

# **DIRECTORS'** **REPORT**



## DIRECTORS' REPORT

### Global Economic Outlook

The global economic context has become modestly more favorable since last June, following several years characterized by overlapping negative shocks. Inflation appears to be moderating without a substantial slowdown in key economies, and monetary policy easing has now become widespread. In the next couple of years, deceleration in the two main engines of the global economy—the United States and China—is expected to be offset by firming growth elsewhere, including in many emerging market and developing economies (EMDEs). In all, the post-pandemic global economic expansion is forecast to remain on a steady path. However, the global economy appears to be settling at a relatively low level of growth—one insufficient to foster sustained economic development and catchup in per capita incomes—with the possibility of further headwinds from heightened policy uncertainty, growing trade fragmentation, slower than-anticipated progress in reducing inflation, and weaker activity in major economies.

Global trade growth rebounded last year, despite weak manufacturing activity in some key advanced economies. The recovery was driven by goods trade, which firmed in the third quarter of last year, partly owing to inventory buildups. Meanwhile, services trade growth continued to moderate. In 2025-26, trade growth is set to pick up further but will still remain below its 2010-19 average pace in nearly two-thirds of economies. Recourse to trade restrictions remains prevalent with the number of new measures implemented in 2024 five times higher than the 2010-19 average.

Aggregate commodity prices softened by about 3 percent in 2024, primarily reflecting improving supply conditions for energy and food commodities, despite heightened geopolitical tensions. Commodity prices are projected to ease further over the forecast horizon. A small decline in oil prices last year reflected ample potential oil supply amid decelerating global oil consumption. A significant further decrease in oil prices is expected in 2025-26 as production expands while global oil demand growth remains modest. Base metals prices are set to stabilize over the forecast horizon, mirroring steady global growth. Meanwhile, prices for staple food crops, having fallen notably in 2024, are expected to post a small further decline.

### Global Economic Outlook Growth Projections

Global financial conditions have eased slightly, in aggregate, since mid-2024, mainly owing to the onset of monetary easing in the United States and generally robust risk appetite. Advanced-economy policy rates are expected to decline somewhat further this year but remain well above the unusually low levels of the 2010s. For much of last year, improving investor sentiment translated into capital inflows and improving financial conditions in EMDEs. Following the U.S. presidential election, risk appetite in the United States strengthened further. However, a general appreciation of the U.S. dollar, rising U.S. bond yields, and various idiosyncratic domestic risks pared back the easing in EMDE financial conditions late in the year, with many EMDE currencies weakening amid debt and equity outflows. Growing debt-service burdens continue to pose considerable headwinds to economic activity in countries with elevated financial vulnerabilities, particularly in many low income countries (LICs). Among middle-income countries with weak credit ratings, sovereign spreads normalized substantially last year, although borrowing costs remain far higher than in the 2010s. Fiscal policy is estimated to have been broadly neutral for global growth in 2024, with previously expected fiscal consolidation plans delayed in some major economies. Going forward, fiscal policy is generally anticipated to be modestly contractionary. The pace of fiscal consolidation is expected to pick up in EMDEs excluding China, and in some advanced economies—although not in the United States—as governments intensify efforts to realign spending with revenues. This is likely to exert a modest drag on near-term global growth.

Against this backdrop, global growth is estimated to have stabilized at 2.7 percent last year and is forecast to hold steady at that pace over 2025-26. This forecast nonetheless implies that global growth will remain 0.4 percentage points below the 2010-19 average, with output continuing to lag its pre-pandemic trajectory. This reflects both the prolonged effects of the adverse shocks of recent years, and a structural decline in the fundamental drivers of growth. In particular, trade and investment are expected to expand at a slower pace relative to their 2010-19 averages across many advanced economies and EMDEs. The long-term weakening of economic dynamism is captured also by measures of potential growth: in all, global potential growth is estimated to have declined by about one-third since the 2000s. Growth in advanced economies remained at an estimated 1.7 percent in 2024, as robust activity in the United States helped to offset subdued growth elsewhere. Over 2025-26, growth is forecast to remain around 1.7 percent—below the pace in the decade before the pandemic—as a projected slowdown in the United States is accompanied by modest recoveries in the euro area and Japan. This outlook assumes no major shifts in trade or fiscal policies.

Growth in EMDEs is forecast to remain about 4 percent in 2025-26. In China, following a moderate deceleration last year, subdued consumption amid a continuing secular slowdown is expected to reduce growth further in 2025-26. Excluding China, EMDE growth is projected to firm from an estimated 3.5 percent in 2024 to an average of 3.8 percent in 2025-26. The pickup in growth is anticipated to be broad-based, with growth set to strengthen in nearly 60 percent of these economies. Global monetary easing, recovering real incomes, improving domestic demand, and gradually expanding trade and industrial activity are expected to support overall economic activity going forward. Nevertheless, the pandemic and subsequent shocks have left a lasting mark, with the level of output in EMDEs as a whole expected to remain more than 5 percent below its pre-pandemic trend by 2026.

Growth in LICs is estimated to have been subdued at 3.6 percent in 2024, much weaker than previous expectations, on account of escalating conflict and violence. Growth is forecast to firm to 5.8 percent in 2025-26, but this is contingent on the stabilization of activity in some LICs affected by severe conflict last year.

The global outlook is surrounded by substantial uncertainty, and the balance of risks remains tilted to the downside. Global growth could be weaker than projected on account of potential adverse changes in trade policies and heightened policy uncertainty. A surge in trade-distorting measures, implemented mainly by advanced economies but often disproportionately affecting EMDEs, poses a risk to global trade and economic activity. Beyond specific trade-related policy shifts, a sustained increase in global economic policy uncertainty could dampen growth, particularly in EMDEs. Heightened geopolitical tensions and conflict escalations relating to Russia's invasion of Ukraine, events in the Middle East, and instability elsewhere could disrupt global trade and commodity markets, hurting growth. In affected EMDEs, intense conflicts could set back a wide range of development goals and result in large and long-term output losses.

### Real GDP

(Percent change from previous year unless indicated otherwise)

	Estimated	Forecast	
	2024	2025	2026
World	2.7	2.7	2.7
Advanced economies	1.7	1.7	1.8
United States	2.8	2.3	2.0
Euro area	0.7	1.0	1.2
Japan	0.0	1.2	0.9
Emerging market and developing economies	4.1	4.1	4.0
East Asia and Pacific	4.9	4.6	4.1
China	4.9	4.5	4.0
Indonesia	5.0	5.1	5.1
Thailand	2.6	2.9	2.7
Europe and Central Asia	3.2	2.5	2.7
Russian Federation	3.4	1.6	1.1
Türkiye	3.2	2.6	3.8
Poland	3.0	3.4	3.2
Latin America and the Caribbean	2.2	2.5	2.6
Brazil	3.2	2.2	2.3
Mexico	1.7	1.5	1.6
Argentina	-2.8	5.0	4.7
Middle East and North Africa	1.8	3.4	4.1
Saudi Arabia	1.1	3.4	5.4
Iran, Islamic Rep.	3.0	2.7	2.2
Egypt, Arab Rep.	2.4	3.5	4.2
South Asia	6.0	6.2	6.2
India	6.5	6.7	6.7
Bangladesh	5.0	4.1	5.4
Pakistan	2.5	2.8	3.2
Sub-Saharan Africa	3.2	4.1	4.3
Nigeria	3.3	3.5	3.7
South Africa	0.8	1.8	1.9
Angola	3.2	2.9	2.9

Source: World Bank. GLOBAL ECONOMIC PROSPECTS | JANUARY 2025

## Global Inflation Scenario

Global headline inflation continued to recede last year amid easing energy and food prices, healing supply chains, and the lagged effects of tight monetary policy stances. As a result, headline inflation by late 2024 was at or below target in over 60 percent of economies and remained only slightly above target elsewhere. In many advanced economies, year-on-year inflation has fallen below targets as fuel prices declined through last year and food prices stabilized. In EMDEs, headline inflation has continued to decline, coming within a percentage point of pre-pandemic levels by late 2024, despite briefly edging up in some economies in the second half of last year. Further moderation in year-on-year inflation in EMDEs is likely to follow, with the share of economies with above-target inflation set to fall in 2025 to its lowest level since the peak in 2022.

Despite trending downward, core inflation remained elevated last year, in contrast to the disinflationary impact of a sharper decline in energy and food inflation. Some EMDE regions and advanced economies experienced a pickup in the pace of core price gains in the middle of last year due to accelerated services inflation. In some of these economies, wage growth and demand for services have boosted core prices, prompting some central banks to begin reassessing the pace of monetary easing. More recently, global core inflation began to cool again, partly as a result of slowing wage gains and weakening demand for services. Meanwhile, goods inflation stabilized at subdued levels, no longer supporting the decline in overall inflation.

Going forward, global headline inflation is forecast to decline to an average of 2.7 percent in 2025-26, broadly consistent with target levels in many advanced economies and EMDEs. That said, the range of plausible paths for global inflation over the forecast horizon is wide, in part reflecting substantial policy uncertainty amid the possibility of marked shifts in fiscal policy and notable increases in global tariffs. In the baseline forecast, the decline in inflation is expected to be driven by softening core prices as services demand moderates, labor markets ease, and wage growth slows, accompanied by a further decline in commodity prices. Consistent with these projections, surveys of inflation expectations indicate a continued moderation in inflation globally this year and next.

## Review of Bangladesh Economy

The real economy of Bangladesh witnessed substantial improvement in the Q2 FY25, supported by a confluence of domestic and external factors. The economy benefited from healthy agricultural output, strong manufacturing activity, and continued expansion in the services sector—highlighting the overall resilience of the economy during this period. According to the latest quarterly data of the Bangladesh Bureau of Statistics (BBS), real GDP growth surged sharply to 4.48 percent in Q2 FY25, up from 1.96 percent in Q1 FY25. The industrial and services sectors saw significant rebounds, with growth rates increasing to 7.10 percent and 3.78 percent, respectively, in Q2 FY25, compared to 2.44 percent and 2.41 percent in Q1 FY25. The agriculture sector also posted a modest improvement, growing by 1.25 percent in Q2 FY25, up from 0.76 percent in the previous quarter. On the external front, strong remittance inflows and robust export performance contributed significantly to the dynamism of the external sector.

Notwithstanding the presumed occurrence of multiple natural calamities, the Department of Agricultural Extension (DAE) set ambitious growth targets for major crops in FY25. Considering the production targets and actual productions of the current and previous fiscal years, the Q2 FY25 has demonstrated notable developments in Bangladesh's agriculture sector, particularly with harvesting Aman rice. According to the Department of Agricultural Extension (DAE), Aman rice production totalled 17.2 million metric tons against a 17.9 million metric tons target. On the other hand, Aus rice production reached 2.9 million metric tons, falling short of the target of 3.9 million metric tons. Favourable weather conditions and the timely availability of financial resources and agricultural inputs supported the production of both rice varieties. In contrast, jute production stood at 7.8 million metric tons, missing the annual target. While the DAE has yet to finalize the data on vegetable and maize production, an abundant market supply indicates a bumper harvest for both crops during Q2 FY2.

## Real GDP Growth by Sectors in Bangladesh

Sectors	FY22	FY23	FY24(R)
<b>Agriculture</b>	<b>3.05 (11.61)</b>	<b>3.37 (11.30)</b>	<b>3.30 (11.19)</b>
Agriculture, forestry and fishing	3.05	3.37	3.30
i) Crops and horticulture	2.61	3.15	4.00
ii) Animal farmings	3.10	3.17	3.07
iii) Forest and related services	5.08	5.13	4.99
iv) Fishing	2.64	2.8	0.79

<b>Industry</b>	<b>9.86 (36.92)</b>	<b>8.37 (37.65)</b>	<b>3.51 (37.37)</b>
a) Mining and quarrying	-1.12	12.73	-1.15
b) Manufacturing	11.41	8.89	3.16
i) Large industry	15.68	8.38	1.02
ii) Small, medium, and micro industry	4.84	9.15	4.66
iii) Cottage industry	11.12	10.01	6.92
c) Electricity, gas, steam and air conditioning supply	6.15	2.46	0.98
d) Water supply, sewerage, and waste management	9.54	8.88	3.95
e) Construction	8.71	6.98	5.63
<b>Service</b>	<b>6.26 (51.48)</b>	<b>5.37 (51.05)</b>	<b>5.09 (51.44)</b>
a) Wholesale and retail trade	8.46	6.38	5.77
b) Transportation and storage	5.75	5.49	5.14
c) Accommodation and food service activities	5.37	5.84	5.60
d) Information and communication	4.79	6.35	4.06
e) Financial and insurance activities	5.87	2.55	1.21
f) Real estates activities	3.70	3.68	3.50
g) Professional, scientific and technical activities	4.25	8.8	7.64
h) Administrative and support service activities	6.01	7.51	8.86
i) Public administrative and defence	4.91	7.03	5.58
j) Education	7.87	5.53	6.56
k) Human health and social work activities	9.88	7.22	9.27
l) Arts, entertainment and recreation	6.07	6.34	6.42
m) Others service activities	3.19	3.24	3.14
<b>GDP (at constant market price)</b>	<b>7.10</b>	<b>5.78</b>	<b>4.22</b>

Source: Bangladesh Bureau of Statistics; R=Revised.

(The parentheses indicate the percentage share of total producer price GDP at constant price.)

The industrial sector experienced substantial growth, as reflected in the Index of Industrial Production (IIP), which rose by 8.26 percent in Q2FY25 compared to the same period in the previous fiscal year. Among the three IIP sectors, manufacturing and electricity recorded increases of 8.49 percent and 7.72 percent, respectively, while mining saw a decline of 10.83 percent during Q2FY25 relative to Q2FY24. In the large-scale industrial sector, the IIP for manufacturing registered a significant increase of 6.5 percent, driven by notable growth in key sub-sectors. Coke and refined petroleum products surged by 121.3 percent, machinery and equipment grew by 35.9 percent, electrical equipment increased by 25.4 percent, wood and wood products rose by 24.2 percent, and beverages expanded by 23.4 percent compared to the same period in the previous fiscal year. Meanwhile, the IIP for manufacturing in the Small, Medium, and Micro Enterprises (SMME) sector rose by 4.4 percent. Machinery and equipment increased by 58.8 percent, leather and leather products by 19.2 percent, pharmaceuticals and medicinal chemicals by 18.7 percent, and beverages by 15.9 percent in Q2FY25 compared to Q2FY24. The cottage sector also experienced notable growth, with its IIP for manufacturing rising by 8.7 percent. Key sub-sectors contributing to this expansion included coke and refined petroleum products, which grew by 30.9 percent; motor vehicles and trailers, which increased by 20.7 percent; and fabricated metal products, which saw a rise of 16.8 percent in Q2FY25.

The growth momentum in service sector-related activities remained stable in Q2FY25, as indicated by various proxy indicators. Notably, total cargo handling through Chattogram port, credit to trade and commerce, and consumer finance recorded year-on-year growth rates of 7.67 percent, 8.60 percent, and 8.77 percent, respectively, in Q2FY25. Additionally, credit to the construction and transportation sectors rose by 2.18 percent and 8.04 percent, respectively, in Q2FY25. Overall, government support including uninterrupted salary payment to industry workers is expected to create positive spillover effects on service sector activities.

The real economy of Bangladesh demonstrated resilience in Q2FY25, supported by robust agricultural production, a robust industrial sector, and steady growth in services. The recovery from earlier political and economic

uncertainties has been gradual, with key sectors showing promising expansion. The positive spillover effects from agriculture and industry are expected to further strengthen economic performance in the coming quarters.

### Fiscal Sector

The overall fiscal balance showed a deficit in Q2FY25 as expenditure exceeded revenue collection. Government expenditure grew at a higher rate than revenue mobilization in Q2FY25 compared to Q2FY24 (y-o-y), leading to the budget deficit. In Q2FY25, total revenue was 1.70 percent of GDP, spending was 2.31 percent, and financing was 0.61 percent; in Q2FY24, these figures were 1.83 percent, 2.31 percent, and 0.37 percent, respectively.

Overall revenue collection in Q2FY25 was BDT 953.77 billion, up 4.27 percent from the same quarter last year. In comparison to Q2FY24, the NBR tax revenue, which constituted 88.98 percent of total revenue collection, saw a year-on-year growth of 2.65 percent in Q2FY25. On the other hand, the non-tax revenue grew notably by 22.34 percent over the same quarters, accounting for 8.96 percent of total revenue collection. During the same period, non-NBR tax revenue (the least contributor of revenue) increased by 8.60 percent.

While value-added tax (VAT) accounted for the major share (38.46 percent) of NBR tax revenue, both VAT and customs duties fell by about 1.00 percent in Q2FY25 compared to Q2FY24. On the other hand, income tax rose 4.70 percent in Q2FY25 compared to Q2FY24. With a total budget of BDT 5454 billion for FY25, total revenue collection in Q2FY25 was 17.53 percent of the budget.

The total expenditure increased by 12.32 percent, rising from BDT 1153.35 billion in Q2FY24 to BDT 1294.88 billion in Q2FY25. In Q2FY25, the operating expenditure increased by 20.06 percent, which was mainly driven by subsidies, incentives, and current transfer (55.03 percent of total operating cost). The expenses of subsidies, incentives, and current transfers have risen significantly, with a 104.47 percent increase in Q2FY25 compared to the same quarter last year. Operating expenditure exceeded total revenue collection by BDT 83 billion which implies that the government's spending on operational activities is going beyond the income generated from taxes or other sources. The development expenditure increased by 9.92 percent, with the ADP rising by 8.17 percent during this period under review compared to the corresponding period of the previous year. The total amount spent in Q2FY25 was approximately 16.25 percent of the FY25 budget of BDT 7970 billion. The government executed 20.45 percent of the operating expenditure target and 10.78 percent of the ADP spending target during Q2FY25.

### Inflation

Inflation remained a key concern throughout the second quarter of FY25, exerting persistent upward pressure on prices. During this period, headline inflation surged significantly, primarily fuelled by rising food prices. In contrast, non-food inflation remained stable, showing no notable upward movement. Headline inflation (point-to-point) increased to 10.87 percent in October 2024 from 9.92 percent in September 2024, and then rose further to 11.38 percent in November 2024 before declining slightly to 10.89 percent in December 2024. Similarly, the 12-month average headline inflation rose to 10.34 percent in Q2FY25, up from 9.97 percent in Q1FY25. Conversely, the point-to-point core inflation rate, which excludes volatile items such as food and fuel, slightly declined to 10.29 percent at the end of Q2FY25 from 10.40 percent at the end of Q1FY25.

Food inflation in both rural and urban areas increased during Q2FY25. However, food inflation was relatively lower in rural areas compared to urban areas during the last two months of the quarter under review, suggesting an adequate supply of winter crops. In December 2024, food inflation in rural and urban areas stood at 12.63 percent and 13.56 percent compared to 10.38 percent and 10.50 percent in September 2024, respectively. While non-food inflation did not increase during the quarter, it remained higher in rural areas compared to urban areas, likely due to increased demand driven by significant inflows of wage earners' remittances in recent times. However, overall non-food inflation declined in both rural and urban areas in December 2024, reaching 9.65 percent and 9.17 percent in December 2024 compared to 9.91 percent and 9.38 percent in September 2024, respectively.

### Exports

The country's export (f.o.b) exhibited strong growth, reaching USD 11.8 billion in Q2FY25, an increase of 16.9 percent (y-o-y), compared to 5.0 percent growth in Q1FY25. This robust growth was primarily driven by the strong performance of the ready-made garments (RMG) sector, which accounted for 88.1 percent of total export earnings and grew by 18.6 percent (y-o-y) during the quarter under review. Within the RMG sector, the knitwear and woven garment exports increased by 17.9 percent and 19.4 percent, respectively, contributing 42.6 percent and 37.9

percent to total exports. However, the exports of jute goods and leather declined by 5.2 percent and 5.0 percent in Q2FY25 compared to the same period of the previous year, respectively. Despite the strong export growth, RMG exports to European countries – the largest export destinations – declined by 3.2 percent in Q2FY25. In contrast, exports to the USA surged by 20.5 percent during Q2FY25; where exports rose by 14.41 percent during the first quarter of FY25.

### Imports

The country experienced moderate growth in import payments (f.o.b), which increased by 4.0 percent in Q2FY25, reaching USD 16.9 billion from USD 16.2 billion in Q2FY24. This growth was mainly originated from higher import of RMG-related goods. A detailed item-wise analysis reveals that the import payments of key products, such as textiles and articles thereof, petroleum, oil, and lubricants (POL), chemicals, yarn, and plastics and rubber articles, which accounted for 36.6 percent of the total imports, saw significant increases of 25.9 percent, 13.0 percent, 17.9 percent, 6.9 percent, and 22.4 percent during Q2FY25 compared to Q2FY24, respectively. On the other hand, imports of iron, steel and other base metals (comprising 8.4 percent share of total imports) and fertilizer (4.7 percent share) decreased by 10.2 percent and 8.7 percent during the quarter under review, respectively.

### Banking Sector Performance

The banking sector continued to face rising challenges in the second quarter of FY25 despite improvements in certain performance indicators. This period marked a sharp increase in the non-performing loans (NPLs), reflecting both in actual terms and in ratio relative to total outstanding loans. Moreover, the banking sector also witnessed a deceleration in the growth of bank advances. On a positive note, public confidence in the banking sector started to regain as funds previously held outside banks were converted into bank deposits, leading to a significant increase in excess liquidity.

The sector's non-performing loans (NPLs) continued its uptrend, rising by 21.33 percent to BDT 3457.64 billion in Q2FY25 compared to BDT 2849.77 billion in Q1FY25. The NPL ratio to total outstanding loans reached a record high of 20.2 percent during Q2FY25, up from 16.93 percent in the previous quarter and 9.00 percent in the year before. The cumulative volume of NPL made a giant leap of approximately BDT 2000 billion compared to the previous year. A quick analysis suggests that the worsening NPL situation was primarily driven by the non-renewal of some existing loans and non-repayment of rescheduled loans. This trend was further exacerbated by the revised overdue-status-counting system, which took effect on 30 September 2024, reducing the threshold for fixed-term loans from 6 months to 3 months, contributing to the increase in classified loans. Additionally, the ratio of net NPLs to total loans in the banking sector almost doubled, reaching 10.57 percent at the end of Q2FY25, up from 5.89 percent at the end of Q1FY25.

Across all bank categories, the NPL ratio of the state-owned commercial banks (SCBs) remained persistently the highest, rising to 42.83 percent at the end of Q2FY25 from 40.35 percent at the end of Q1FY25. Similarly, private commercial banks (PCBs) saw their NPL ratio advance further to 15.60 percent — far beyond the acceptable threshold— compared to 11.88 percent in Q1FY25. Foreign commercial banks (FCBs) and specialized banks (SBs) also experienced slight changes in their NPL ratios, with FCBs decreasing to 4.13 percent from 4.99 percent and SBs increasing to 14.37 percent from 13.21 percent over the previous quarter.

## Discussion on Operating Performance of 2024 of Trust Bank PLC.

### Summary

The Bank earned consolidated operating income of BDT 20,844.47 million for the year 2024. After keeping BDT 5,191.71 million as provision against classified and unclassified loans and advances, diminution in the value of investments, off-balance sheet exposures and other assets, the pre-tax profit and net profit after tax stood at BDT 8,274.10 million and BDT 3,723.17 million respectively for the year 2024.

### Interest Income

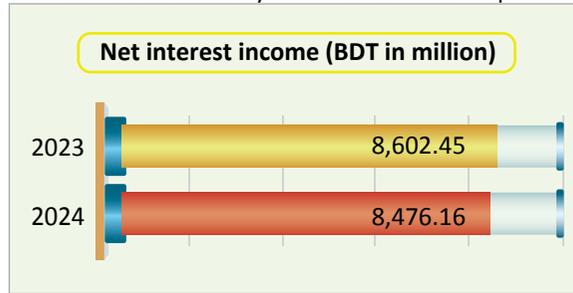
Trust Bank PLC. (TBL) earned consolidated interest income from loans and advances and profit from Islamic Banking investment amounting BDT 34,466.78 million during the year 2024 as against BDT 25,963.11 million in 2023 registering a positive growth of 32.75% or BDT 8,503.67 million.

### Interest Expenses

Consolidated interest and profit paid on deposits and borrowings measured at BDT 25,990.63 million in 2024 against BDT 17,360.66 million in 2023 showing an increase by 49.71% or BDT 8,629.97 million.

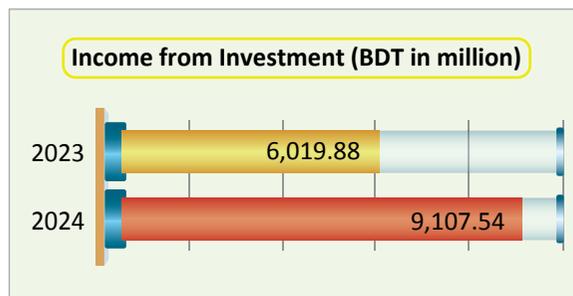
### Net Interest Income

The consolidated net interest income amounted BDT 8,476.16 million as against BDT 8,602.45 million in the preceding year. During the year, net interest income decreased by BDT 126.29 million representing a negative growth of 1.47%.



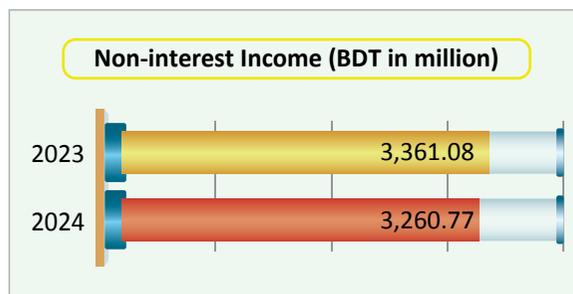
### Income from Investment

Consolidated income from investment was BDT 9,107.54 million for the year 2024 whereas it was BDT 6,019.88 million in the year 2023 resulting in an increase of BDT 3,087.66 million or 51.29%.



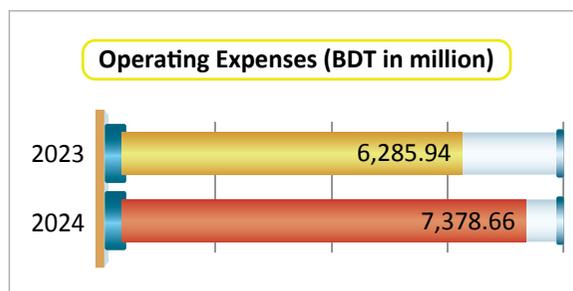
### Non-interest Income

The non-interest income consists of the commission, exchange and other operating income of the Bank. Consolidated non-interest income of the Bank was BDT 3,260.77 million in 2024; whereas, it was BDT 3,361.08 million in 2023.



### Total Operating Expenses

The consolidated operating expenses shown in Profit and Loss account was amounting to BDT 7,378.66 million in 2024 compared to BDT 6,285.94 million in the previous year. Salary and allowances constituted 54.34% of total operating expenses in 2024 and there was 17.24% increase in salary and allowances in the year 2024 from the year 2023. The total operating expenses of the Bank increased by 17.38% from the previous year.



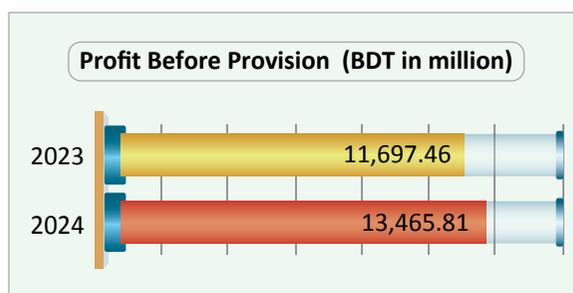
## Income Mix and Growth

BDT in Million

Particulars	2024	2023	Growth
Interest income / Profit on investment	34,466.78	25,963.11	32.75%
Interest / Profit paid on deposits and borrowings etc.	25,990.63	17,360.66	49.71%
Net interest income	8,476.16	8,602.45	-1.47%
Investment Income	9,107.54	6,019.88	51.29%
Non-Interest Income	3,260.77	3,361.08	-2.98%
Total operating income	20,844.47	17,983.40	15.91%
Total operating expenses	7,378.66	6,285.94	17.38%
Profit before provision	13,465.81	11,697.46	15.12%
Provision for loans & advances / investments, Diminution in value of investment and Others	5,191.71	5,460.12	-4.92%
Total Profit before Taxes	8,274.10	6,237.34	32.65%
Provision for Taxation (Current & Deferred)	4,550.92	2,065.93	120.28%
Net Profit after Taxation	3,723.17	4,171.40	-10.74%

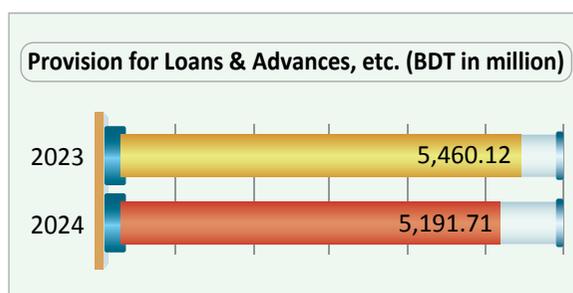
### Profit before Provision

Consolidated operating profit before provision was BDT 13,465.81 million in the year 2024; whereas, it was BDT 11,697.46 million in the year 2023 witnessing a positive growth 15.12%.



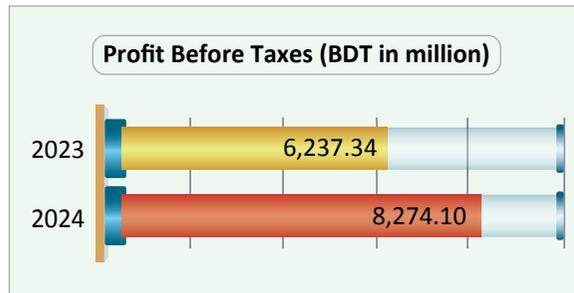
### Provision for Loans and Advances, Off-balance Sheet Exposure and Others

During the year 2024, consolidated provision for loans and advances was BDT 5,191.71 million compared to BDT 5,460.12 million in the year 2023 reflecting a decrease of BDT 268.41 million.



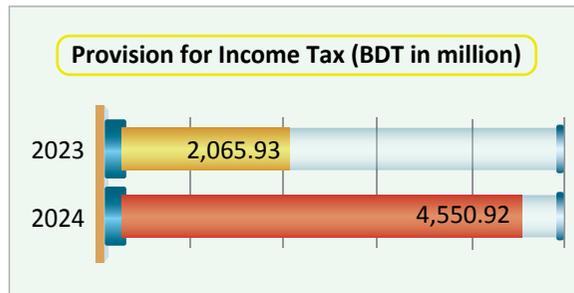
### Profit before Taxes

After making the above-mentioned provision, consolidated profit before tax of the Bank stood at BDT 8,274.10 million in 2024 compared to BDT 6,237.34 million in 2023. resulting in a growth of 32.65%.



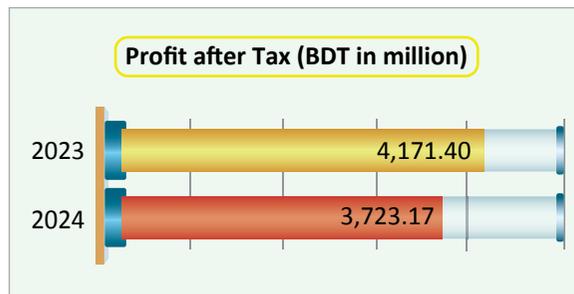
### Provision for Income Tax

Consolidated Provision for Income Tax for the year 2024 stood at BDT 4,550.92 million against BDT 2,065.93 million in 2023. However, current income tax was BDT 4,596.20 million and Deferred Tax (Asset) was BDT 45.28 million in 2024.



### Net Profit after Tax

Consolidated net profit after tax stood at BDT 3,723.17 million in the year 2024 compared to BDT 4,171.40 million in the year 2023 and earnings per share was BDT 4.03 in the year 2024 whereas it was BDT 4.62 in the year 2023.



### Dividend

The Board of Directors in its 365 (03/2025) Meeting held on 28 April 2025 recommended 7.5 % Cash Dividend & 7.5 % Stock Dividend for the approval of shareholders at the next Annual General Meeting (AGM) to be held on 28 July 2025.

## Review of Financial Position of Trust Bank PLC.

### Summary

Despite various external challenges, the Bank's overall businesses grew significantly in 2024. Deposits of the Bank stood at BDT 448,604.45 million at the end of the year 2024. Consolidated loans and advances increased by 13.58% compared to year 2023 and stood at BDT 379,137.40 million at the end of 2024.

## Total Assets

Consolidated assets of the Bank stood at BDT 561,361.72 million in 2024 as against BDT 458,006.26 million in 2023 registering a growth of 22.57%. Loans and Advances constituted 67.54% of total assets while investment in government and other instruments held 20.03% of the total assets. Balance with other banks and financial institutions held at 4.07% of total assets. Moreover, other assets which are very current in nature made up 1.90% of total assets leaving only 0.74% of total assets tied up in fixed assets including premises, furniture and fixtures. The common size analysis shows that almost 95.35% of total assets of the Bank are utilized in different earning assets along with fixed assets and others leaving 4.65% in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio (CRR) requirements of Bangladesh Bank.

## Summary of Property and Assets

BDT in Million

Particulars	Amount		Growth	Asset Mix	
	2024	2023	%	2024	2023
Cash in hand & Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	26,131.22	21,491.72	21.59%	4.65%	4.69%
Balance with other Banks & FIs	22,842.92	17,486.60	30.99%	4.07%	3.81%
Money at call and short notice	5,960.00	0.00	100.00%	1.06%	0.00
Investments	112,449.66	73,012.69	53.91%	20.03%	15.95%
Loans and Advances/Islamic Banking Investments	379,137.40	333,791.85	13.58%	67.54%	72.88%
Fixed assets including premises, furniture and fixtures	4,170.67	2,762.45	50.98%	0.74%	0.60%
Other assets	10,669.83	9,461.95	12.77%	1.90%	2.07%
Total Assets	561,361.72	458,006.26	22.57%	100.00%	100.00%

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

As on 31 December 2024, consolidated cash in hand and balance with Bangladesh Bank and its agent banks (including foreign currencies) stood at BDT 26,131.22 million as against BDT 21,491.55 million of 2023 registering a positive growth by 21.59%. However, this asset remains 4.65% of the total assets in the year 2024.

## 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 for smooth functioning of the treasury operations and international trade finance. The Bank also places excess fund with other banks and financial institutions as term deposits for optimizing the profit of the Bank. As on 31 December 2024, proper use of the fund, consolidated balance outstanding with other banks and financial institutions was BDT 22,842.92 million as compared to BDT 17,486.60 million at the end of 2023.

## Investments

In the year 2024, Bank's investments stood at BDT 112,449.66 million showing an increase by 53.91% as compared to that of 2023. Out of total investments, BDT 89,712.28 million was invested in government securities and the rest of the amount i.e. BDT 22,737.39 million was invested in Preference Shares, Ordinary Shares and Corporate Bonds.

## Loans and Advances

Consolidated loans and advances of the Bank as on 31 December 2024 was BDT 379,137.40 million as against BDT 333,791.85 million in the year 2023, showing an increase by 13.58% 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 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 major segment of the business. While disbursing loans to our customers, the policies provided by Bangladesh Bank is strictly followed. The portfolio has further been diversified to avoid risk of single industry

concentration and remains in line with the Bank's credit norms relating to risk quality. Customer Relationships have been strengthened and frequent visits have been ensured for further cementing and growing existing ties.

### 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. Consolidated balance of liabilities of the Bank stood at BDT 535,879.57 million at the end of year 2024 as against BDT 434,731.83 million in 2023, representing a rise of 23.27%. Deposits constituted 79.91% of total liabilities and Shareholders' Equity of the Bank.

### Summary of Liabilities and Capital:

Particulars	BDT in Million				
	Amount		Growth	Liability Mix	
	2024	2023	%	2024	2023
<b>Liabilities:</b>					
Borrowings from other banks, financial institutions and agents	41,770.49	35,414.05	17.95%	7.44%	7.73%
Deposits and other accounts	448,604.45	366,398.49	22.44%	79.91%	80.00%
Other liabilities	45,504.63	32,919.30	38.23%	8.11%	7.19%
<b>Total Liabilities/Non Owner's Claims on the Total Assets</b>	<b>535,879.57</b>	<b>434,731.83</b>	<b>23.27%</b>	<b>95.46%</b>	<b>94.92%</b>
Paid-up Capital	9,247.25	8,562.27	8.00%	1.65%	1.87%
Statutory Reserve	10,779.75	9,779.75	10.23%	1.92%	2.14%
Other Reserve & Share Premium	206.85	138.42	49.44%	0.04%	0.03%
Retained Earnings	5,248.30	4,605.57	13.96%	0.93%	1.01%
<b>Trust Bank Shareholders' Equity</b>	<b>25,482.15</b>	<b>23,086.01</b>	<b>10.38%</b>	<b>4.54%</b>	<b>5.04%</b>
Non-Controlling Interest	0.0008	188.41	-100%	0.00%	0.04%
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>25,482.15</b>	<b>23,274.42</b>	<b>9.49%</b>	<b>4.54%</b>	<b>5.08%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>561,361.72</b>	<b>458,006.26</b>	<b>22.57%</b>	<b>100.00%</b>	<b>100.00%</b>

### Deposit Portfolio

In the year 2024, consolidated deposits of the Bank increased by 22.44% and to BDT 448,604.45 million from BDT 366,398.49 million as recorded in the year 2023. 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. Mix of deposits showed that fixed deposits contributed 50.87% of total deposits. The Bank's deposits include deposits from both conventional and the Islamic Banking deposit vehicle.

Type of Deposits	BDT in Million				
	Amount		Growth	Deposit Mix	
	2024	2023	%	2024	2023
Current / Al-Wadeeah current accounts and other accounts	62,302.73	53,515.01	16.42%	13.89%	14.61%
Bills payable	3,588.90	4,804.98	-25.31%	0.80%	1.31%
Savings bank / Mudaraba savings deposits	70,037.35	64,437.53	8.69%	15.61%	17.59%
Fixed deposits / Mudaraba term deposits	228,217.49	172,113.00	32.60%	50.87%	46.97%
Short Notice Deposits / Mudaraba Short Notice Deposits	35,470.10	26,715.18	32.77%	7.91%	7.29%
Special Deposits Scheme	48,987.88	44,812.79	9.32%	10.92%	12.23%
<b>Total</b>	<b>448,604.45</b>	<b>366,398.49</b>	<b>22.44%</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 increased by 17.95%. Borrowing represents the Long-Term Borrowings from Unsecured Subordinated Non-Convertible Bond and Bangladesh Bank Refinance, EDF, IPFF, LTFF. The balance stood at BDT 41,770.49 million at the end of year 2024 as against BDT 35,414.05 million in 2023.

### Shareholders' Equity

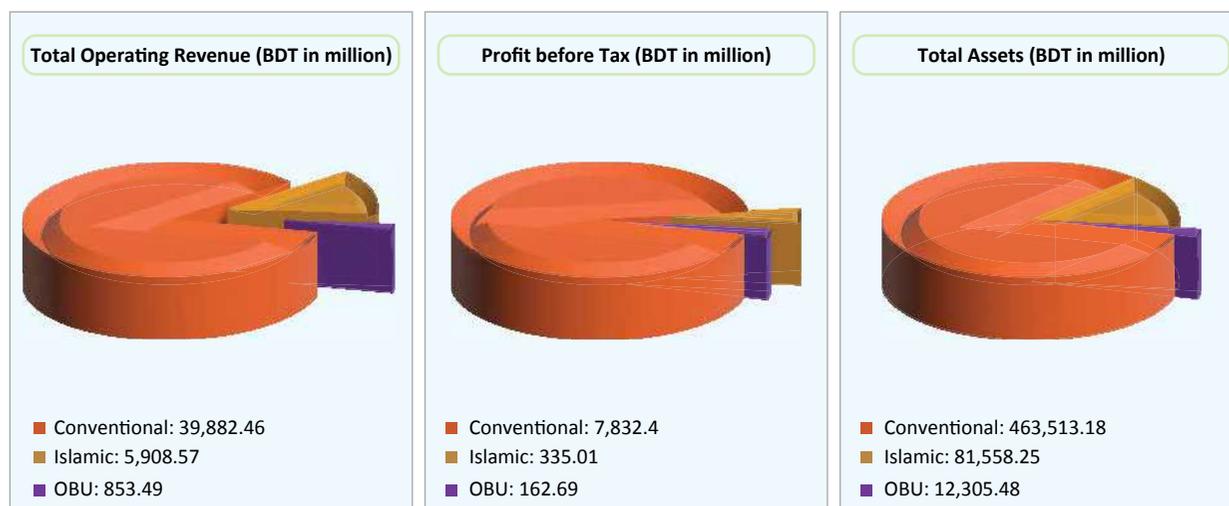
Total Consolidated Shareholders' Equity increased by 9.49% and stood at BDT 25,482.15 million at the end of year 2024 as against BDT 23,274.42 million in the year 2023. Item wise details of Shareholder's equity are given below:

Particulars	BDT in Million		
	Amount		Changes
	2024	2023	%
Paid-up Capital	9,247.25	8,562.27	8.00%
Statutory Reserve	10,779.75	9,779.75	10.23%
Other Reserve & Share Premium	206.85	138.42	49.44%
Retained Earnings	5,248.30	4,629.56	13.96%
<b>Trust Bank Shareholders' Equity</b>	<b>25,482.15</b>	<b>23,086.01</b>	<b>10.38%</b>
Non-Controlling Interest	0.0008	188.41	-100.00%
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>25,482.15</b>	<b>23,274.42</b>	<b>9.49%</b>

### Statutory Reserve

In accordance with the provision of the Bank Companies Act 1991 (Amended from time to time), minimum 20% of operating profit before tax is required to be transferred to Statutory Reserve. In the year 2024, BDT 1,000.00 million was transferred to Statutory Reserve and thus balance of Statutory Reserve stood at BDT 10,779.75 million in the end of year 2024.

### Segment Analysis (Solo)



## Five Years' Financial Summary

BDT in Million (where applicable)

Particulars	2024	2023	2022	2021	2020
<b>Operating Results (SOLO Basis)</b>					
Total Operating Income	20,643.95	17,779.42	16,763.58	16,053.17	11,728.76
Total Operating Expense	7,128.78	5,960.24	5,763.18	6,095.90	4,443.59
Operating Profit	13,515.17	11,819.18	11,000.41	9,957.27	7,285.17
Provision For Loans, Investment and Other	5,185.07	5,426.88	4,018.86	4,815.07	2,933.16
Profit Before Tax	8,330.10	6,392.30	6,981.55	5,142.20	4,352.02
Profit After Tax	3,801.92	4,318.00	2,991.50	2,744.12	1,788.20
<b>Financial Positions (SOLO Basis)</b>					
Authorized Capital	25,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid-Up Capital	9,247.25	8,562.27	7,783.88	7,076.26	6,432.96
Total Shareholders' Equity	25,182.80	22,896.31	19,845.63	18,258.82	17,039.03
Deposits	448,728.88	366,401.73	325,930.65	284,880.71	288,403.90
Loans And Advances	378,241.49	332,703.58	298,376.45	257,295.38	221,063.69
Total Liabilities	532,194.11	430,932.58	398,056.82	347,248.72	337,739.30
Investments	107,714.97	68,831.46	60,050.17	63,893.72	90,944.85
Fixed Assets	3,925.72	2,557.47	2,138.37	2,190.44	1,936.60
Earning Assets	461,832.22	374,917.05	341,871.78	303,083.20	302,608.03
Total Assets	557,376.91	453,828.89	417,902.46	365,507.54	354,778.33
<b>Other Business</b>					
Import	173,502.10	154,089.00	146,107.00	134,751.59	72,201.38
Export	83,649.50	68,311.00	67,790.26	46,547.89	34,680.82
Foreign Remittance	176,128.13	93,736.00	66,888.00	16,505.75	10,291.57
Guarantee Issued	25,313.10	25,986.20	19,759.66	18,540.30	16,663.10
<b>Capital Measures (Consolidated Basis)</b>					
Total Risk Weighted Assets	328,651.71	286,543.22	261,528.91	238,338.43	198,678.15
Core Capital (Tier-I)	28,849.52	26,752.05	23,745.34	22,443.34	17,413.35
Supplementary Capital (Tier-II)	14,414.29	12,135.67	11,739.67	11,097.70	10,485.72
Total Capital	43,263.81	38,887.72	35,485.01	33,541.04	27,899.07
Tier-I Capital Ratio	8.78%	9.35%	9.08%	9.42%	8.76%
Tier-II Capital Ratio	4.39%	4.24%	4.49%	4.66%	5.28%
Total Capital Ratio	13.16%	13.59%	13.57%	14.07%	14.04%
<b>Credit Quality (SOLO Basis)</b>					
Non-Performing Loans	24,052.56	20,215.31	14,212.22	9,381.99	9,966.15
% Non-Performing Loans	6.36%	6.08%	4.76%	3.65%	4.51%
<b>Share Information</b>					
Market Price Per Share	22.00	31.70	34.90	33.30	33.40
Earnings Per Share	4.11	5.04	3.84	3.53	2.78
Price Earnings Ratio	5.35	6.29	9.08	8.59	12.01
Net Asset Per Share	27.23	26.74	25.50	25.80	26.49
<b>Other Information</b>					
Cost-to-Income Ratio	34.53%	33.52%	34.38%	37.97%	37.89%
Return on Average Assets	0.75%	0.99%	0.76%	0.76%	0.55%
No of Branches	113	109	108	108	107
No of SME/AGRI Branches	6.00	6.00	6	6	6
No. of Foreign Correspondence	30	30	30	30	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 upholds 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 it has an interest with significant influence. Details of the transactions are given in the notes section to the Financial Statements, as disclosures, and placed separately, as per the guidelines of Bangladesh Bank.

For the purpose of Transactions with Bank-Related Persons, Trust Bank follows the Bank Company Act, 1991 (amended from time to time) and guidelines of Bangladesh Bank, especially the BRPD circular no. 03, dated 08 May 2025.

## 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 Rights Issue in 2008 and 2012.

Trust Bank issued several Subordinated Bonds after obtaining approval from Bangladesh Bank and the 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 the IPO, and issuance of Subordinated Bond. No adverse situation has arisen till date.

## Significant Variances between Quarterly and Annual Financial Statements

Despite the challenging circumstances of 2024, Trust Bank showed impressive growth compared to the performance of the year 2023. 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 from time to time), 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. 02 dated 11 February 2024. As per the above BRPD circular, the Board members receive only BDT 10,000/- for attending the Board/Committee meetings including applicable deductions thereon. A disclosure on the fees given to directors is included in note section 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 as per BRPD circular no. 02, dated 11 February 2024	Only meeting fees.
Directors	Fees and other facilities for attending each meeting of the Board or its any Committee as per BRPD circular no. 02, dated 11 February 2024.	
Managing Director	Salary and allowances as per Service Contract as per BRPD circular no. 05, dated 27 February 2024.	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 from time to time), 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 2024 annual financial statements were approved by the Board of Directors on 28 April 2025.

### **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 Senior Management Team (SMT) 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 the 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, after scrutinizing industry growth, financial soundness, prospects, etc.

Trust Bank sustained its commitment to the shareholders. In this regard, the Board of Directors, in its 365 (03/2025) Meeting held on 28 April 2025 recommended 7.5 % Cash Dividend & 7.5 % Stock Dividend for the approval of shareholders at the next Annual General Meeting (AGM) to be held on 28 July 2025.

### Declaration of Interim Dividend

The Board of Directors of Trust Bank did not declare any interim dividend during 2024.

### Meetings of Board of Directors

The Board of Directors met several times in 2024. The statistics of the meetings are given below:

Type of Meeting	Number of Meetings
Board Meeting	10
Executive Committee Meeting	43
Audit Committee Meeting	06
Risk Management Committee Meeting	04

A separate statement on the attendance of the Board of Directors and its committees 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.

### 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 the CFO

The certification of the MD & CEO and the CFO has been presented on this Annual Report.

### **Compliance of Conditions of Corporate Governance Code by Trust Bank PLC.**

Trust Bank PLC. 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 *Jasmine & Associates* has been presented with the corporate governance report.

### **State of the Bank's Affairs**

A detailed report on the Financial Performance of Trust Bank PLC. 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 2024.

### **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 Banking Companies Act, 1991 (amended from time to time), 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 & the officials 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, interferes, directly or indirectly, 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 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; 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 programs 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 Managing Director/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 2024, 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 PLC, Chittagong Stock Exchange PLC and other regulatory bodies for their valuable guidance from time to time.

The Board of Directors also likes to record its warm appreciation for the sincere and dedicated services rendered by the executives, officers, and staff 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 2024 for approval.

Thank you.

On behalf of the Board of Directors,



**General Waker-Uz-Zaman, SBP, OSP, SGP, psc**  
Chairman