	0	-	0%
40,001 to 50,000	0	-	0%
50,001 to 100,000	0	-	0%
100,001 to 1,000,000	1	29,999,993	100.000%
1,000,001 and more	8	<b>30,000,000</b>	<b>100%</b>

**12 RETAINED EARNINGS**

Opening Balance	336,890,297	336,890,297
Adjustment of Deferred Tax	-	-
	<b>336,890,297</b>	<b>336,890,297</b>
Net Profit for the year transferred from Profit and Loss Account	-	-
Less: Issue of Bonus Share	-	-
Less: Transferred to Statutory Reserve	-	-
	<b>336,890,297</b>	<b>336,890,297</b>
Closing Balance		

**13 CONTINGENT LIABILITIES AND COMMITMENTS**

Acceptances and endorsements	-	-
Letter of guarantees 13.10	60,530,000	60,530,000
Irrevocable letter of credits	-	-
Bills for collection	-	-

**13.1 Claims against the Company not acknowledged as debts**

Money for which the Company is contingently liable in respect of guarantee given favoring:

Directors	-	-
Government	-	-
Banks and other Financial Institution	-	-
Others	60,530,000	60,530,000
	<b>60,530,000</b>	<b>60,530,000</b>

**14 INCOME STATEMENT****Income:**

Interest/Profit, discount and similar income	36,941,260	33,933,092
Fees, commission and brokerage	667	553
Gains /(losses) arising from investment in securities	65,171,612	97,292,920
Other operating income	17,356,489	21,074,465
	<b>119,470,028</b>	<b>152,301,030</b>

		Amount in Taka	
		2020	2019
<b>Expenses:</b>			
Interest / profit paid on deposits, borrowings etc,		6,187	597
Administrative expenses		22,534,317	39,633,870
Other operating expenses		20,120,106	8,821,900
Repair & Maintenance of Banking Assets		300,299	312,450
		<b>42,960,909</b>	<b>48,768,817</b>
		<b>76,509,119</b>	<b>103,532,213</b>
<b>15 INTEREST INCOME</b>			
<b>Interest from Loans and Advances</b>			
Interest on Other Loans		19,877,687	23,497,782
		<b>19,877,687</b>	<b>23,497,782</b>
<b>Interest from Banks and Other Financial Institutions</b>			
Interest on Special Notice Deposits		1,234,588	2,908,622
Interest on FDR		15,828,985	7,526,688
		<b>17,063,573</b>	<b>10,435,310</b>
		<b>36,941,260</b>	<b>33,933,092</b>
As of reporting date, an aggregate amount of Tk. 1,245,895,742 have been transferred to "Interest Suspense Account" instead of "Interest from Loans and Advances" as this income was charged to negative equity holders account which were doubtful of recovery.			
<b>16 INTEREST PAID ON DEPOSITS AND BORROWINGS</b>			
<b>Interest paid on deposits</b>			
Interest on TBIL Depositors Account		-	-
		-	-
<b>Interest paid on borrowings</b>		6,187	597
Interest on Other Borrowings		<b>6,187</b>	<b>597</b>
		<b>6,187</b>	<b>597</b>
<b>17 INCOME FROM INVESTMENTS</b>			
<b>Profit from sale of shares-Listed company</b>		29,304,577	49,418,754
<b>Dividend income-Listed company</b>		35,867,035	47,874,166
		<b>65,171,612</b>	<b>97,292,920</b>
<b>18 COMMISSION ON</b>			
Introductory Commission		667	553
Manager to the Issue Commission		-	-
Underwriting Commission		-	-
		<b>667</b>	<b>553</b>
Foreign Currency Exchange Gain		-	-
		<b>667</b>	<b>553</b>
<b>19 OTHER OPERATING INCOME</b>			
Documentation Charges		18,700	35,550
Account Maintenance Fee		310,900	4,143,250
Port Folio Management Fees		6,429,639	7,691,998
Port Folio Transaction Fees		8,102,362	5,215,023
Other Service Charges		2,494,888	3,348,960
Miscellaneous Earnings		-	639,684
		<b>17,356,489</b>	<b>21,074,465</b>

		Amount in Taka	
		2020	2019
<b>20</b>	<b>SALARIES AND ALLOWANCES</b>		
	Basic Salary	8,327,300	9,323,292
	House Rent Allowances	4,163,650	4,661,646
	Conveyance Allowances	557,630	631,185
	Medical Allowances	1,672,890	1,893,556
	Leave Fare Assistances	557,630	631,185
	Special Allowance	69,228	-
	Festival Bonus	1,524,160	1,743,720
	Incentive Bonus	-	386,490
	Employer's Contribution to Provident Fund	832,730	932,482
	Employer's Contribution to Employees' Gratuity Fund	847,800	1,014,554
		<b>18,553,018</b>	<b>21,218,110</b>
<b>21</b>	<b>RENT, TAXES, INSURANCE, ELECTRICITY, etc.</b>		
	Rent with car parking*	-	12,718,950
	Electricity and Air Condition	1,093,810	1,154,321
	Insurance	16,477	33,067
	Rates, Taxes & Excise Duty	225,500	211,500
	Fees & Renewals	194,273	159,523
	Gas/Water Bill, Fuel bill	206,358	268,965
		<b>1,736,418</b>	<b>14,546,326</b>
<p>*While implementing IFRS 16 (Leases), the bank recorded 'Interest on Lease liabilities, Vat Expense (on Rent) (Note 26) and 'Dreciation on Right Of Use Assets' (Note 06) instead of charging 'Rent Expense' of BDT 12,000,488 (Taka Twelve Million Four Hundred Eighty Eight) in 2020 against those Rental premises that have been treated as lease assets named as Right of Use Assets (ROU) and shown in the Balance Sheet.</p>			
<b>22</b>	<b>POSTAGE, STAMPS, TELECOMMUNICATION, etc.</b>		
	Stamp	10,100	2,131
	Online Expenses	221,347	169,804
	Courier Charge	6,986	13,952
	Telegram, Telex, Telephone set, Mobile bill etc.	114,226	153,469
		<b>352,659</b>	<b>339,356</b>
<b>23</b>	<b>STATIONERY, PRINTING, ADVERTISEMENT, etc.</b>		
	Printing and Stationery	141,372	249,537
	Publicity and Advertisement	42,588	2,542
		<b>183,960</b>	<b>252,079</b>
<b>24</b>	<b>DIRECTORS' FEES</b>		
	Meeting fees @ Taka 3,000 per Director	72,000	78,000
		<b>72,000</b>	<b>78,000</b>
<b>25</b>	<b>DEPRECIATION AND REPAIR OF BANK'S ASSETS</b>		
	<b>Depreciation</b>		
	Fixed assets	10,383,092	1,179,711
	For details please refer to Annexure - A		

		Amount in Taka	
		2020	2019
<b>Repairs</b>			
Furniture and fixtures		24,800	21,250
Office equipment, computer accessories, repelelec light mate		86,499	102,200
Maintenance-software		189,000	189,000
		<b>300,299</b>	<b>312,450</b>
		<b>10,683,391</b>	<b>1,492,161</b>
<b>26 OTHER EXPENSES</b>			
Travelling Expense-Local		4,920	18,120
Training Expense		14,500	5,000
Utility & Service Charge		498,616	537,444
Conveyance		92,698	77,783
Entertainment		174,225	198,946
Bank Charges		21,516	30,893
Car Expenses		365,171	547,747
News Paper and Magazine		14,206	26,793
Books and Periodicals		-	1,520
Other Contractual Service		4,948,283	5,133,075
Upkeep of Office Premises		341,014	367,152
Washing Charges		5,130	12,280
CDBL Charge		778,156	578,726
Purchase of Utensils		2,430	5,710
Wages paid to Temporary Employees		1,200	1,000
Subscription & Membership Fees		160,000	100,000
Loss on Sale/Transfer of Property/Assets		40,946	-
VAT Expense (on Rent)		1,565,281	-
Interest On Lease		708,722	-
		<b>9,737,014</b>	<b>7,642,189</b>
<b>27 PROVISION FOR LOANS AND ADVANCES</b>			
Specific Provisions-against classified loans & advances		-	-
General Provisions-against un-classified loans & advances		62,034,060	23,400,000
General Provisions-against special mentioned accounts		-	-
		<b>62,034,060</b>	<b>23,400,000</b>
<b>28 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:</b>			
Decline in value of investment should consist of the following divisions:			
(a) Dealing securities			
- Quoted		-	-
- Unquoted		-	-
(b) Investment securities			
- Quoted		-	62,742,073
- Unquoted		-	-
		-	<b>62,742,073</b>
		-	<b>62,742,073</b>

Amount in Taka	
2020	2019

No Provision has been kept during the period as per circular no BSEC/Surveillance/Spokesperson (5th part)/2019/196 dated July 16, 2020.

## 29 OTHER PROVISION

General Provision for Off Balance Sheet Exposures  
Provision for Other Assets

-	-
-	-
-	-

## 30 EARNING PER SHARE (EPS)

Profit attributable to outstanding ordinary share holders

-	-
---	---

Share Outstanding before right issue  
Share Outstanding as on 01 January  
Issue of Bonus Share

-	-
30,000,000	30,000,000
-	-
<b>30,000,000</b>	<b>30,000,000</b>

Earning per Share

-	-
---	---

The company maintain provision for investment and Provision for loan & advances out of current year profit against unrealised loss as per BSEC circular BSEC/SRI/MB/Policy-5/2020/132 dated 30 January 2020. As a result the company does not have any earning per share for the current year.

## 31 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES

Documentation Charge  
Account Maintenance Fee  
Portfolio Management Fees  
Portfolio Transaction Fees  
Other Service Charge  
Income from Investment  
Miscellaneous Earnings

18,700	35,550
310,900	4,143,250
6,429,639	7,691,998
8,102,362	5,215,023
2,494,888	3,348,960
65,171,612	97,292,920
-	639,684
<b>82,528,101</b>	<b>118,367,385</b>

## 32 PAYMENTS FOR OTHER OPERATING ACTIVITIES (ITEM-WISE)

Travelling Expense  
Training Expense  
Utility & Service Charge  
Conveyance  
Entertainment  
Bank charges  
Car Expenses  
News Paper and Periodicals  
Books and Periodicals  
Other Contractual Service  
Up Keep of Office Premises  
Washing Charges  
CDBL Charge  
Purchase of Utensils  
Wages paid to Temporary Employees

(4,920)	(18,120)
(14,500)	(5,000)
(498,616)	(537,444)
(92,698)	(77,783)
(174,225)	(198,946)
(21,516)	(30,893)
(365,171)	(547,747)
(14,206)	(26,793)
-	(1,520)
(4,948,283)	(5,133,075)
(341,014)	(367,152)
(5,130)	(12,280)
(778,156)	(578,726)
(2,430)	(5,710)
(1,200)	(1,000)

		Amount in Taka	
		2020	2019
	Miscellaneous Expenses	-	-
	Publicity and Advertisement	(42,588)	(2,542)
	Rent, Taxes, Insurance, Lighting etc.	(1,736,418)	(14,546,326)
	Postage, Telegram, Telephone	(352,659)	(339,356)
	Audit Fee	(172,500)	(115,000)
	Legal Expense	(97,712)	(546,779)
	Directors Fees	(72,000)	(78,000)
	Repair & Maintenance of Banking Assets	(300,299)	(312,450)
	Subscription & Membership Fees	(160,000)	(100,000)
	Loss on Sale/Transfer of Property/Assets	(40,946)	-
	Vat Expense	(1,565,281)	
	Interest On Lease	(708,722)	
		<b>(12,511,190)</b>	<b>(23,582,642)</b>
<b>33</b>	<b>CHANGES IN OTHER OPERATING ASSETS</b>		
	Advance Rent	2,918,741	4,618,971
	Others (Deferred Tax Assets, Brokers a/c, Sundry Debtors)	(12,947,769)	(8,851,340)
		<b>(10,029,028)</b>	<b>(4,232,369)</b>
<b>34</b>	<b>CHANGES IN OTHER LIABILITIES</b>		
	Interest Suspense Account	120,118,993	140,626,179
	Sundry Creditors	-	(172,000)
	Accrued Expense	314,781	(662,949)
	Others (Note- 10)	7,415,250	9,967,676
		<b>127,849,024</b>	<b>149,758,906</b>
<b>35</b>	<b>CLOSING CASH AND CASH EQUIVALENT</b>		
	Balance with Other Bank and Financial Institutions	293,489,255	243,699,562
		<b>293,489,255</b>	<b>243,699,562</b>
<b>36</b>	<b>EXPENDITURE INCURRED FOR EMPLOYEES</b>		
	Salaries, allowances and benefits		

Number of employees at 31 December 2020 was 16; (31 December 2019 was 17) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.

### 37 AUDIT COMMITTEE

Since the Company started its operation on 14 November 2010, the Board of Directors of the Company yet to form any Audit Committee as on reporting date.

### 38 FINANCIAL HIGHLIGHTS

"As per DFIM Circular # 11, dated 23 December 2009, Financial Highlights of the Company for the year ended on" 31 December 2020 has been shown in Annexure - B.



## 39 RELATED PARTY DISCLOSURES

a) Name of Directors and their interest in different Entities as on 31 December 2020

Sl.	Name	Status	Entities where they have interest	% of interest
1	Gen Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, PhD	Chairman (Representing Trust Bank Limited.)	1 Sena Kalyan Sangstha, Chairman	Nominated
			2 Sena Hotel Developments Ltd., Chairman	Nominated
			3 Bangladesh Machine Tools Factory Ltd., Chairman	Nominated
			4 Army Welfare Trust, Chairman	Nominated
			5 Trust Bank Limited, Chairman	Nominated
			6 Military Institute of Science & Technology, Vice Chairman	Nominated
			7 Council of the College, Armed Forces Medical College, Chairman	Nominated
			8 Sena Paribar Kalyan Samiti, Chief Patron	Nominated
			9 Advisory Committee of Proyash, President	Nominated
			10 National Defence College & Defence Services Command and Staff College Governing Body, Vice Chairman	Nominated
			11 Bangladesh Golf Federation, President	Nominated
			12 Kurmitola Golf Club, President	Nominated
			13 Defence Officers Housing Scheme Committee, Chairman	Nominated
			14 BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Chairman	Nominated
			15 Bangladesh Diesel Plant Ltd., Chairman	Nominated
			16 Jolshiri Abashon Project, President	Nominated
			17 Bangladesh Olympic Association, President	Nominated
			18 Bangladesh Amateur Boxing Federation, President	Nominated
2	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Vice Chairman (Shareholder as well as Director nominated by Trust Bank Ltd.)	1 Sena Kalyan Sangstha, Chairman, Management Committee	Nominated
			2 Sena Hotel Developments Ltd., Vice Chairman	Nominated
			3 Army Welfare Trust, Vice Chairman	Nominated
			4 Army Housing Scheme, Chairman	Nominated
			5 Trust Bank Limited, Vice Chairman	Nominated
			6 Trust Technical Training Institute, Chairman	Nominated
			7 Governing Bodies of Cadet Colleges, Chairman	Nominated
			8 Trust Bank Securities Limited, Chairman, Board of Directors	Nominated
3	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Shareholder as well as Director (Nominated by Trust Bank Ltd.)	1 Army Welfare Trust, Managing Director	Nominated
			2 Sena Hotel Developments Limited, Director	Nominated
			3 Trust Technical Training Institute, Director	Nominated
			4 Army Housing Scheme, Managing Director	Nominated
			5 Trust Transport Services, Chairman	Nominated
			6 Trust Bank Securities Limited, Vice Chairman	Nominated
			7 Trust Bank Limited, Director	Nominated
4	Mr. Shahedul Islam	Shareholder as well as Director (Nominated by Trust Bank Ltd.)	1 Bengal Pacific (Pvt.) Ltd., Managing Director	--
			2 Bengal Braided Rugs Limited, Managing Director	35.55%
			3 Promises Medical Limited, Chairman	47.50%
			4 Desh General Insurance Company Limited, Independent Director	11.00%
5	Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	Shareholder as well as Director (Nominated by Trust Bank Ltd.)	1 Trust Bank Securities Limited, Director	Nominated
			2 Trust Bank Limited, Senior Executive Vice President	Service
6	Mr. Faruq Mainuddin Ahmed	Shareholder as well as Director (Nominated by Trust Bank Ltd.)	1 Trust Bank Limited, Managing Director & CEO	Service
			2 Trust Bank Securities Limited, Director	Nominated
7	Mr. Mohammad Shahadat Hossain	Shareholder as well as Managing Director & CEO	1 Service	FAVP

- |  |                |
|--|----------------|
| b) Significant contracts where Company is a party and wherein Directors have interest:   | Nil            |
| c) Shares issued to Directors and Executives without consideration or exercisable at discount:   | Nil            |
| d) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act - 1991: | Not applicable |
| e) Investments in the Securities of Directors and their related concern:   | Not applicable |

## Schedule of Fixed Assets

As at 31 December 2020

PARTICULARS	COST				Rate of Depreciation	DEPRECIATION				Written down value 31 December 2020
	Balance on 1 January 2020	Additions during the year	Disposal/ adjustment during the year	Balance at 31 December 2020		Balance on 1 January 2020	Charge for the year	Disposal/ adjustment during the year	Balance at 31 December 2020	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Furniture and Fixtures	2,160,863	-	356,167	1,804,696	10%	1,317,257	76,872	226,343	1,167,786	636,910
Office Equipment	8,596,894	87,360	-	8,684,254	20%	7,990,266	356,378	-	8,346,644	337,610
Office Renovation	12,555,945	-	-	12,555,945	12%	8,201,288	522,558	-	8,723,846	3,832,099
Right Of Use Assets(ROU)	14,174,558			14,174,558		-	9,427,284	-	9,427,284	4,747,274
31 December 2020	37,488,260	87,360	356,167	37,219,453		17,508,811	10,383,092	226,343	27,665,560	9,553,893
31 December 2019	23,317,212	45,180	48,690	23,313,702		16,357,708	1,179,711	28,608	17,508,811	5,804,891

## Trust Bank Investment Limited

### Financial Highlights

SI No	Particulars	Base	2020	2019
1	Paid up Capital	BDT	3,000,000,000	3,000,000,000
2	Total Capital	BDT	3,336,890,297	3,336,890,297
3	Total Assets	BDT	5,026,531,043	4,782,539,467
4	Total Deposits	BDT	86,843,950	47,035,990
5	Total Loans and Advances	BDT	2,167,232,695	2,068,876,546
6	Credit Deposit Ratio	%	2,495.55	4,398.50
7	Profit after tax and provision	BDT	-	-
8	Provisions kept against classified loan	BDT	-	-
9	Cost of fund (Deposit Cost & Administrative Cost)	%	-	-
10	Interest earning Assets	BDT	4,963,146,170	4,732,785,915
11	Non-interest earning Assets	BDT	63,384,873	49,753,552
12	Return on Investment (ROI)	%	-	-
13	Return on Asset (ROA)	%	-	-
14	Income from Investment	BDT	65,171,612	97,292,920
15	Earning per Share	BDT	-	-
16	Net income per Share	BDT	-	-
17	Price Earning Ratio	%	-	-
18	Operating Profit	BDT	76,509,119	103,532,213
19	Pre tax Profit	BDT	76,509,119	103,532,213
20	Post Tax Profit	BDT	62,034,060	86,142,073
21	CSR	BDT	-	-
22	Net Asset Value (NAV)	BDT	3,336,890,297	3,336,890,297
23	NAV Per Share	BDT	111.23	111.23

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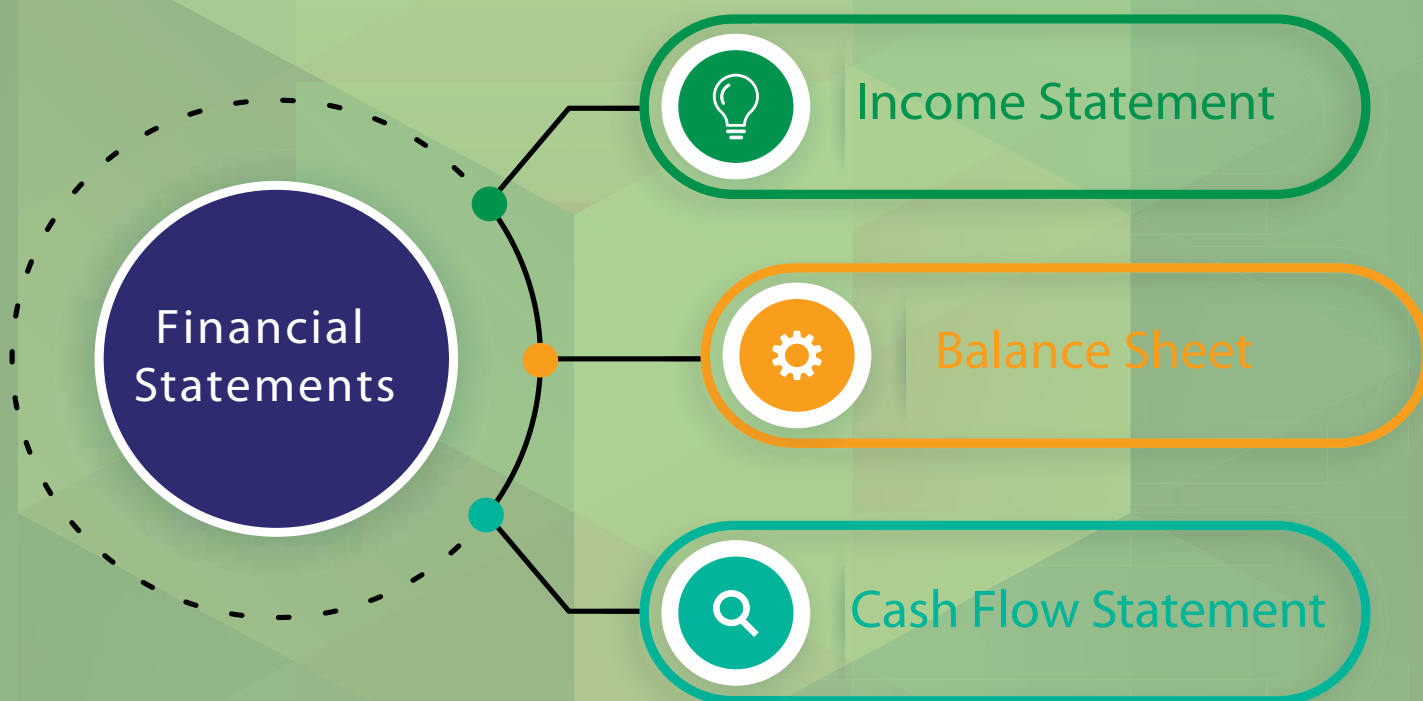
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# FINANCIAL STATEMENTS of Trust Bank Securities Limited

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# Independent Auditor's Report

## To the Shareholders of Trust Bank Securities Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Trust Bank Securities Limited which comprise the Statement of Financial Position as at 31 December 2020 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements of the company give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 1 to 27.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Please refer to Annexure 1 for Key Audit Matters (KAM) Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 1 to 27, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

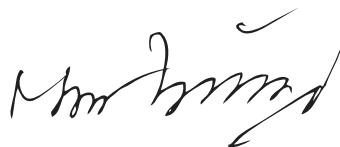
### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditures incurred were for the purpose of the Company's business for the year;
- v) the financial statements of the Company have been drawn up in conformity with the Financial

Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

- vi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- vii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- Viii) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 252 person hours for the audit of the books and accounts of the Company;
- ix) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.



**Md. Iqbal Chowdhury** FCA  
Enrollment Number : 272  
Managing Partner  
M I Chowdhury & Co.  
Chartered Accountants  
DVC : 2106150272AS533236

Place : Dhaka, Bangladesh

Date : 15 June, 2021

## Annexure 1

### Key Audit Matters (KAM)

Key Audit Matters (KAM)	Our Response to the Risk
i. Revaluation of PPE	
The company (TBSL) did not revalue their any class of Property Plant Equipment (PPE) for previous years. We found in class of Office Equipment some items are being carrying at Tk. 0 (zero) value for the year 2020,2019 and 2018.	As per IFRS, the company should revalue their all class of PPE at least once within two years. Assets carrying in 0 (zero) value may have overlooked in case of physically inventory and determining audit materiality and risk assessment. There would be lack of control and chance of misappropriation of the assets that are being carrying at 0 (zero) value.
See note 02 to the financials and Annexure-A.	
ii. Membership of DSE	
The Company reports Membership of DSE at cost BDT 241,290,000/	This represents total cost and other expenses of 1 nos. membership of DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange (DSE) allotted total 72,15,106 nos. ordinary Shares at face value of Tk.10.00 each against the membership of DSE and out of the above DSE transferred 2,886,042 nos. shares directly to the credit of the Beneficiary Owner's account of the company. The rest of the shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013.  But in 2018 Share Purchase Agreement(SPA) executed between Dhaka Stock Exchange and its strategic investor namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange(SSE). In this connection DSE completed the sale of 25% DSE shares to SZSE & SSE. Subsequently the Board of Directors of DSE in its 907th meeting held on September 04, 2018 approved the transfer of said 25% DSE Shares. The Calculation of sale proceeds of 25% is follows: Total no. of Shares 72,15,106 and Sale 25% of 72,15,106 is 18,03,777. After Sales Process the rest shares stand 54,11,329.
See note 03 to the financials	
iii. Measurement of deferred tax assets	
The Company reports net deferred tax assets to totaling BDT 100,028 as at 31 December 2020. Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumption used in estimating the Company's future taxable income.  We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax
See note 1.15 and 04 to the financials	

# TRUST BANK SECURITIES LIMITED

## Statement of Financial Position

as at 31st December 2020

	Notes	2020 Amount in BDT	2019 Amount in BDT
<b>ASSETS</b>			
<b>Non-Current Assets:</b>		<b>242,617,249</b>	<b>242,797,609</b>
Property, plant & equipment (carrying value)	2	1,227,221	1,448,217
Membership of DSE at Cost	3	241,290,000	241,290,000
Deferred Tax Assets	4	100,028	59,392
<b>Current Assets:</b>		<b>987,119,259</b>	<b>135,149,918</b>
Advances, Deposits and Prepayments	5	206,000	205,000
Trade and Other Receivables	6	-	-
Receivables from Dhaka Stock Exchange	7	-	-
Other Current Assets	8	6,872,293	7,575,182
Investment in Marketable Securities (at cost) :	9	56,924,284	44,778,968
Short Term Investment	10	22,500,000	27,500,000
Cash & Cash Equivalents	11	900,616,682	55,090,768
<b>TOTAL ASSETS</b>		<b>1,229,736,508</b>	<b>377,947,527</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity:</b>		<b>369,616,563</b>	<b>352,165,583</b>
Ordinary Share Capital	12	350,000,000	350,000,000
Retained Earnings		19,897,990	2,165,583
Fair Valuation Surplus/ (Deficit) of Investment		(281,427)	-
<b>Current Liabilities:</b>		<b>860,119,945</b>	<b>25,781,944</b>
Trade and Other Payables	13	846,938,977	17,080,145
Payables to Dhaka Stock Exchange	14	1,145,442	90,305
Provision for Expenses	15	1,468,819	1,465,071
Short Term Loan	16	(28)	(28)
Other Liabilities	17	10,566,735	7,146,452
<b>Total liabilities</b>		<b>860,119,945</b>	<b>25,781,944</b>
<b>Total equity and liabilities:</b>		<b>1,229,736,508</b>	<b>377,947,527</b>

\* Figures have been rounded off to the nearest taka.

\* The annexed notes 2 to 27 form an integral part of these Financial Statements.

  
Vice Chairman

  
Director

As per our annexed report of same date.

  
Managing Director  
Dhaka: 14 June, 2021

  
M I Chowdhury & Co.  
Chartered Accountants

**TRUST BANK SECURITIES LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 31st December 2020

Particulars	Notes	2020 Amount in BDT	2019 Amount in BDT
Revenue	18	31,671,563	17,907,561
Less: Cost of Services	19	1,796,483	1,563,346
<b>GROSS PROFIT</b>		<b>29,875,080</b>	<b>16,344,215</b>
Other Non -operational Income	20	8,070,421	10,057,343
Less: Operating Expenses	21	14,483,784	14,881,579
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>23,461,717</b>	<b>11,519,979</b>
Income Tax Expenses		(5,729,310)	(6,425,933)
Current Tax Expenses	22	(5,769,946)	(6,325,831)
Deferred Tax (Income)/Expense		40,636	(100,102)
<b>NET PROFIT/ (LOSS) AFTER TAX FOR THE YEAR</b>		<b>17,732,407</b>	<b>5,094,046</b>
		(281,427.00)	-
<b>Other Comprehensive Income</b>		(281,427.00)	-
Fair valuation surplus/ (Deficit) of Investment		-	-
Other Provision		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>17,450,980</b>	<b>5,094,046</b>

\* Figures have been rounded off to the nearest taka.  
\* The annexed notes 2 to 27 form an integral part of these Financial Statements.

  
Vice Chairman

  
Director

As per our annexed report of same date.

  
Managing Director  
Dhaka: 14 June, 2021

  
M I Chowdhury & Co.  
Chartered Accountants

## TRUST BANK SECURITIES LIMITED

### Statement of Changes in Equity

for the year ended 31st December 2020

Particulars	Share Capital	Fair valuation surplus/ deficit of investment	Retained Earning	Total
Balance at 01 January 2020	350,000,000	-	2,165,583	352,165,583
Total Comprehensive Income 2020	-	-	17,732,407	17,732,407
Gain/ (Loss) on fair valuation of income	-	(281,427)	-	(281,427)
<b>Balance at 31 December 2020</b>	<b>350,000,000</b>	<b>(281,427)</b>	<b>19,897,990</b>	<b>369,616,563</b>

## TRUST BANK SECURITIES LIMITED

### Statement of Changes in Equity

for the year ended 31st December 2019

Particulars	Share Capital	Fair valuation surplus/ deficit of investment	Retained Earning	Total
Balance at 01 January 2019	350,000,000	-	(2,928,463)	347,071,537
Total Comprehensive Income 2019	-	-	5,094,046	5,094,046
Gain/ (Loss) on fair valuation of income	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>350,000,000</b>	<b>-</b>	<b>2,165,583</b>	<b>352,165,583</b>

  
Vice Chairman

  
Managing Director

  
Director

  
**M I Chowdhury & Co.**  
Chartered Accountants

# Trust Bank Securities Limited

## Statement of Cash Flows

For the year ended 31st December, 2020

	Notes	Amount in BDT 2020	Amount in BDT 2019
<b>A) Cash Flows from Operating Activities</b>			
Cash Generated from Operations before changes in operating Assets and Liabilities		<b>15,322,693</b>	<b>3,878,220</b>
Income Taxes paid		(6,454,483)	(5,587,336)
Dividend receipts		3,131,080	3,474,399
Received from operating activities	23	34,385,580	21,859,538
Payments of operating activities	24	(15,739,484)	(15,868,381)
 Increase/(Decrease) in Operating Assets & Liabilities		<b>823,041,115</b>	<b>(28,985,230)</b>
Others assets	25	(10,727,926)	30,294,919
Other liabilities	26	833,769,041	(59,280,149)
 <b>Net Cash Generated from Operating Activities (A)</b>		<b>838,363,808</b>	<b>(25,107,010)</b>
 <b>B) Cash Flows from Investing Activities</b>			
Purchase of property, plant & equipment		<b>7,162,106</b>	<b>1,757,810</b>
Short Term Investment		(63,218)	(873,157)
Received from FDR	27	5,000,000	-
		2,225,324	2,630,967
 <b>Net Cash from/ (used in) Investing Activities (B)</b>		<b>7,162,106</b>	<b>1,757,810</b>
 <b>C) Cash Flows from Financing Activities</b>			
Proceeds from loan		-	-
<b>Net Cash from Financing Activities (C)</b>		-	-
 <b>D) Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>845,525,914</b>	<b>(23,349,200)</b>
<b>E) Opening Cash and Cash Equivalent</b>		55,090,768	78,439,968
<b>F) Cash and Cash Equivalents at end of year (D+E)</b>		900,616,682	55,090,768

  
Vice Chairman

  
Director

  
Managing Director



# TRUST BANK SECURITIES LIMITED

## Notes to the Financial Statements

For the year ended 31st December 2020

### 1.0 COMPANY AND ITS ACTIVITIES

#### 1.1 Legal Status of the Company

Trust Bank Securities Limited (hereinafter referred to as “the Company”) was incorporated on 7th February 2013 as a Private Limited Company bearing registration no. C-107267/13 under the Companies Act, 1994. The registered office of the company is located at Shadhinata Tower, Level-1, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka 1206. The Company has an authorized share capital of Tk. 2,000,000,000 (Two hundred crore Taka) only divided into 200,000,000 ordinary shares of Tk. 10/- each and a paid up capital of Tk. 350,000,000 only divided into 35,000,000 ordinary shares of TK. 10/- each.

#### 1.2 Principal Activities of the Company

The principal activities of the company are to act as a member of Dhaka Stock Exchanges Ltd. to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, The company has one branches in Bangladesh namely Dhaka, Dilkusha Branch,

#### 1.3 Basis of Preparation and Significant Accounting Policies

Components of the financial statements:

The financial statements referred to comprise here:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements.

#### 1.4 Basis of Preparation of the Financial Statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994 and other laws and rules applicable in Bangladesh.

#### 1.5 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the Listing Rules of Dhaka and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as International Financial Reporting Standards (IFRS's) including International Accounting Standards (IASs) and other applicable laws and regulations.

#### 1.6 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis, except Investment for Membership in Dhaka Stock Exchange and which have been re-measured at fair value. No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

### 1.7 Date of Authorization

The Board of Directors accorded its approval and authorized these financial statements on 19 May, 2021.

### 1.8 Presentation and Functional Currency and Level of Precision

The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

### 1.9 Uses of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provision and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- The Company has a legal or constructive obligation as a result of past event.
- It is probable that an outflow of economic benefit will be required to settle the obligation.
- A reliable estimate can be made for the amount of the obligation.

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

### 1.10 Going Concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

### 1.11 Materiality and Aggregation

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

### 1.12 Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets except office equipment, Furniture (Res.) and motor vehicle where straight-line method is applied. Depreciation rates have mentioned below:

Building	2.50%
Furniture & Fixture - Office	10.00%
Furniture & Fixture -Residence	20.00%
Office Equipment	20.00%
Decoration & Renovation	12.00%
Motor Vehicles	20.00%

### 1.13 Investments in Securities

Investment in quoted shares and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at market price at the reporting date. Unrealized gain and loss has been recognized in Other Comprehensive Income.

### 1.14 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial institutions and short term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the International Accounting Standard (IAS) 7, "Cash flow statement" under direct method.

### 1.15 Provision for Tax

Current tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred Tax

Deferred Tax is calculated as per International Accounting Standard (IAS) 12 "Income Tax". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

### 1.16 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the International Accounting Standard (IAS) 18 "Revenue Recognition"

Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

Interest Income from margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis.

Dividend income and profit/(loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when share are sold in the market and profit is realized or loss is incurred.

### 1.17 Related Party Disclosure

As per International Accounting Standard (IAS) - 24 "Related Party disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. (Details shown in ANNEXURE-B)

### 1.18 Application of International Accounting Standards (IASs)

The Financial Statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs are applicable for the financial statements for the period under review:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyper-inflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	N/A
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Financial Instruments: Disclosures	IFRS-7	Applied
Financial Instruments	IFRS-9	Applied

### 1.19 Comparative

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

### 1.20 Reporting Period

The financial period of the company covers the fiscal year from 01 January 2020 to 31 December 2020.

### 1.21 Director's Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

	2020 Amount in BDT	2019 Amount in BDT
<b>02. PROPERTY, PLANT AND EQUIPMENT: Tk. 1,227,221</b>		
Details of Property, Plant and Equipment and Depreciation as at 31 December, 2020 are shown in the Annexure -A. This is arrived at as follows:		
Opening balance (At cost)	4,605,709	3,732,552
Add: Adjustment for revaluation/ Surplus	-	-
Add: Addition during the year	63,218	873,157
Less: Disposal/adjustment during the year	-	-
Closing Balance (At cost)	<b>4,668,927</b>	<b>4,605,709</b>
<b>Accumulated depreciation :</b>		
Year end Accumulated balance	3,157,492	2,808,032
Add: Charged during the year	284,214	349,460
	<b>3,441,706</b>	<b>3,157,492</b>
<b>Carrying Value</b>	<b>1,227,221</b>	<b>1,448,217</b>
<b>03. MEMBERSHIP OF DSE AT COST: Tk. 241,290,000</b>		
Shares in DSE	241,290,000	241,290,000
	<b>241,290,000</b>	<b>241,290,000</b>

This represents total cost and other expenses of 1 nos membership of DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange (DSE) allotted total 72,15,106 nos ordinary Shares at face value of Tk.10.00 each against the membership of DSE and out of the above DSE transferred 2,886,042 nos shares directly to the credit of the Beneficiary Owner's account of the company. The rest of the shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. But in 2018 Share Purchase Agreement(SPA) executed between Dhaka Stock Exchange and its strategic investor namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange(SSE). In this connection DSE completed the sale of 25% DSE shares to SZSE & SSE. Subsequently the Board of Directors of DSE in its 907th meeting held on September 04, 2018 approved the transfer of said 25% DSE Shares . The Calculation of sale proceeds of 25% is follows : Total no. of Shares 72,15,106 and Sale 25% of 72,15,106 is 18,03,777. After Sales Process the rest shares stand 54,11,329.

**04. DEFERRED TAX ASSETS: Tk. (100,028)**

The tax effect of temporary differences as per IAS 12 that resulted in deferred tax assets or liabilities:

<b>Carrying Amount as on balance sheet date (Note 2 )</b>	1,227,221	1,448,217
Less: Tax base as on balance sheet date	1,513,014	1,617,909
Deductible temporary difference	<b>(285,793)</b>	<b>(169,692)</b>
Deferred tax assets ( 35% on taxable temporary deference)	(100,028)	(59,392)
Deferred tax assets ( 10% on diminution in value of Investment )	-	-
Deferred tax Assets	<b>(100,028)</b>	<b>(59,392)</b>

	2020 Amount in BDT	2019 Amount in BDT
<b>05. ADVANCES, DEPOSITS &amp; PREPAYMENTS: Tk. 206,000</b>		
Pre-Paid Exp.	-	-
Application for IPO	-	-
<b>Total</b>	-	-
<b>Deposits</b>		
Refundable security deposit-Mohakhali Branch Rent	-	-
Refundable security deposit-CDBL	200,000	200,000
Refundable security deposit & BTCL	6,000	5,000
<b>Total</b>	<b>206,000</b>	<b>205,000</b>
	<b>206,000</b>	<b>205,000</b>
<b>06. TRADE &amp; OTHERS RECEIVABLE: Tk. 00</b>		
Receivable from clients (balance as at 31 December, 2018)	-	-
	-	-
<b>07. RECEIVABLES FROM DSE: Tk. 00</b>		
Receivables from DSE	-	-
	-	-
<b>08. OTHER CURRENT ASSETS: Tk.6,872,293</b>		
Advance Income Tax	4,788,164	4,072,663
Interest Receivable on FDR	-	-
Dividend receivable	2,084,129	3,502,519
	<b>6,872,293</b>	<b>7,575,182</b>
<b>09. INVESTMENT IN MARKETABLE SECURITIES (at cost): Tk. 56,924,284</b>		
Opening balance	44,778,968	15,604,108
Add: Addition during the year		
IPO 3,985,830.00		
Secondary Market 75,942,997.00	79,928,827	43,803,685
Stock Available for Sale (at cost)	124,707,795	59,407,793
Less: Sales during the year (at cost)		
Sales at market price 80,756,379.00		
Realized Gain/(Loos) 12,855,344.00		
Commission (Laga & Tax) 117,524.00	67,783,511	14,628,825
Closing Balance	<b>56,924,284</b>	<b>44,778,968</b>
<b>10. SHORT TERM INVESTMENT: Tk. 22,500,000</b>		
FDR with Delta Housing Finance Corporation Ltd.	22,500,000	27,500,000
	<b>22,500,000</b>	<b>27,500,000</b>
<b>11. CASH &amp; CASH EQUIVALENTS: Tk. 900,616,682</b>		
Cash at Other Institution	-	-
Cash at bank 11.1	900,616,682	55,090,768
	<b>900,616,682</b>	<b>55,090,768</b>

	2020 Amount in BDT	2019 Amount in BDT
<b>11.1 CASH AT BANK: Tk. 900,616,682</b>		
Trust Bank Limited. Corporate, A/C-00170210011174	723,007	378,270
Pubali Bank Limited. CCA, A/C-2982102000367	190,630	2,422
Trust Bank Limited. CCA, A/C-00170320001306	809,048,476	5,377,163
Trust Bank Limited, IPO, A/C-00410320000343	1,844,626	314,327
One Bank Limited . Dealer, A/C-001300000707	36,368,396	34,411,106
Standard Chartered Bank, CCA, A/C-01-1184109-01	-	-
One Bank Limited, CCA, A/C-0013000001732	52,441,547	14,607,480
	<b>900,616,682</b>	<b>55,090,768</b>
<b>12. ORDINARY SHARE CAPITAL: Tk. 350,000,000</b>		
Authorized share capital: 200,000,000 shares of Taka 10 each	2,000,000,000	2,000,000,000
Issued, subscribed and paid up capital : 35,000,000 ordinary shares of Tk. 10 each	<b>350,000,000</b>	<b>350,000,000</b>
<b>13. TRADE &amp; OTHER PAYABLES: Tk. 846,938,977</b>		
Clients Payable	846,974,186	17,945,405
Clients Receiveable	(35,209.00)	(865,260)
	<b>846,938,977</b>	<b>17,080,145</b>
<b>14. PAYABLES TO DHAKA STOCK EXCHANGE: Tk. 1,145,442</b>		
Payable to DSE Broker	92,653	574,860
Payable/Receivable to DSE Dealer	1,052,789	(484,555)
	<b>1,145,442</b>	<b>90,305</b>
<b>15. PROVISION FOR EXPENSES: Tk. 1,468,819</b>		
Provision for audit fees	57,500	57,500
Provision for others	1,318,929	1,146,037
Provision for CDBL Charges	92,390	34,450
Provision for Incentive Bonus	-	227,084
	<b>1,468,819</b>	<b>1,465,071</b>
<b>16. SHORT TERM LOAN: Tk. (28)</b>		
TBSL OD A/C No.-00170136000120	(28)	(28)
Loan from DBH Deposit No.-710008218	-	-
Loan from DBH Deposit No.-7100021760	-	-
	<b>(28)</b>	<b>(28)</b>
<b>17. OTHER LIABILITIES: Tk. 10,566,735</b>		
TDS Payable	32,957	53,835
VAT Payable	15,309	18,489
Provident Fund contribution (Both)	368,818	329,308
Hospitalization Benefit Fund	46,000	7,600
Hospitalization Benefit Fund (Spouse)	13,200	-
Gratuity Fund	384,106	453,064
IPO Application	3,119,800	10,000
Other Provision	6,586,545	6,274,156
	<b>10,566,735</b>	<b>7,146,452</b>



		2020 Amount in BDT	2019 Amount in BDT
<b>17.01 OTHER PROVISION: Tk. 6,586,545</b>			
Other Liabilities to TBL		0.97	-
Provision for Income Tax		6,305,118	6,274,156
Provision for Investment		281,426	-
		<b>6,586,545</b>	<b>6,274,156</b>
<b>18. REVENUE: Tk. 31,671,563</b>			
Brokerage Commission (DSE)		18,715,256	15,538,032
Realized Gain/(Loss) on Share		12,835,997	2,283,339
BO Account Opening		43,500	21,450
BO Renewal Income		67,350	60,350
IPO-Commission		9,460	4,390
		<b>31,671,563</b>	<b>17,907,561</b>
<b>19. COST OF SERVICE: Tk. 1,796,483</b>			
Laga Charge		1,685,803	1,353,763
CDBL Charge		110,680	209,583
		<b>1,796,483</b>	<b>1,563,346</b>
<b>20. OTHER NON-OPERATIONAL INCOME: Tk. 8,070,421</b>			
Interest on Margin Loan		-	-
Interest From Bank		2,709,517	3,950,977
Interest from FDR		2,225,324	2,630,967
Cheque Dishonour		4,500	1,000
Dividend Income from Other		1,507,740	768,735
Dividend Income		1,623,340	2,705,664
		<b>8,070,421</b>	<b>10,057,343</b>
<b>21. OPERATING EXPENCES : Tk. 14,483,784</b>			
Salaries And Allowance	21.10	10,200,183	9,603,004
Rent, Taxes, Insurance, Electricity	21.20	1,570,311	2,072,966
Legal Expenses	21.30	17,778	111,135
Postage, Stamps Telecommunications	21.40	322,870	388,671
Stationary,Printing, Advertisement	21.50	90,395	178,688
Board Meeting Attendance Fees	21.60	66,000	78,000
Auditor's Fees	21.70	86,250	57,500
Deprciation, Amortization And Repair & Maintenance	21.80	446,689	505,522
Oter Expenses	21.90	1,683,308	1,886,093
		<b>14,483,784</b>	<b>14,881,579</b>
<b>21.1 SALARIES AND ALLOWANCE: Tk. 10,200,183</b>			
Basic Salary		4,202,597	3,848,314
House Rent Allowance		2,101,298	1,939,683
Conveyance Allowance		270,336	255,548
Medical Allowance		983,088	938,723
Leave Fare Assistance		385,056	370,268
Festival Bonus		773,016	693,541
Incentive Bonus		256,570	227,084
Leave and Cashment		-	6,147
Special Allowance		16,255	-
Hospitalization Expenses		-	102,568
Employer's Contribution to Provident Fund		420,260	374,460
Employer's Contribution to Gratuity Fund		791,707	846,668
		<b>10,200,183</b>	<b>9,603,004</b>

	2020 Amount in BDT	2019 Amount in BDT
<b>21.2. RENT, TAXES, INSURANCE, ELECTRICITY : Tk. 1,570,311</b>		
Office Rent	218,700	217,800
Service charges	426,240	426,240
Office Rent-Corporate	538,890	500,940
Office Rent-Mohakali	-	442,750
Electricity & Generator Fuel	222,000	259,100
Service Charges-Mohakhali	-	58,750
Fees, Renewal & Subscription	86,284	160,582
Renewal (Stock DLR, Broker, CDBL)	74,600	-
Insurance premium	3,597	6,804
	<b>1,570,311</b>	<b>2,072,966</b>
<b>21.3 LEGAL EXPENSES: Tk. 17,778</b>		
Legal Expenses	17,778	111,135
	<b>17,778</b>	<b>111,135</b>
<b>21.4 POSTAGE, STAMPS TELECOMMUNICATIONS : Tk. 322,870</b>		
Telephone Expenses	26,884	9,037
Mobile	18,743	24,153
Stamp Charges	2,420	660
Postage & Courier	100	100
Internet & Online Charges	274,723	354,721
	<b>322,870</b>	<b>388,671</b>
<b>21.5 STATIONARY,PRINTING, ADVERTISEMENT : Tk. 90,395</b>		
Stationery, Printing, Advertisement .	90,395	178,688
	<b>90,395</b>	<b>178,688</b>
<b>21.6 BOARD MEETING ATTENDANCE FEES: Tk. 66,000</b>		
Board Meeting Attendance Fees	66,000	78,000
	<b>66,000</b>	<b>78,000</b>
<b>21.7 AUDITOR'S FEES: Tk. 86,250</b>		
Auditor's Fees	86,250	57,500
	<b>86,250</b>	<b>57,500</b>
<b>21.8 DEPRECIATION, AMORTIZATION AND REPAIR &amp; MAINTENANCE: Tk. 446,689</b>		
Depreciation of PPE	284,214	349,460
Amortization of Intangible Assets	-	-
Repair & Maintenance	162,475	156,062
	<b>446,689</b>	<b>505,522</b>

	2020 Amount in BDT	2019 Amount in BDT
<b>21.9 OTHER EXPENSES: Tk. 1,683,308</b>		
Entertainment	60,324	69,820
Travelling Expenses	9,100	12,980
Local Conveyance	-	22,000
Other Contractual Service	749,986	923,060
Repair Maintenance(Car Allowance)	652,800	652,800
Water Bill	9,088	10,669
Paper Bill	2,920	4,250
Bidding Fees IPO	40,000	65,000
Authorized Representative	8,200	-
Bank Charges	134,251	95,544
Advertisement	25,000	4,915
Interest Expenses	-	-
TWS Set up Expenses	500	-
Biniyog Shiksha Tahobil ( Refund)	(13,890)	17,155
Investor Protection Fees	5,030	7,900
	<b>1,683,308</b>	<b>1,886,093</b>
<b>22 CURRENT TAX EXPENSES : Tk. 5,769,946</b>		
Tax for the assesment year 2019-20	5,769,946	5,738,983
Settlement for Income Tax demand for the assesment year 2016-2017	-	586,848
	<b>5,769,946</b>	<b>6,325,831</b>
<b>23. RECEIVED FROM OPERATING ACTIVITIES: TK. 34,385,580</b>		
Brokerage Commission	18,715,256	15,538,032
Interest on Margin Loan	-	-
BO Account Opening	43,500	21,450
Interest From Bank	2,709,517	3,950,977
Other Receivable	-	-
Realized Gain/(Loss)	12,835,997	2,283,339
BO Renewal Income	67,350	60,350
Chque Dishonor	4,500	1,000
IPO-Commission	9,460	4,390
	<b>34,385,580</b>	<b>21,859,538</b>
<b>24. PAYMENTS OF OPERATING ACTIVITIES:TK. (15,739,484)</b>		
Laga Charge	(1,685,803)	(1,353,763)
CDBL Charge	(110,680)	(209,583)
Salary & Allowance	(9,943,613)	(9,375,920)
Legal expenses	(17,778)	(111,135)
Rent, taxes, insurance, electricity etc.	(1,570,311)	(2,072,966)
Postage, stamps, telecommunications, etc.	(322,870)	(388,671)
Stationery, Printing, advertisement etc.	(90,395)	(178,688)
Auditors' Fees	(86,250)	(57,500)
Director's Fees	(66,000)	(78,000)
Depreciation, Amortization and repair of bank's assets	(162,475)	(156,062)
Other expenses	(1,683,309)	(1,886,093)
	<b>(15,739,484)</b>	<b>(15,868,381)</b>

	2020 Amount in BDT	2019 Amount in BDT
<b>25. CHANGES IN OTHER OPERATING ASSETS: Tk. (10,727,926)</b>		
Investment in IPO	-	3,634,635
Pre Paid Expense	-	60,372
Refund Security Deposit & BTCL	(1,000)	100,000
Receivable from DSE	-	56,283,484
Receivable from Clients	-	10,965
Dividend Income	1,418,390	(619,678)
Investment in Dealer at Cost	(12,145,316)	(29,174,859)
	<b>(10,727,926)</b>	<b>30,294,919</b>
<b>26. CHANGES IN OTHER OPERATING LIABILITIES: Tk. 833,769,041</b>		
Payables to clients	829,858,832	(59,485,020.00)
Payables to DSE	1,055,138	90,304.00
TDS payable	(20,878)	5,531.00
VAT Payable	(3,180)	281.00
Provision for others	(310,762)	933,962.00
Provision for other contractual service	-	-
provident fund contribution	39,510	175,828
Hospitalization benefit fund	38,400	(54,532)
Gratuity fund	(68,958)	151,376
Incentive Bonus		(683,965)
Provision for Audit Fees	13,200	(57,500)
IPO application	3,109,800	(315,000)
Provision for CDBL	57,939	(41,414)
	<b>833,769,041</b>	<b>(59,280,149)</b>
<b>27. RECEIVED FROM FDR: Tk. 2,225,324</b>		
Interest from FDR	2,225,324	2,630,967
Less: Interest Accrued From FDR	-	-
Add: FDR Last year Accrued	-	-
	<b>2,225,324</b>	<b>2,630,967</b>

**Trust Bank Securities Limited**  
**Schedule of Property, Plant and Equipment at 31st December 2020**

Particulars	COST		Addition during the year	Disposal/ adjustment during the year	Balance as at 31st December 2020	DEPRECIATION		Charge for the year	Balance as at 31st December 2020	Carrying Amount
	Balance as at 1 January 2020									
Office Renovation										
Interior Decoration	611,768	-	-	-	611,768	171,442		52,839	224,281	387,487
Overhead Cabinet	11,200	-	-	-	11,200	6,102		612	6,714	4,486
Vertical Blind & Name Plate	16,452	-	-	-	16,452	8,888		908	9,796	6,656
Office Equipment										
Photocopy Machine	82,000	-	-	-	82,000	82,000		-	82,000	-
Box Fan	6,500	-	-	-	6,500	6,500		-	6,500	-
Printer	174,050	-	-	-	174,050	165,532		3,772	169,304	4,746
Computer & Computer Accessories	849,115	47,258	-	-	896,373	689,777		53,545	743,322	153,051
Air Conditioner	519,667	-	-	-	519,667	315,147		62,105	377,252	142,415
UPS	100,455	7,960	-	-	108,415	68,212		10,049	78,261	30,154
Fax Machine	9,100	-	-	-	9,100	9,100		-	9,100	-
Rack Server	1,467,000	-	-	-	1,467,000	1,467,000		-	1,467,000	-
Television	216,320	-	-	-	216,320	109,021		28,172	137,193	79,127
Telephone & Mobile Set	15,000	-	-	-	15,000	3,472		2,770	6,242	8,758
Kettle	1,100	-	-	-	1,100	477		220	697	403
IPS	73,000	-	-	-	73,000	9,733		14,600	24,333	48,667
Scanner	-	8,000	-	-	8,000	-		1,333	1,333	6,667
Furniture & Fixture (Res)	100,000	-	-	-	100,000	25,000		20,000	45,000	55,000
Furniture & Fixture (Office)										
Chair	352,982	-	-	-	352,982	20,089		33,289	53,378	299,604
Total	4,605,709	63,218	-	-	4,668,927	3,157,492		284,214	3,441,706	1,227,221

Amount in BDT

**Trust Bank Securities Limited**  
Schedule of Property, Plant and Equipment at 31st December 2019

Particulars	COST		Disposal/ adjustment during the year	Balance as at 31st December 2019	DEPRECIATION		Charge for the year	Balance as at December 2019	Carrying Amount
	Balance as at 1 January 2019	Addition during the year			Balance as at 1 January 2019				
Office Renovation									
Interior Decoration	276,478	335,290	-	611,768	133,728		37,714	171,442	440,326
Overhead Cabinet	11,200	-	-	11,200	5,355		747	6,102	5,098
Vertical Blind & Name Plate	16,452	-	-	16,452	7,819		1,069	8,888	7,564
Office Equipment									
Photocopy Machine	82,000	-	-	82,000	82,000		-	82,000	-
Box Fan	6,500	-	-	6,500	6,499		1	6,500	-
Printer	174,050	-	-	174,050	153,626		11,906	165,532	8,518
Computer & Computer Accessories	799,760	49,355	-	849,115	625,851		63,926	689,777	159,338
Air Conditioner	519,667	-	-	519,667	231,018		84,129	315,147	204,520
UPS	83,325	17,130	-	100,455	60,305		7,907	68,212	32,243
Fax Machine	9,100	-	-	9,100	7,735		1,365	9,100	-
Rack Server	1,467,000	-	-	1,467,000	1,418,100		48,900	1,467,000	-
Television	156,420	59,900	-	216,320	70,297		38,724	109,021	107,299
Telephone Set	10,400	4,600	-	15,000	712		2,760	3,472	11,527
Kettle	1,100	-	-	1,100	259		218	477	623
IPS		73,000	-	73,000	-		9,733	9,733	63,267
Furniture & Fixture (Res)	100,000	-	-	100,000	2,502		22,498	25,000	75,000
Furniture & Fixture (Office) :									
Chair	19,100	333,882	-	352,982	2,226		17,863	20,089	332,893
Total	3,732,552	873,157	-	4,605,709	2,808,032		349,460	3,157,492	1,448,216

Amount in BDT

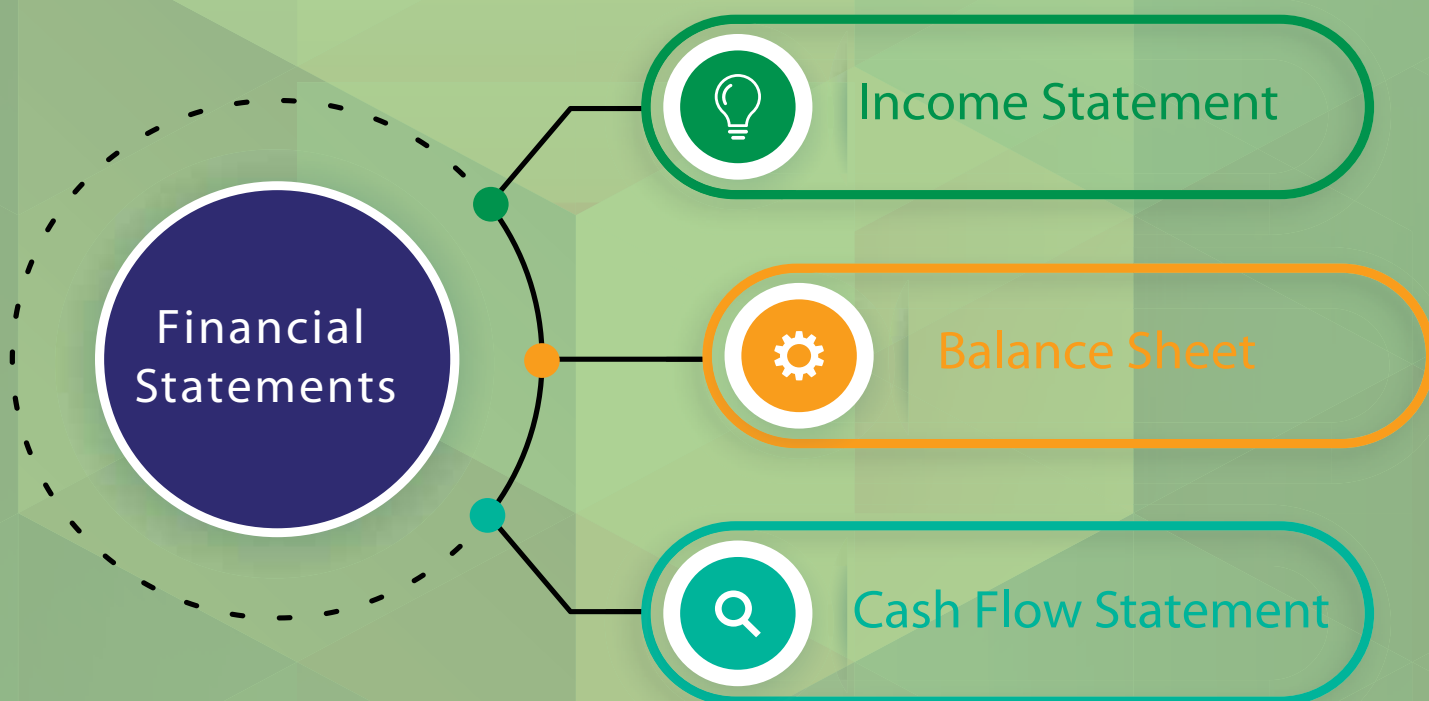
**Trust Bank Securities Ltd.**  
**Board of Directors**  
**Information relating to involvement of organizations**  
**As on 31 December 2020**

SI	Name of the Directors	Status	Entities where they have interest
1	Maj Gen Md Enayet Ullah, OSP, BSP, ndu, psc	Chairman	1. Sena Kalyan Sangstha, Chairman, Management Committee 2. Sena Hotel Developments Limited, Vice Chairman 3. Army Welfare Trust, Vice Chairman 4. Army Housing Scheme, Chairman 5. Governing Bodies of Cadet Colleges, Chairman 6. Trust Technical Training Institute, Chairman 7. Trust Bank Investment Limited, Vice Chairman 8. Trust Bank Limited, Vice Chairman, Board of Directors 9. Trust Axiata Digital Limited, Director
2	Brig Gen Abul Mansur Md Ashraf Khan, ndc, psc	Vice Chairman	1. Army Welfare Trust, Managing Director 2. Sena Hotel Developments Ltd., Director, 3. Trust Technical Training Institute, Director 4. Army Housing Scheme, Managing Director 5. Trust Bank Investment Ltd., Director 6. Trust Bank Limited, Director 7. Trust Transport Service, Chairman 8. Trust Axiata Digital Limited, Director
3	Mr. Faruq Mainuddin Ahmed	Director	1. Trust Bank Limited, Managing Director & CEO 2. Trust Bank Investment Limited, Nominated Director 3. Trust Axiata Digital Limited, Director
4	Mrs. Humaira Azam	Director & Managing Director	1. Trust Bank Limited, Additional Managing Director
5	Mr. Akhlasur Rahman Bhuiyan	Director	Service
6	Brig Gen Md Mehdi Hassan, SGP, ndc, afwc, psc ( Retd.)	Director	1. Trust Bank Investment Limited, Director



# FINANCIAL STATEMENTS of Trust Axiata Digital Limited

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# Independent Auditor's Report

## To the Board of Directors of Trust Axiata Digital Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Trust Axiata Digital Limited ("the Company"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Independent auditor's report (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Adeeb H. Khan, Partner, Enrolment number: 652  
Rahman Rahman Huq, Chartered Accountants  
Firm Registration Number: N/A  
Dhaka, 23 May 2021.  
DVC: 2107140652AO711705

## Trust Axiata Digital Limited

### Statement of financial position

In Taka	Note	31 December 2020
Assets		
Property, plant and equipment	5	15,751,032
Intangible assets (Capital work-in-progress)	6	32,304,745
Right-of-use assets	7	60,461,689
Deferred tax assets	11	2,315,273
<b>Non-current assets</b>		<b>110,832,739</b>
Cash and cash equivalents	8	450,964,395
<b>Current assets</b>		<b>450,964,395</b>
<b>Total assets</b>		<b>561,797,134</b>
Equity		
Share capital	9	450,000,000
Retained earnings		(6,978,456)
<b>Total equity</b>		<b>443,021,544</b>
Liabilities		
Lease liabilities	10	52,202,881
<b>Non-current liabilities</b>		<b>52,202,881</b>
Lease liabilities	10	9,065,336
Current tax liabilities	12	-
Operational and other payables	13	38,247,115
Inter company payables	14	19,260,258
<b>Total current liabilities</b>		<b>66,572,709</b>
<b>Total liabilities</b>		<b>118,775,590</b>
<b>Total equity and liabilities</b>		<b>561,797,134</b>

*The notes on pages 7 to 29 are an integral part of these financial statements.*

  
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Director

  
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Director

  
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Chief Executive Officer

As per our report of same date.

  
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Adeeb H. Khan, Senior Partner  
Enrolment number: 652  
Rahman Rahman Huq, Chartered Accountants  
Firm Registration Number: N/A  
DVC: 2107140652AO711705

Dhaka, 23 May 2021

## Trust Axiata Digital Limited

### Statement of profit or loss and other comprehensive income

For the period ended 31 December		
In Taka	Note	2020
Revenue		-
Cost of services		-
<b>Gross profit / (loss)</b>		-
Operating and administrative expenses	15	(1,803,251)
Pre-operating expenses	16	(9,089,059)
<b>Operating profit /(loss)</b>		<b>(10,892,310)</b>
Finance income		1,972,556
Finance expense		(176,719)
<b>Finance (expense)/income, net</b>	<b>17</b>	<b>1,795,837</b>
<b>Loss before tax</b>		<b>(9,096,473)</b>
Income tax (expense)/income	18	2,118,017
<b>Loss for the year</b>		<b>(6,978,456)</b>
<b>Other comprehensive income</b>		-
<b>Total comprehensive loss</b>		<b>(6,978,456)</b>

*The notes on pages 7 to 29 are an integral part of these financial statements.*


  
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Director

  
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Director

  
-----  
Chief Executive Officer

As per our report of same date.

Dhaka, 23 May 2021

  
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Adeeb H. Khan, Senior Partner  
Enrolment number: 652  
Rahman Rahman Huq, Chartered Accountants  
Firm Registration Number: N/A  
DVC: 2107140652AO711705

## Trust Axiata Digital Limited

### Statement of changes in equity

For the year ended 31 December 2020

In Taka	Attributable to owners of the Company		
	Share capital	Retained earnings	Total
Balance at 4 October 2020	450,000,000	-	450,000,000
Loss for the year	-	(6,978,456)	(6,978,456)
Other comprehensive income	-	-	-
<b>Total comprehensive loss</b>	<b>450,000,000</b>	<b>(6,978,456)</b>	<b>443,021,544</b>
Balance at 31 December 2020	450,000,000	(6,978,456)	443,021,544

*The notes on pages 7 to 29 are an integral part of these financial statements.*

## Trust Axiata Digital Limited

### Statement of cash flows

For the year ended 31 December		
In Taka	Note	2020
<b>Cash flows from operating activities</b>		
Cash receipt from customers		-
Cash paid to suppliers, employees and others		(3,983,919)
<b>Cash generated from operating activities</b>		<b>(3,983,919)</b>
Interest received from deposits		1,972,556
Taxes paid to government exchequer		(197,255)
<b>Net cash from operating activities</b>		<b>(2,208,618)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment		-
Acquisition of intangible assets	6	(16,087,245)
<b>Net cash from/(used in) investing activities</b>		<b>(16,087,245)</b>
<b>Cash flows from financing activities</b>		
Inter-company receipt for pre-operating expense		19,260,258
Cash proceeds from issuance of shares		450,000,000
<b>Net cash from/(used in) financing activities</b>		<b>469,260,258</b>
<b>Net increase in cash and cash equivalents</b>		<b>450,964,395</b>
<b>Cash and cash equivalents as at 31 December</b>		<b>450,964,395</b>

*The notes on pages 7 to 29 are an integral part of these financial statements.*



## Notes to the financial statements

### 1 Reporting entity

#### 1.1 Company profile

Trust Axiata Digital Limited (hereinafter referred to as “the Company”), a subsidiary of Trust Bank Limited, was established as a joint venture between Trust Bank Limited, Bangladesh and Axiata Digital Services Sdn Berhad, Malaysia. It was incorporated as a private company limited by shares under the Companies Act, 1994 on 4 October 2020 having its registered office in Dhaka. The Company is regulated under the “Bangladesh Mobile Financial Services Regulations, 2018”

#### 1.2 Nature of business

The Company aims to provide Mobile Financial Services (MFS) and Payment Service Provider (PSP) operations in Bangladesh. With the underlying objective of ensuring a wide range of MFS for banked and unbanked population of Bangladesh, the Company has achieved soft launch of its MFS product on 30 December 2020 with the brand name “Tap” in order to commence services in early 2021. The Company offers convenient, flexible, secured and affordable services with the purpose of achieving financial inclusion for people from all level of incomes.

### 2 Basis of accounting

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements have been authorised for issue by the board of directors on 23 May 2021.

Details of the Company’s accounting policies are included in Note 29.

### 3 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is the Company’s functional currency. All financial information are presented in Taka and have been rounded off to the nearest Taka unless otherwise indicated.

### 4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes:

Note 5 Property, plant and equipment

Note 9 Lease liabilities

Note 10 Deferred tax assets/liabilities

Note 18 Income tax expense/(income)

#### 4.1 Measurement of fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 5 Property, plant and equipment

See accounting policy in Note 29(B)

In Taka	Note	Computer	Capital work-in-progress	Total
<b>Cost</b>				
Balance as at 4 October 2020		-	-	-
Additions	5.1	349,900	15,436,122	15,786,022
Disposals		-	-	-
<b>Balance as at 31 December 2020</b>		<b>349,900</b>	<b>15,436,122</b>	<b>15,786,022</b>
<b>Accumulated depreciation</b>				
Balance as at 4 October 2020		-	-	-
Depreciation for the year		34,990	-	34,990
		34,990	-	34,990
<b>Carrying amounts</b>				
Balance as at 4 October 2020		-	-	-
<b>Balance as at 31 December 2020</b>		<b>314,910</b>	<b>15,436,122</b>	<b>15,751,032</b>

## 5.1 Property, plant and equipment (Capital work-in-progress)

In Taka	IT equipment	Total
Balance as at 4 October 2020	-	-
Additions	15,436,122	15,436,122
Transfer to property, plant and equipment	-	-
<b>Balance as at 31 December 2020</b>	<b>15,436,122</b>	<b>15,436,122</b>

## 6 Intangible assets (Capital work-in-progress)

See accounting policy in Note 29(C)

In Taka	Tap platform	Total
Balance as at 4 October 2020	-	-
Additions	32,304,745	32,304,745
Transfer to intangible assets	-	-
<b>Balance as at 31 December 2020</b>	<b>32,304,745</b>	<b>32,304,745</b>

## 7 Right-of-use assets

See accounting policy in Note 29(G)

In Taka	Office space	Total
<b>Cost</b>		
Balance as at 4 October 2020	-	-
Additions	61,091,498	61,091,498
Disposals/transfers	-	-
<b>Balance as at 31 December 2020</b>	<b>61,091,498</b>	<b>61,091,498</b>
<b>Accumulated depreciation</b>		
Balance as at 4 October 2020	-	-
Depreciation for the year	629,809	629,809
Adjustment for disposals/transfers	-	-
<b>Balance as at 31 December 2020</b>	<b>629,809</b>	<b>629,809</b>
<b>Carrying amounts</b>		
Balance as at 4 October 2020	-	-
<b>Balance as at 31 December 2020</b>	<b>60,461,689</b>	<b>60,461,689</b>

## 8 Cash and cash equivalents

See accounting policy in Note 29(A)

In Taka	2020
Trust Bank Limited	450,964,395
<b>Cash and cash equivalents</b>	<b>450,964,395</b>

## 9 Share capital

See accounting policy in Note 29(D)

In Taka	2020
<b>Authorised:</b>	
100,000,000 ordinary shares of Tk 10 each	1,000,000,000
	1,000,000,000
<b>Issued, subscribed and paid-up:</b>	
45,000,000 ordinary shares of Tk 100 each	450,000,000
	<b>450,000,000</b>

## 9.1 Shareholding position

		2020
Name of shareholders	No. of shares	Value (Tk)
Trust Bank Limited	22,950,000	229,500,000
Axiata Digital Services Sdn Berhad	22,050,000	220,500,000
	<b>45,000,000</b>	<b>450,000,000</b>
Percentage of shareholdings		2020
Name of shareholder		
Trust Bank Limited		51%
Axiata Digital Services Sdn Berhad		49%
		<b>100%</b>

## 10 Lease liabilities

See accounting policy in Note 29(G)

In Taka	2020
Balance as at 4 October	-
Additions	61,091,498
Add: Interest expense on lease liabilities	176,719
Less: Lease payments	-
Balance as at 31 December	61,268,217

### 10.1 Lease liabilities: non-current and current portion

In Taka	2020
Lease liabilities - non-current portion	52,202,881
Lease liabilities - current portion	9,065,336
	61,268,217

## 11 Deferred tax liabilities/(assets)

See accounting policy in Note 29(J)(ii)

31 December 2020

In Taka	Note	Carrying amount at reporting date	Tax base	Taxable/(deductible) temporary difference
Property, plant and equipment (excluding CWIP)	5	314,910	244,930	69,980
Right-of-use assets	7	60,461,689	-	60,461,689
Lease liabilities	10	(61,268,217)	(502,107)	(60,766,110)
Unabsorbed tax loss		-	(6,889,476)	(6,889,476)
Net taxable/(deductible) temporary difference				(7,123,918)
Applicable tax rate				32.5%
<b>Deferred tax assets</b>				<b>(2,315,273)</b>

### 11.1 Deferred tax (income)/expense

In Taka	2020
Deferred tax (assets)/liabilities as at 4 October	-
Deferred tax (assets)/liabilities as at 31 December	(2,315,273)
<b>Deferred tax (income)/expense</b>	<b>(2,315,273)</b>

### 12 Current tax assets/(liabilities)

See accounting policy in Note 29(J)(i)

In Taka	Note	2020
Advance income tax	12.1	197,256
Provision for tax	12.2	(197,256)
		-

### 12.1 Advance income tax

See accounting policy in Note 29(J)(i)

In Taka	2020
Balance as at 4 October	-
Deposits including deductions at source	197,256
Adjustment on completion of assessment for prior years	-
<b>Balance at 31 December</b>	<b>197,256</b>

### 12.2 Provision for tax

See accounting policy in Note 29(J)(ii)

In Taka	Note	2020
Balance as at 4 October		-
Provision made during the year	18	197,256
Adjustment on completion of assessment for prior years		-
<b>Balance at 31 December</b>		<b>197,256</b>

### 13 Operational and other payables

See accounting policy in Note 29(A)

In Taka	Note	2020
Operational payables	13.1	31,601,166
Other payables	13.2	6,645,949
		<b>38,247,115</b>

### 13.1 Operational payables

In Taka	2020
Red Dot Digital Limited	15,626,644
B-Trac Technologies Ltd.	5,078,476
Axiata Digital Bangladesh (Private) Limited	3,242,642
NHQ Distribution Ltd.	2,574,530
Zunoks Consulting	1,563,112
Oorah Venture Studio	900,000
Others	2,615,762
	<b>31,601,166</b>

### 13.2 Other payables

In Taka	2020
Withholding tax payable	2,448,289
Withholding VAT payable	3,814,632
Accrued salaries and allowances	317,900
Directors fee payable	65,128
	<b>6,645,949</b>

#### 14 Inter company payables

See accounting policy in Note 29(A)

In Taka	2020
Axiata Digital Services Sdn Berhad	16,222,074
Trust Bank Limited	3,038,184
	<b>19,260,258</b>

This intercompany payable relates to expenditures that include legal and advisory services for the formation of the Company, recruitment and payroll support for platform development, IT consulting and web hosting fee incurred by Trust Bank Limited and Axiata Digital Services Sdn Berhad on behalf of the Company.

#### 15 Operating and administrative expenses

In Taka	2020
Depreciation on property, plant & equipment	34,990
Depreciation on right-of-use assets	629,809
Directors fees	148,190
Bank charge	1,072
Excise duty	80,000
HR managed services	334,930
Audit fees	180,000
Internet and network connectivity	219,079
Call center service	84,577
Miscellaneous expenses	90,604
	<b>1,803,251</b>

#### 16 Pre-operating expenses

In Taka	2020
Office expenditures	642,562
Salaries and allowances	2,115,959
Inauguration expenses	3,711,604
License and registration fees	40,000
Legal and professional fees	2,578,934
	<b>9,089,059</b>

#### 17 Finance (expense)/income, net

See accounting policy in Note 29(I)

In Taka	2020
Finance income:	
Interest income	1,972,556
Finance expense:	
Interest on lease liabilities	(176,719)
	<b>1,795,837</b>

#### 18 Income tax expense/(income)

See accounting policy in Note 29(J)(i)

In Taka	2020
Current tax expense	197,256
Adjustment for prior year	-
	197,256
Deferred tax (income)/expense	(2,315,273)
	<b>(2,118,017)</b>

## 19 Financial instruments- Fair values and risk management

### A Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2020

Carrying amount											Fair value		
In Taka	Note	Fair value - hedging instruments	Mandatorily at FVTPL - others	FVOCI - debt instruments	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value													
Financial assets not measured at fair value													
Cash and cash equivalents	8	-	-	-	-	450,964,395	-	450,964,395	-	-	-	-	
		-	-	-	-	450,964,395	-	450,964,395	-	-	-	-	
Financial liabilities measured at fair value													
Financial liabilities not measured at fair value													
	13	-	-	-	-	-	38,247,115	38,247,115	-	-	-	-	
	14	-	-	-	-	-	19,260,258	19,260,258	-	-	-	-	
		-	-	-	-	-	57,507,373	57,507,373	-	-	-	-	

## B Financial risk management

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risks from its use of financial instruments.

I) Credit risk (See I)

II) Liquidity risk (See II)

III) Market risk (See III)

### I. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. Cash at bank is also nominal.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In Taka	Note	2020
Cash and cash equivalents	8	450,964,395
		<b>450,964,395</b>

### II. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the Company may get support from the parent company in the form of short term financing.

The following are the contractual maturities of financial liabilities of the Company:

#### 31 December 2020

In Taka	Note	Carrying amount	Contractual cash flows					
			Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Inter company payables	14	19,260,258	19,260,258	-	-	19,260,258	-	-
Operational and other payables	13	38,247,115	38,247,115	38,247,115	-	-	-	-
Lease liabilities	10	61,268,217	61,268,217	-	-	9,065,336	52,202,881	-
		<b>118,775,590</b>	<b>138,035,848</b>	<b>57,507,373</b>	<b>-</b>	<b>28,325,594</b>	<b>52,202,881</b>	<b>-</b>



### III. Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

#### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. As at 30 December the Company is not exposed to currency risk.

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against functional currency at reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss. As at 31 December, the Company has no account balances denominated at foreign currency.

#### (ii) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

At the reporting date, the Company has no interest rate risk exposure.

## 20 Commitments

There are no commitments at the reporting date.

## 21 Number of employees engaged

As at 31 December 2020, number of regular employees receiving remuneration of Tk 36,000 or above per annum is 16.

## 22 Expenses/expenditures and (revenue) in foreign currency during the period

In Taka	2020
Purchase of Microsoft Windows Server & MSSQL Licence	3,458,682
	3,458,682

## 23 Contingencies

See accounting policy in Note 29(K)

As disclosed in note 14, the Company has outstanding intercompany payable amounting BDT 16,222,074 with Axiata Digital Services Sdn Berhad as at 31 December 2020. Management is yet to determine the appropriate method of settlement of these amounts and thus the implications thereof.

## 24 Related parties

Parent and ultimate controlling party

Trust Bank Limited is the parent and ultimate controlling party of the Company by virtue of holding 51% voting shares along with majority representation on the Board of Directors.

Transactions with key management personnel

(i) Loans to directors

During the period, no loan was given to the directors of the Company.

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

In Taka	2020
Board meeting attendance fee	148,190
	<b>148,190</b>

Company's key management personnel includes the Company's directors. No compensation other than board meeting attendance fee is given to them.

Other related party transactions

During the period, the Company entered into a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out below in accordance with the provisions of IAS 24: Related Party Disclosures.

Related party transactions during the year

Name of related parties	Relationship	Nature of transactions	Transaction values for the period ended 31 December (Taka) 2020	Balance outstanding as at 31 December (Taka) 2020
Trust Bank Limited	Parent company	Pre-operating expenses	3,038,184	3,038,184
Axiata Digital Services Sdn Berhad	Parent company	Purchase of PPE and intangibles	16,222,074	16,222,074
Axiata Digital Bangladesh Private Limited	Group company	Inauguration expenses	3,242,642	3,242,642
Red Dot Digital Limited	Group company	Purchase of PPE and intangibles	15,626,641	15,626,641

## 25 Reporting period

The reporting period of the Company shall usually cover one year from 1 January to 31 December. However, since the Company was incorporated on 4 October 2020 and this is the first set of financial statements prepared by the Company, the reporting period covered is from date of incorporation to 31 December 2020.

## 26 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the management has adopted going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds to meet the present requirements of its existing business.

## 27 Events after the reporting period

As per the Joint Venture agreement between Trust Bank Limited and Axiata Digital Services Sdn Berhad, Trust Bank Limited shall transfer to the Company the MFS related commercial contracts and technology including MFS platform, server, gateway etc. In this regard, the Board approved the appointment of an independent third party to confirm the customers' balance with and the term deposits made against the customers' balance by Trust Bank Limited as at 31 December 2020 and also as at 30 April 2021 which will lead to recognition of trust cum settlement account, investments and customer deposits by the Company in 2021. As at the date of authorisation for issue of these financial statements, the third party is yet to issue their report, as such the financial impact cannot be reliably estimated and hence has not been disclosed.

## 28 Basis of measurement

These financial statements have been prepared on accrual basis of accounting except for the statement of cash flows.

## 29 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the following pages:

- Financial instruments
- Property, plant and equipment
- Intangible assets
- Share capital
- Impairment
- Provisions
- Leases
- Foreign currency
- Finance income and expense
- Income tax
- Contingencies
- Materiality and aggregation
- Statement of cash flows

### A Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## **i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## **ii. Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## **Financial assets – Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

#### Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets include cash and cash equivalents, trade and other receivables and receivable from related parties.

**(a) Cash and cash equivalents**

Cash and cash equivalents comprise of cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

**(b) Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**Classification and subsequent measurement of financial liability**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities include trade and other payables, borrowings, accrued expenses, etc.

**(a) Trade and other payables**

The Company recognises a trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

**(b) Loans and borrowings**

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from reporting date are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from reporting date, unpaid interest and other charges are classified as current liabilities.

### **(c) Accrued expenses**

Accrued expenses represent various operating expenses that are due at the reporting date which are initially measured at fair value.

### **iii. Derecognition**

#### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In the case the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### **iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **B Property, plant and equipment**

### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

### **ii. Subsequent expenditure**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

### iii. Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each item of property, plant and equipment. Capital work-in-progress is not depreciated.

Depreciation on newly acquired asset is charged from the month of acquisition. On deletion/disposal of an asset, depreciation is charged up to the month prior to the deletion/disposal.

The rates of depreciation vary according to the estimated useful life of each particular class of property, plant and equipment, as follows:

<u>Category</u>	<u>Useful life in years</u>	<u>Rate of depreciation</u>
Computer	3	30%

## C Intangible assets

### (i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Work-in-progress represents the cost incurred for acquisition and/or construction of items of intangible assets that are not ready for use which is measured at cost.

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the software
- the software will generate probable future economic benefits.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### (iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, from the date that they are available for use, and is generally recognised in profit or loss.

The estimated useful life of software is 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## D Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.



Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

E Impairment

i. Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost (trade receivables, receivables from related parties, other receivables and cash at bank. The Company does not hold debt investments that are measured subsequently at FVTPL or FVOCI.

The Company measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

For the financial assets, except for the cash at bank, the Company applied the simplified approach to measuring ECLs which recognises the lifetime ECLs of these assets that reflect an increased credit risk. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Loss allowances on bank balances are always measured at an amount equal to 12 month ECLs. The Company considers bank balances to have a low risk level when their credit risk rating is equivalent to the globally understood definition of "investment grade".

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Evidence that a financial asset is credit-impaired includes the following observable data:**

- significant financial difficulty of the customer;
- a breach of contract such as a default or being past due more than standard credit terms; or
- it is probable that the customer will enter into bankruptcy or other financial reorganisation.

**Presentation of loss allowance in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **ii. Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (Cash-generating units).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **F Provisions**

A provision is recognised on the reporting date if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

## **G Leases**

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

### As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company uses incremental borrowing rate determined by its current borrowing rate of the Company.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

Leases for which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased assets are measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to those assets.

Leases in which the rewards and risks of ownership have not been transferred to the Company are classified as operating leases.

Lease payments

Lease payments made under finance leases are apportioned between finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **H Foreign currency**

Transactions in foreign currencies are translated to Bangladeshi Taka at the rates ruling on the transaction date. All monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevalent at that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

#### **I Finance income and expense**

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. The Company's finance expense comprises of interest expense on bank overdraft.

#### **J Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI (other comprehensive income).

##### **(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. The Company files its tax return on the basis of a private limited company, as such the applicable tax rate for the Company is currently 32.5% as per Finance Act 2020.

##### **(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## **K Contingencies**

### **i. Contingent liability**

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

### **ii. Contingent asset**

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

## **L Materiality and aggregation**

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

## **M Statement of cash flows**

Cash flows from operating activities have been presented under direct method as per IAS 7: Statement of Cash Flows.

# ট্রাস্ট ইসলামিক ব্যাংকিং এর সেবাসমূহ

- আল-ওয়াদিয়া কারেন্ট একাউন্ট • মুদারাবা সেভিংস একাউন্ট
- মুদারাবা মাহুলি সেভিংস স্কিম • মুদারাবা টার্ম ডিপোজিট
- মুদারাবা সিনিয়রস্ ডিপোজিট একাউন্ট • মুদারাবা মাহুলি প্রফিট স্কিম
- মুদারাবা পডুয়া একাউন্ট • বারাকাত হজ্জ ডিপোজিট স্কিম
- মুদারাবা ক্যাশ ওয়াক্ফ স্কিম

এছাড়াও রিটেইল, এসএমই ও কর্পোরেট গ্রাহকদের জন্য সকল ধরনের বিনিয়োগ সুবিধা রয়েছে

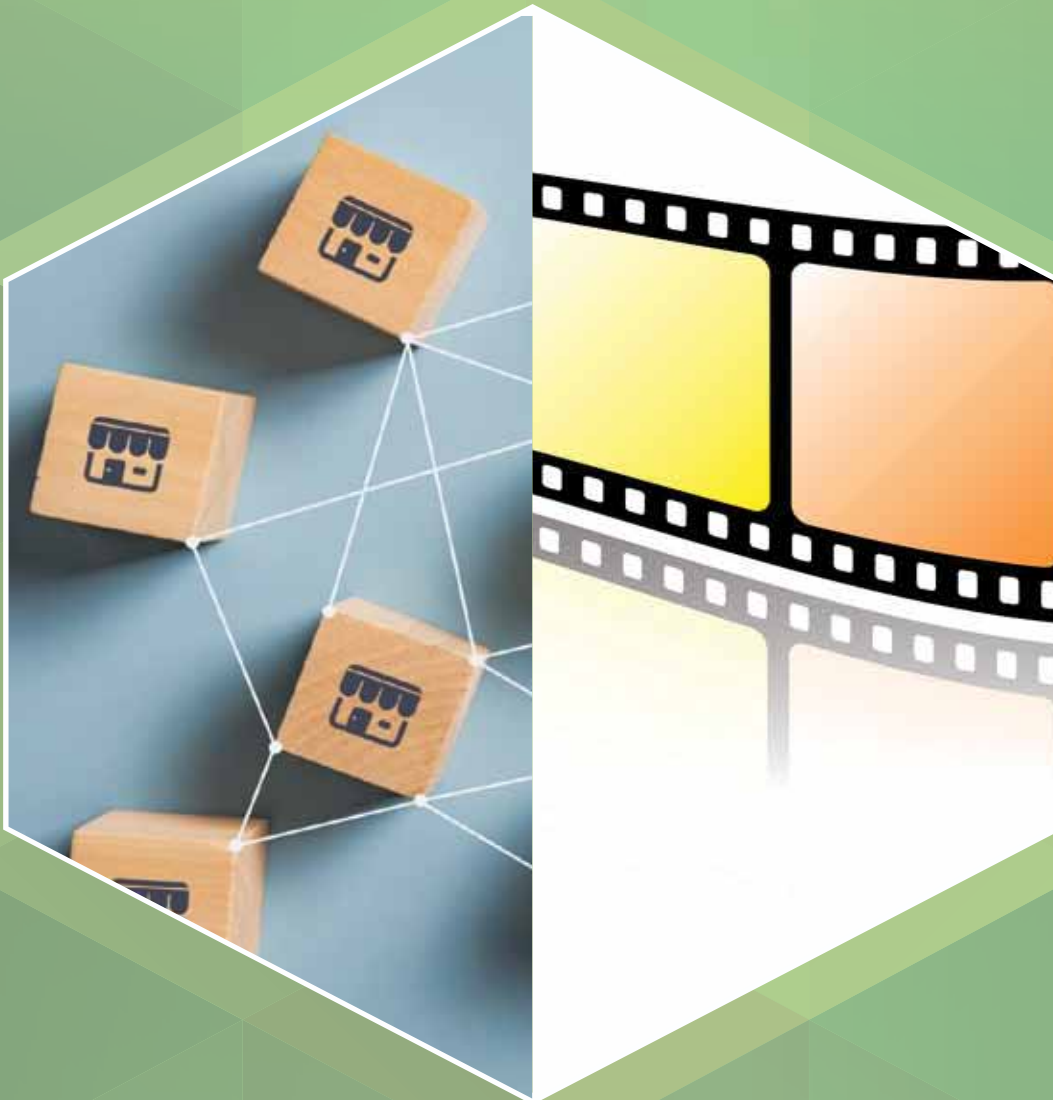
ট্রাস্ট ব্যাংকের সকল শাখায় ইসলামিক ব্যাংকিং  
সেবা প্রদান করা হয়



সুদবিহীন হালাল জীবন ব্যবস্থা

# OTHERS

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## Branch and Other Outlet Network

**113** Branches and SME Service Centers

**05** Collection Booths

**242** ATM Booths

**07** t-Lobby

**01** Sub - Branch

### Dhaka Division



#### Principal Branch

Ground, 1<sup>st</sup> and 2<sup>nd</sup> Floor, 98, Shaheed Sarani  
Dhaka Cantonment, Dhaka-1206.

☎ 02-8712751-53, PABX - 02-8712751-3  
☎ 02-9832376



#### Sena Kalyan Bhaban Branch

1<sup>st</sup> Floor, Sena Kalyan Bhaban  
195 Motijheel C/A, Dhaka-1000.

☎ 02-9561721, 02-716157  
☎ 02-9590390



#### Savar Cantonment Branch

Ground Floor, Bank Complex  
Savar Cantonment, Dhaka.

☎ 02-7791931, 02-7791263  
☎ 02-7791263



#### Shaheed Salahuddin Cantonment Branch

Shaheed Salahuddin Cantonment  
Ghatail, Tangail.

☎ 0175552688



#### Dhanmondi Corporate Branch

1<sup>st</sup> Floor, Design Concepts Ltd., House#35  
Road#2, Dhanmondi, Dhaka-1205.

☎ 02-8623401, 02-9677553  
☎ 02-9677571



#### Gulshan Corporate Branch

3<sup>rd</sup> and 4<sup>th</sup> Floor, Cityscape Tower, 53, Gulshan  
Avenue, Gulshan Dhaka.

☎ 02-9886594, 02-9886592, 02-8828088  
02-8815594, 02-9862520, 02-9677571  
☎ 9881508



#### Dilkusha Corporate Branch

Ground and 1<sup>st</sup> Floor, Peoples Insurance Bhaban  
36 Dilkusha C/A, Dhaka -1000.

☎ 02-9561821, 02-9560944, 02-9576421  
02-9577186, 02-9832376  
☎ 9560793



#### Radisson Water Garden Hotel Branch

Dhaka Radisson Hotel Airport Road  
Joar Shahara, Dhaka-1206.

☎ 02-9833865  
☎ 02-9833865



#### Millennium Corporate Branch

Ground and 1<sup>st</sup> Floor, Shadhinata Tower  
Bir Sreshtha Shahid Jahangir Gate  
Dhaka Cantonment, Dhaka-1206.

☎ 02-44870126  
☎ 02-44870127



#### Uttara Corporate Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, House#111/A, Road#7, Sector#4  
Uttara, Dhaka-1230.

☎ 02-48964658, 02-48964732, 02-58957312  
☎ 02-48963335



#### Mirpur Branch

1<sup>st</sup> Floor, Swapnapuri, Holding#24, Main Road#3  
Block, Section#11, Mirpur, Pallabi, Dhaka.

☎ 02-9008218, 02-9008310  
☎ 02-9008359



#### Karwan Bazar Branch

Ground Floor, EDB Trade Centre, 93 Kazi Nazrul  
Islam Avenue, Karwan Bazar, Tejgaon, Dhaka.

☎ 02-8189602-3  
☎ 02-9126544





### Joypara Branch

1<sup>st</sup> Floor, Sheikh Uddin, Mozhar Ali and Khair Uddin Plaza, Joypara, Dohar, Dhaka.

☎ 02-7768096-7

☎ 02-7768098



### Joydevpur Branch

Vaowal Point, Vogra, Bason, National University Joydevpur, Gazipur.

☎ 02-9262852-3

☎ 02-9262859



### Narsingdi Branch

13/9, Salam Mansion, Narsingdi, Narsingdi.

☎ 02-9451684, 02-9451686

☎ 02-9451685



### Narayangonj Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, 1, Alam Khan Lane, Narayangonj Sadar, Narayangonj.

☎ 02-7648282, 02-7648283

☎ 02-7648208



### Kafrul Branch

1<sup>st</sup> Floor, MQ Plaza, 28, North Kafrul, Dhaka. City Corporation, Kafrul, Dhaka.

☎ 02-8715457, 02-8715459

☎ 02-8715458



### Tongi Branch

1<sup>st</sup> Floor, Sena Kallyan Commercial Complex Plot#9, Block#9, Tongi Paurashova, Tongi, Gazipur.

☎ 02-9816721-3

☎ 02-9816724



### Bashundhara Branch

1<sup>st</sup> Floor, 12/D/E, Block#A, Bashundhara R/A Dhaka - 1229.

☎ 0173-0976181, 0179-3786757



### Ashulia Branch

1<sup>st</sup> Floor, Chowdhury Bhaban, Baipail, EPZ Road Ashulia, Dhaka.

☎ 02-7790867.

☎ 02-7790867



### Elephant Road Branch

1<sup>st</sup> Floor, M. R. Mansion 19, Elephant Road, Dhaka.

☎ 02-9614126-7

☎ 02-9611032.



### Rajendrapur Cantonment Branch

Ground Floor, 551, Nayanpur, Mirzapur, Gazipur Sadar, Gazipur.

☎ 02-9201791-2

☎ 02-9201790



### Khawja Garib Newaz Avenue Branch

1<sup>st</sup> Floor, 36, Khawja Gharib Newaz Avenue Sector#11, Uttara, Dhaka.

☎ 02-48964666, 02-48964668

☎ 02-48964667



### Banani Branch

1<sup>st</sup> Floor, Delta Dahlia Complex, 36, Kamal Ataturk Avenue, Dhaka.

☎ 0941-62609

☎ 0941-62615



### Kishoreganj Branch

1<sup>st</sup> Floor, Hajee Abdul Majid Munshi Building Ishakhan Road, Terripatty, Bara Bazar, Kishoreganj.

☎ 0941-62609

☎ 0941-62615



### Bhairab Branch

Ground Floor, 173, Kali Bari Road, Bhairab Bazar, Bhairab, Kishoreganj.

☎ 02-9471501-2

☎ 02-9471500



### Keraniganj Branch

1<sup>st</sup> Floor, Azhar Plaza, Ferry Ghat, Bus Road, Zinjira Keraniganj, Dhaka.

☎ 02-7764268, 02-7764267



### Gopalganj Branch

1<sup>st</sup> Floor, 172, Adhunik Shamobay Biponi Puratan Bazar Road, Gopalganj.

☎ 02-6681166, 02-6681034

☎ 02-6681188



### Faridpur Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, M K Shopping Complex, 15/18, Faridpur Sadar, Faridpur.

☎ 0631-65249

☎ 0631-65249



### Dhamrai Branch

1<sup>st</sup> Floor, Siddique Super Market, A-29, Dhamrai Pourashava, Dhamrai, Dhaka.

☎ 021-7731026-7

☎ 021-7731028



### *Sreenagar Branch*

1<sup>st</sup> Floor, M Rahman Complex, Sreenagar Bazar, Bhagyakul Road, Sreenagar, Munshiganj.

☎ 021-7627175

☎ 021- 7627190



### *Patuatyuly Branch*

1<sup>st</sup> Floor, Lucky Mansion, 70/A, Patuatyuly Kotwali, Dhaka.

☎ 02-57396167-8

☎ 02-57396494



### *Mohakhali Branch*

1<sup>st</sup> Floor, 100, Bir Uttam AK Khandaker Road Mohakhali C/A, Banani, Dhaka-1212.

☎ 022- 22281750, 022-22281350, 02-9881360

☎ 02-9881350



### *Bhaderganj Branch*

1<sup>st</sup> Floor, SEBA Tower, Shaheed Mohiuddin Sarak Bhaderganj Pourashava, Bhaderganj, Sariatpur.

☎ 06022-56121, 06022-56122



### *Matuail Branch*

1<sup>st</sup> Floor, Mainuddin Bhaban, Saddam Market South Matuail, Kadamtali, Dhaka-1213.

☎ 02-7553416

☎ 02-7553426



### *Kanchpur Branch*

1<sup>st</sup> Floor, Sonargoan Mega Shopping Complex Kanchpur, Sonargoan, Narayanganj.

☎ 01755540561



### *Kakrail Branch*

38, Kakrail, Inner Circular Road Bijoy Nagar, Dhaka.

☎ 02-9348201, 02-9361265

☎ 02- 9348202



### *Bangabondhu Cantt. Branch*

Bangabondhu Cantonment, Bhuapur Nikrail, Bhuapur, Tangail.

☎ 09234-76002



### *Pangsha Branch*

1<sup>st</sup> Floor, Mahamud Plaza, College Road, Pangsha Sadar, Pangsha, Rajbari.

☎ 01730376200



### *Centennial Branch*

Ground Floor, Dream by Icon, 2/4 Block A, Mohammadpur Housing Estate, Mirpur Road, Dhaka.

☎ 9142902, 9142904, 02-9142903



### *Taranagar Branch*

Ghatarchar, Taranagar, Keranigonj Model Thana Keranigonj, Dhaka.

☎ 0170-9648578



### *Takerhat Branch*

1<sup>st</sup> Floor, Shahbuddin Mollah Complex, Takerhat Rajoir, Madaripur.

☎ 0170-8494245



### *Gazipur Cantonment Branch*

1<sup>st</sup> and 2<sup>nd</sup> Floor, BOF Complex, Gazipur Cantonment, Shimultoli, Joydevpyr, Gazipur.

☎ 01718494254



### *Mirpur DOHS Branch*

Ground Floor, Cultural Centre Bhaban, Road#09, Mirpur DOHS, Pallabi, Dhaka-1216.

☎ 02-44806501-2

## Chattogram Division



### *Comilla Cantonment Branch*

1<sup>st</sup> Floor, Mainamati Super Market Comilla Cantonment, Comilla

☎ 081-65004, 081-65005

☎ 081-77023



### *Chittagong Cantonment Branch*

Ground Floor, Bangladesh Tea Board Bhaban, 171-172 Baijid Bostami Road, Nasirabad, Chattogram.

☎ 031-683680, 031-2581170-71

☎ 031-2581172



### *Agrabad Branch*

Ground and 5<sup>th</sup> Floor, Rafique Tower, 92 Agrabad C/A, Chattogram.

☎ 031- 720188, 031- 2524462-3, 2514708

☎ 031-715791



### *Khatungonj Branch*

205, Main Road, Plot#218, Khatungonj Chattogram.

☎ 031-2861718, 031-627860, 285235-6  
☎ 2861719



### *CDA Avenue Branch*

1<sup>st</sup> Floor, Sanmar Tower-1, 1850/3319, CDA Avenue, East Nasirabad, Chattogram.

☎ 031-2550938, 031- 2550936, 031-650123-25  
☎ 2550939



### *Halishahar Branch*

House#2030/A, Block#G, Road#3, Plot#2, Bara Pul, Port, Connecting Road, Chattogram.

☎ 031-2512592-3  
☎ 2512591



### *Naval Base Branch*

1<sup>st</sup> Floor, BNS Isha Kha, Naval Base Anchor Building, Potenga, Chattogram.

☎ 031-747833-4, 031-741831



### *Feni Branch*

Ground Floor, Kazi Centre, 106, A.S.K Road, Feni.

☎ 0331-63536 -7  
☎ 0331-63535



### *Jubilee Road Branch*

64, Royal Tower, Jubilee Road, Chattogram City Corporation, Kotwali, Chattogram.

☎ 031-2857212, 031-2859061-2  
☎ 031- 2857213



### *Ashugonj Branch*

Mouza: Char Char Tala Ashugonj, Brahmanbaria.

☎ 0852-874026  
☎ 0852-874027



### *Amirabad Lohagara Branch*

1<sup>st</sup> Floor, Best Chowdhury Plaza, Amirabad Lohagara, Chattogram

☎ 03034-56349  
☎ 03034-56512



### *Chowmuhuni Branch*

1<sup>st</sup> Floor, 309, 310, Feni Road, Chowmuhuni Paurashova, Begumgonj, Noakhali.

☎ 0321- 54192-3  
☎ 0321-54194



### *Cox's Bazar Branch*

1<sup>st</sup> Floor of Degenta Annexure Complex, Cinema Hall Super Market, Bazar Ghat, Cox's Bazar.

☎ 0341- 52108-9  
☎ 0341-52110



### *Kadamtali Branch*

1<sup>st</sup> and 2<sup>nd</sup> Floor, Royal Plaza, 431, DT Road Kadamtali Bus Station, Kadamtali, Chattogram.

☎ 031-2529951, 031- 2529954  
☎ 031-2529952



### *Rangamati Branch*

1<sup>st</sup> Floor, SR Tower, 107, Shahid Abdul Rashid Sarak, Banarupa, Rangamati.

☎ 0351- 61885, 0351- 61886, 0351-61934  
☎ 0351-61932



### *Cumilla Branch*

1<sup>st</sup> and 2<sup>nd</sup> Floor, Omori Mansion Badurtala, 1st Lane, Kandirpar, Cumilla.

☎ 081-64249, 081-64250  
☎ 081-64250



### *Khagrachari Branch*

Ground Floor, Mahdi Complex, Santinagar Changi Square, Khagrachari Sadar. Khagrachari.

☎ 0371-61374, 0371-61370  
☎ 0371-61374



### *Bandarban Branch*

1<sup>st</sup> Floor, Chairman Market, Bandarban Bazar Fund, Plot#240/C, Bandarban Sadar, Bandarban.

☎ 0361- 63204-5  
☎ 0361- 63205



### *Dewan Bazar Branch*

1<sup>st</sup> Floor, Iqbal Tower, 85/86 Dewan Bazar Nawab Sirajuddowla Road, Chittagong.

☎ 031-2869824-5  
☎ 031-2869826



### *Titas Branch*

1<sup>st</sup> Floor, Bhai Bhai Italian Plaza, Karikandi Bazar PS: Titas, Cumilla.

☎ 01730304862



### *Maligaon Branch*

1<sup>st</sup> Floor, Maligaon Hospital Medicine Market, Daudkandi, Comilla.

☎ 01787672380



### Chandpur Branch

1<sup>st</sup> Floor, Notun Bazar Super Market, Chandpur.

☎ 0841-66541, 0841-66543

☎ 0841-66542



### Radisson Blu Chattogram Bay View (RBCBV) Hotel Branch

1<sup>st</sup> Floor, Radisson Blu Chattogram Bay View (RBCBV) Hotel, Chattogram.

☎ 031-612384, 031-612383



### Ramu Branch

Alhaji Jahed Shopping Complex, Mandolpara Fatekharkul, Ramu, Cox's Bazar.

☎ 03425-56011, 03425-56017



### Companygonj Branch

1<sup>st</sup> Floor, Khokon Tower, Companygonj Nobipur, Muradnagar, Cumilla.

☎ 01709654653



### Kabirhat Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, Haque Tower, Kabirhat Pourushova, Kabirhat, Noakhali.

☎ 0170-8140984

## Rajshahi Division



### Bogura Cantonment Branch

Ullash Complex, Shahajahanpur Bogura Cantonment Bogra.

☎ 051-82032

☎ 051-92033



### KhajwaYounus Ali Medical College & Hospital (KYAMCH) Branch

KhajwaYounus Ali Medical College & Hospital, Enayetpur, Sirajgonj.

☎ 0751- 63897, 0751-63761-3

☎ 63898.



### Rajshahi Branch

1<sup>st</sup> Floor, Dainik Barta Complex, Alupatty, Ghoramara, Rajshahi.

☎ 0721-770958, 0721-774051, 0721-770655

☎ 0721-772820



### Dayarampur Branch

1<sup>st</sup> Floor, MK Shopping Complex, Doyarampur Bazar, Kadirabad Cantonment Road, Doyarampur.

☎ 07722-72351

☎ 07722-72351



### Dashuria Branch

1<sup>st</sup> Floor, Abdul Khalaque Market, Dashuria Ishwardi, Pabna.

☎ 01755690421



### Chapainawabgonj Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, 16 Jhilim Road, Ward-02, Pourasava: Chapai Nawabgonj, PS+Dist: Chapai Nawabgonj.

☎ 0781-52684-6



### Sherpur Branch

1<sup>st</sup> Floor, Shah Turkan Plaza, Sherpur Bot Tala, Bogra.

☎ 01770790786

## Khulna Division



### Jashore Cantonment Branch

Trust Commercial Complex, Arabpur MP Check Post, Jashor Cantonment, Jashore.

☎ 0421- 55151, 0421-73075

☎ 042- 61043



### Khulna Branch

1<sup>st</sup> Floor, Sena Kallayan Bhaban, 1, KDA Avenue, Sonadanga, Khulna.

☎ 041-2831570-2

☎ 041-2831573



### Mongla Branch

1<sup>st</sup> Floor, BN School & College Campus Mongla, Bagerhat.

☎ 04662-75395

☎ 04662-75396



### Munshiganj Branch

Munshiganj, Kalinagar, Shyamnagar, Satkhira.

☎ 01755552689



#### *Jahanabad Cantonment Branch*

Cinema Hall Complex, Jahanabad Cantonment  
Gilatala, Fultala, Khulna.

☎ 041-785101, 041-785100

☎ 041-785102



#### *Jhenaidah Branch*

Ground Floor, 54, Jhenaidah Sadar, Jhenaidah  
(Adjacent to Shishu Kunjo School & College  
inside Jhenaidah Cadet College campus).

☎ 0451-61316

☎ 61317



#### *Kushtia Branch*

1<sup>st</sup> Floor, Shatabdi Bhaban, 92/A, Nabab Siraj-  
Ud-Doula Road, Kushtia Sadar, Kushtia.

☎ 71-73218

☎ 071-73851



#### *Bagerhat Branch*

1<sup>st</sup> Floor, 7/2, Khan Jahan Ali Road, Bagerhat  
Sadar, Bagerhat.

☎ 0468-64574

☎ 0468-64573



#### *Daulatpur Branch*

1<sup>st</sup> Floor, 1/1 SS Centre, Upper Jashore Road  
Daulatpur, Khulna.

☎ 01708483175, 01708494259

## Sylhet Division



#### *Jalalabad Cantonment Branch*

Jalalabad Cantonment, Sylhet.

☎ 0821-2870115

☎ 0821-2872135



#### *Sylhet Corporate Branch*

Ground and 1<sup>st</sup> Floor, BMA Bhaban, Chouhatta,  
Kotwali, Sylhet.

☎ 0821-719063

☎ 0821-719139



#### *Beani Bazar Branch*

Al-Amin Super Market, College Road Beani  
Bazar, Sylhet.

☎ 01730-068370

☎ 08223-56009



#### *Moulvibazar Branch*

1<sup>st</sup> Floor, 426/2, Court Road, Hafizia Khatun  
Girl's School More, Kotowali, Moulvibazar.

☎ 0861-62981, 0861-62883

☎ 0861-62884



#### *Goalabazar Branch*

1<sup>st</sup> Floor, Hazi Nasib Ullah Market, Main Road  
Goalabazar, Osmani Nagar, Sylhet.

☎ 08242-56297

☎ 08242-56327



#### *Shahjalal Uposhahor Branch*

Bodor Tower, Holding#14, Block#E, Main Road  
Shahjalal Uposhahor, Sylhet.

☎ 0821-727691

☎ 0821-727692



#### *Modina Market Branch*

1<sup>st</sup> Floor, Hoque Mansion, Holding#711  
Modina Market, Pathantula, Sylhet.

☎ 0821-721811

☎ 0821-721811



#### *Golapganj Branch*

1<sup>st</sup> Floor, Rahman Shopping Complex  
Holding#76, Golapganj, Sylhet.

☎ 08227-56077

☎ 08227-56078



#### *Habiganj Branch*

Mannan Shopping Center, Badiuzzaman Khan  
Road, Habiganj Sadar, Habiganj.

☎ 0831-54142, 0831-54143

☎ 0831-54



#### *Sunamgonj Branch*

1<sup>st</sup> Floor, Alfaz Bhaban, 233, Old Bus Station,  
Sunamgonj Sadar, Sunamgonj.

☎ 087-161105

## Rangpur Division



#### *Rangpur Cantonment Branch*

1<sup>st</sup> Floor, Sena Shomver Complex, RK Road, Rangpur.

☎ 0521-66653

☎ 0521-67371



### *Saidpur Cantonment Branch*

1<sup>st</sup> Floor, Shaheed Sarani Market, Airport Road,  
Saidpur Cantonment, Saidpur, Nilphamari.

☎ 05526-73631

☎ 05526-73630



### *Bir Uttam Shaheed Mahub Cantonment Branch*

Cantonment Board Market, Bir Uttam Shaheed  
Mahub Cantonment, Dinajpur.

☎ 01755552688



### *Dinajpur Branch*

Northern Plaza (Ground Floor) Holding#74169  
Ganeshtala (Charu Babur Road), Ward#03,  
Pourashava: Dinajpur, PS: Kotwali, Dist: Dinajpur

☎ 0531-66629, 01730304852

☎ 0531-66635



### *Lalmonirhat Branch*

1<sup>st</sup> Floor, Simanto Shopping Complex,  
Holding#755, Misson More Zero Point,  
Lalmonirhat Sadar, Lalmonirhat.

☎ 0591-62090

☎ 0591-62092



### *Shathibari Branch*

1<sup>st</sup> Floor, Atique Market, Shathibari Bazar,  
Mithapukur, Rrangpur.

☎ 0522- 556314

## Barishal Division



### *Barishal Branch*

Ground Floor, S Rahman Marker,78, Sadar Road,  
Barisal City Corporation Area, Barishal.

☎ 0431-64506, 0431-2177324

☎ 0431- 2177323



### *Sheikh Hasina Cantt Branch*

Sheikh Hasina Cantt, Bakergonj, Barishal.

☎ 01729069565



### *Payra Port Branch*

1<sup>st</sup> Floor, Multipurpose Bhaban, Itbaria  
Kolapara, Patuakhali

☎ 01708813888

## Mymensingh Division



### *Momenshahi Cantonment Branch*

1<sup>st</sup> Floor, Aklima Complex, Sankipara, Momenshahi  
Cantonment, Mymensingh.

☎ 0091-62371

☎ 091-62371



### *Shambhugonj Branch*

1<sup>st</sup> Floor, Hazi Nurul Islam Tower, Sambugonj  
Main Road, Shambhugonj, Mymensingh

☎ 091-65650

## SME/Krishi Branches and Service Center

### Dhaka Division



#### *Mirer Bazar SME/Krishi Branch Branch*

1<sup>st</sup> Floor, Istiak Commercial Complex, Holding no. 52, Block#B, Mirer Bazar Road, Pubail, Gazipur.

☎ 02-9816765

☎ 02-9816766



#### *Madhabdi SME/Krishi Branch*

R M Building-3, 196, Phalpatri Road, Madhabdi, Narsingdi.

☎ 02-9446806-7, 02-9446053



#### *Manikgonj SME/Krishi Branch*

1<sup>st</sup> Floor, Anjoli Super Market, 75, Shaheed Rafique Sarak, Kali Bari, Manikgonj.

☎ 02-7711061, 02-7711058

☎ 7711067



#### *Dholaikhal SME Service Center*

1<sup>st</sup> Floor, 31/1, Lal Mohan Saha Street Dholaikhal, Dhaka.

☎ 02-9571362

☎ 02-9571362

### Rajshahi Division



#### *Tamai SME/Krishi Branch*

Protigga Banijjik Bhaban, Belkuchi, Sirajgonj.

☎ 0173-0334646, 0173-0795591



#### *Natore SME/Krishi Branch*

1<sup>st</sup> Floor, Shahara Plaza, Kanai Khali Natore Sadar, Natore.

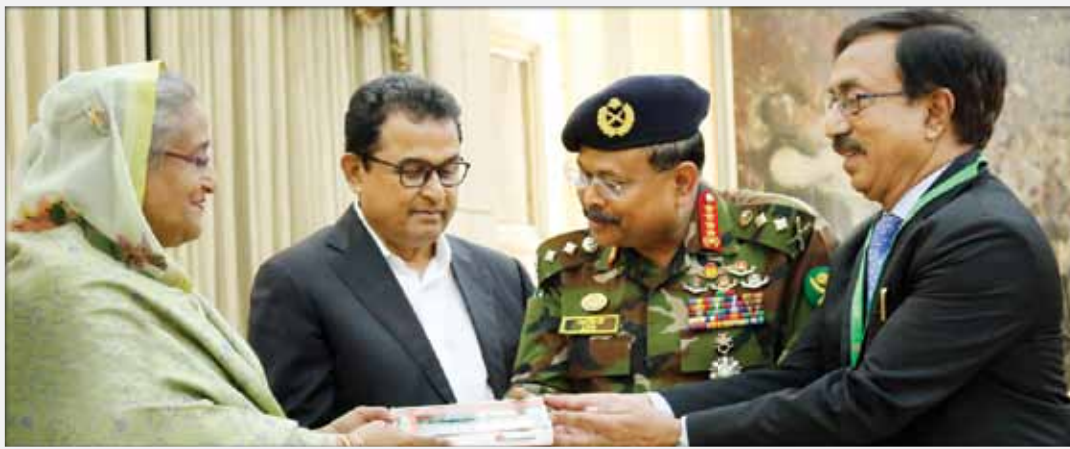
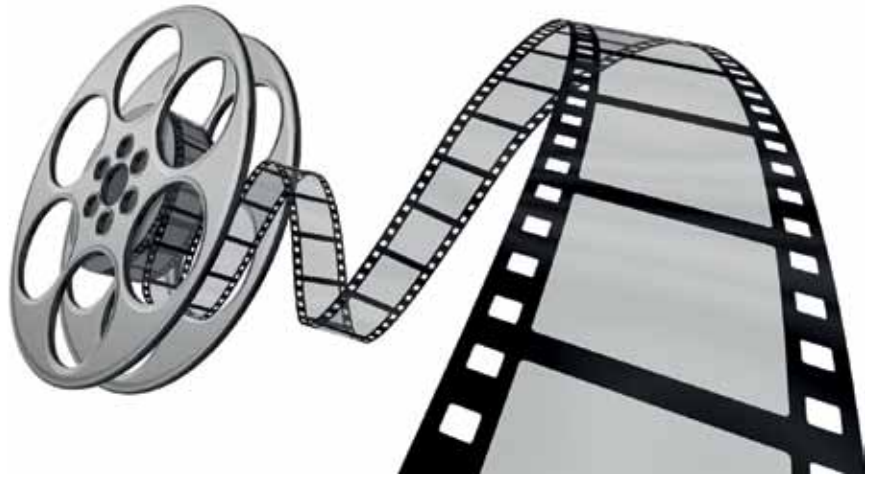
☎ 0771-66889

☎ 0771-66942





## Photo Gallery



*General Aziz Ahmed, SBP (BAR), BSP, BGBM, PBGM, BGBMS, psc, G, PhD- Chief of Army Staff, Bangladesh Army and honourable Chairman Trust Bank Limited handed over the cheque for donation to Prime Minister Sheikh Hasina on behalf of the Bank.*



*Honourable Board of Directors at 21<sup>th</sup> Annual General Meeting (Virtual) of Trust Bank Limited.*





*Mr. Faruq Mainuddin Ahmed, Managing Director and CEO of Trust Bank Limited handed over the sample of Blanket to Prime Minister's office on behalf of the Bank.*



*Mujib Borsho Celebration at TBL Head Office*



*Trust Bank 4<sup>th</sup> Defence Services Cup Golf Tournament 2020*



*Trust Bank 4<sup>th</sup> Defence Services Cup Golf Tournament 2020*



*Women's Day Celebration at Trust Bank Head Office*



*Annual Risk Conference 2020 (Virtual ) held on TBL Head office.*





*Workshop on Cash and Currency Management at TBL, HO*



*Workshop on Cash and Currency Management at TBL, HO*



*Observance of National Mourning Day (15<sup>th</sup> August 2020)*



*Gala Fest - 2020 with Management Trainee officer*



*Banker -SME Women Enterprenour Convocation and Product Display Fair.*



*Providing note detecting services by Trust Bank Ltd Bogura Cantonment Branch to the cattle traders in "Qurbani Haat" for prevention of fake notes.*





*MoU Signing Ceremony between Trust Bank Limited and US Bangla Airlines Ltd.*



*Agreement Signing for Joint venture Company(Trust Axiata Digital Limited) between Trust Bank Limited and Axiata Digital Services Sdn Bhd*



*MoU signing ceremony between Trust Bank Limited and Access to information in Bangladesh (a2i)*



*MoU signing ceremony between Trust Bank Limited and Bangladesh Krira Shikkha Protishtan (BKSP)*



*Meeting of Trust Bank Shariah Supervisory Committee*



*School Banking Campaign of Trust Bank Limited*



## Trust Bank Limited

Head Office & Registered Office  
Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate  
Dhaka Cantonment, Dhaka-1206, Bangladesh  
www.tblbd.com

### Notice of the 22<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of Trust Bank Limited will be held on Monday, 09 August 2021 at 11.00 a.m. through Digital Platform to transact the following business:

#### AGENDA

- 01: To receive, consider and adopt the Audited Financial Statements for the year ended on 31 December 2020 including approval of transfer of an amount not exceeding 5% of total income to Special Reserve Fund together with the Directors' and Auditors' Report thereon.
- 02: To declare Dividend for the year ended on 31 December 2020.
- 03: To elect/re-elect/approve the appointment of Directors (including Independent Director).
- 04: To appoint Statutory Auditors and fix their remuneration for the financial year 2021.
- 05: To appoint Professionals for issuance of certificate on compliance of Corporate Governance Code and fix their remuneration for the financial year 2021.

Dated: 17 July 2021

By order of the Board of Directors

**Md. Mizanur Rahman, FCS**  
Company Secretary

#### Notes:

- a. The Record Date of AGM was 07 July 2021. The members' whose names appeared in the Register of Members of the Bank on Record Date are entitled to Dividend and eligible to attend the meeting.
- b. The 22<sup>nd</sup> AGM of the Bank would be conducted through using Digital Platform.
- c. Detail login process will be available in the Bank's website (i.e. www.tblbd.com) and the link will be sent to the respective members' email address available in the beneficial owner (BO) accounts. Shareholders are requested to visit the website for accessing the virtual meeting.
- d. Any Member of the Bank entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly signed by the Member and stamped with Revenue Stamp of TK. 20.00 (Twenty) each, must be submitted at the Share Department of the Bank at any time not less than 72 hours before the time fixed for the meeting.
- e. In compliance with Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD / 2006-158/2018/Admin/81, dated 20 June 2018, the soft copy of Annual Report will be sent to the e-mail address of the shareholders available in the beneficial owner (BO) accounts. The Annual Report along with the Proxy Form can also be collected, if so required, from the Share Department or can be downloaded from the website of the Bank: www.tblbd.com.
- f. The Dividend will be paid to the entitled Shareholders bank account (through BEFTN). Depository Participants (DP)/Stock Brokers are requested to send the list of Margin Account Holders specifying the category (individual, corporate, NRB etc.) based on the Record Date, if any, within 29 July 2021.

**Special Note:** In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009/193/154 dated 24 October 2013, no gift/food box will be distributed at the 22<sup>nd</sup> AGM.



**Trust Bank Limited**

Head Office & Registered Office  
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Dhaka Cantonment, Dhaka- 1206, Bangladesh  
www.tblbd.com

**PROXY FORM**

I/We..... of ..... being a member of Trust Bank Limited, do hereby appoint Mr./Ms. .... of ..... as my/our PROXY to attend and vote on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Bank to be held on Monday, 09 August 2021 at 11.00 a.m. through Digital Platform and at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2021.

.....  
Signature of Shareholder(s)

.....  
Signature of PROXY

No. of Shares held .....

Folio No.

BO ID No.

Revenue

Stamp

Taka 20

**Note:** A member entitled to attend at the Annual General Meeting may appoint a PROXY to attend in his/her behalf. The Proxy Form, duly stamped, must be deposited at the Share Department of the Company at least 72 hours before the scheduled time of the meeting. Signature of the Member should agree with the specimen signature registered with the Company/CDBL.

Signature Verified by

.....  
Authorized Signatory





Trust Axiata Pay

[www.tblbd.com](http://www.tblbd.com)  TrustBankLtdBD



ট্রাস্ট ব্যাংক  
সবসময়, সবখানে, সবার জন্য

**Head Office & Registered Office**  
Shadhinata Tower, Bir Shrestha Shaheed Jahangir Gate  
Dhaka Cantonment, Dhaka 1206, Bangladesh  
Tel: 02-9850638, 44870030-2, 44870014, 44870041  
Fax: 02-9850651  
Email: [info@tblbd.com](mailto:info@tblbd.com)