



# FINANCIAL STATEMENTS

With a solid framework for internal and external control and dynamic mobilization of resources, we constantly seek to create value. Applying control mechanisms to prevent discrepancies with numbers, we govern and leverage our holistic policy to suit our operational doctrine. With strict adherence to regulatory policies, MTB is an epitome of financial clarity and prowess.



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## Independent Auditor's Report to the Shareholders of Mutual Trust Bank Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mutual Trust Bank Limited and its subsidiaries (together referred to as the "Group") which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 and 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group and its subsidiaries as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.


### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Banking Companies Act, 1991 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) 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 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;
- (iii) financial statements of two subsidiaries namely, MTB Securities Limited, MTB Capital Limited have been audited by Khan Wahab Shafique Rahman & Co., Chartered Accountants and MTB Exchange (UK) Limited have been audited by Jahan & Co., Chartered management Accountants 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 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 account and returns;
- (vii) the expenditures incurred and payments made were for the purpose of the Group's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as 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 records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (xi) the information and explanations required by us have been received and found satisfactory;
- (xii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,500 person hours; and
- (xiii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

April 17, 2018  
Dhaka

  
**A. Qasem & Co.**  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED

## CONSOLIDATED BALANCE SHEET

As at December 31, 2017

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Property and Assets</b>			
<b>Cash</b>	<b>3.00</b>	<b>13,077,123,517</b>	<b>11,263,046,577</b>
In Hand (Including Foreign Currency)		2,191,164,252	1,987,478,022
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)		10,885,959,265	9,275,568,555
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>4.00</b>	<b>2,798,256,664</b>	<b>8,148,416,411</b>
In Bangladesh		1,030,004,295	7,286,894,739
Outside Bangladesh		1,768,252,369	861,521,672
<b>Money at Call and Short Notice</b>	<b>5.a</b>	<b>4,690,000,000</b>	<b>990,000,000</b>
<b>Investments</b>	<b>6.00</b>	<b>25,105,802,134</b>	<b>21,942,058,933</b>
Government		22,703,494,533	19,627,418,568
Others		2,402,307,601	2,314,640,365
<b>Loans and Advances</b>	<b>7.00</b>	<b>145,606,993,782</b>	<b>114,355,762,842</b>
Loans, Cash Credits, Overdrafts, etc.		143,429,214,788	112,071,881,968
Bills Purchased and Discounted		2,177,778,994	2,283,880,874
<b>Fixed Assets including Premises, Furniture &amp; Fixtures</b>	<b>8.00</b>	<b>3,211,265,364</b>	<b>3,140,971,243</b>
<b>Other Assets</b>	<b>9.00</b>	<b>7,264,492,733</b>	<b>5,530,430,863</b>
<b>Non-Banking Assets</b>		-	-
<b>Total Property and Assets</b>		<b>201,753,934,194</b>	<b>165,370,686,869</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>10.00</b>	<b>16,417,678,099</b>	<b>8,706,459,450</b>
<b>Deposits and Other Accounts</b>	<b>11.00</b>	<b>151,776,065,501</b>	<b>131,272,330,273</b>
Current Deposits & Other Accounts		14,652,100,509	12,301,476,077
Bills Payable		2,100,804,374	1,751,051,731
Savings Bank Deposits		27,479,479,774	23,710,184,165
Special Notice Deposits		11,721,963,726	11,645,986,993
Fixed Deposits		67,113,942,085	55,803,465,444
Deposit Products		28,707,775,033	26,060,165,863
<b>Other Liabilities</b>	<b>12.00</b>	<b>13,798,103,840</b>	<b>11,323,514,980</b>
<b>Subordinated Debts</b>	<b>13.a</b>	<b>8,000,000,000</b>	<b>4,250,000,000</b>
<b>Total Liabilities</b>		<b>189,991,847,439</b>	<b>155,552,304,703</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	<b>14.a</b>	5,096,560,340	4,431,791,600
Statutory Reserve	<b>15.00</b>	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities		696,384,694	731,782,030
Foreign Currency Translation gain/(loss)		7,667,134	8,903,014
General Reserve	<b>16.a</b>	616,777,324	616,777,324
Retained Earnings	<b>17.00</b>	1,722,348,545	841,239,233
<b>Total Shareholders' Equity</b>		<b>11,761,962,068</b>	<b>9,818,260,027</b>
<b>Minority Interest</b>	<b>17.01</b>	<b>124,686</b>	<b>122,139</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>201,753,934,194</b>	<b>165,370,686,869</b>
<b>Net Asset Value (NAV) per share</b>		<b>23.08</b>	<b>19.26</b>

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities</b>	18.a		
Letters of guarantee		11,602,039,974	9,302,425,309
Irrevocable letters of credit		16,740,167,351	14,291,274,015
Bills for collection		2,442,346,145	3,296,481,413
Acceptances and endorsements		30,020,544,096	18,244,133,884
Other contingent liabilities		-	-
<b>Total Off Balance Sheet Items</b>		<b>60,805,097,566</b>	<b>45,134,314,620</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>60,805,097,566</b>	<b>45,134,314,620</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

Signed as per our annexed report of the same date

April 17, 2018  
Dhaka



**A. Qasem & Co.**  
Chartered Accountants


# MUTUAL TRUST BANK LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
Interest Income	20.00	12,160,542,962	11,381,372,890
Less: Interest Paid on Deposits and Borrowings, etc.	21.00	7,852,867,671	7,503,094,801
<b>Net Interest Income</b>		<b>4,307,675,291</b>	<b>3,878,278,089</b>
Investment Income	22.00	2,127,213,334	2,010,544,355
Commission, Exchange and Brokerage	23.00	1,578,009,117	1,228,154,940
Other Operating Income	24.00	466,395,805	397,902,578
		<b>4,171,618,256</b>	<b>3,636,601,873</b>
<b>Total Operating Income</b>		<b>8,479,293,547</b>	<b>7,514,879,962</b>
<b>Less: Operating Expenses:</b>			
Salary and Allowances	25.00	2,402,684,185	2,256,194,529
Rent, Tax, Insurance and Electricity etc.	26.00	664,468,164	601,537,153
Legal Expenses	27.00	3,568,913	3,385,938
Postage, Stamps and Telecommunication etc.	28.00	7,076,154	9,647,331
Stationery, Printing and Advertisements etc.	29.00	101,173,252	83,175,269
Managing Director's Remuneration	25.a.1	18,275,334	17,315,333
Directors' Fees	30.00	3,441,200	3,031,033
Auditors' Fees	31.00	1,776,066	2,580,355
Depreciation and Repair of Bank's Properties	32.00	429,753,440	390,901,907
Other Expenses	33.00	931,357,187	738,998,678
<b>Total Operating Expenses</b>		<b>4,563,573,895</b>	<b>4,106,767,526</b>
<b>Profit Before Provision</b>		<b>3,915,719,652</b>	<b>3,408,112,436</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>	34.00		
Specific Provision		444,645,646	721,919,363
General Provision		908,809,835	42,615,165
Off Balance Sheet Items		137,300,000	100,000,000
Margin Loan & Investment in Shares		155,492,999	71,100,000
Other Asset		10,000,000	11,000,000
<b>Total Provision</b>		<b>1,656,248,480</b>	<b>946,634,528</b>
<b>Profit Before Tax</b>		<b>2,259,471,172</b>	<b>2,461,477,908</b>
<b>Less: Income Tax Expenses</b>		<b>279,133,367</b>	<b>997,884,480</b>
Current Tax Expenses	35.00	1,180,006,962	961,277,823
Deferred Tax Expenses/(Income)	35.01	(900,873,595)	36,606,657
<b>Net Profit After Tax</b>		<b>1,980,337,805</b>	<b>1,463,593,428</b>
Shareholders' of the Bank		1,980,335,258	1,463,590,967
Minority Interest		2,547	2,461
		<b>1,980,337,805</b>	<b>1,463,593,428</b>
<b>Retained Surplus Brought Forward</b>		841,239,233	752,903,276
		<b>2,821,574,491</b>	<b>2,216,494,243</b>
<b>Appropriations:</b>			
Bonus Share Issued during the year		664,768,740	738,631,930
Transferred to Statutory Reserve		434,457,206	466,623,080
Transferred to General Reserve		-	170,000,000
		<b>1,099,225,946</b>	<b>1,375,255,010</b>
<b>Retained Surplus, Carried Forward</b>		<b>1,722,348,545</b>	<b>841,239,233</b>
<b>Earnings Per Share (EPS)</b>	36.00	<b>3.89</b>	<b>2.87</b>

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



M.A. Rouf, JP  
Chairman



Md. Hedayetullah  
Vice Chairman



Syed Manzur Elahi  
Director



Anis A. Khan  
Managing Director & CEO

Signed as per our annexed report of the same date

April 17, 2018  
Dhaka



A. Qasem & Co.  
Chartered Accountants

## MUTUAL TRUST BANK LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOW

For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
<b>A) Cash Flows from Operating Activities:</b>			
Interest Received		13,897,831,077	13,302,673,011
Interest Paid on Deposits, Borrowings, etc.		(7,757,573,822)	(7,896,093,791)
Dividend Income		172,759,484	66,092,791
Fees & Commission Income		1,578,009,117	1,228,154,940
Recoveries of Loans previously written off		1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances		(2,420,959,519)	(2,273,509,862)
Cash Paid to Suppliers		(101,173,252)	(83,175,269)
Advance Income Tax Paid		(1,056,691,254)	(731,203,379)
Cash Received from Other Operational Income	37.00	515,097,313	443,892,270
Cash Paid for Other Operational Expenses	38.00	(1,697,753,189)	(1,411,952,975)
<b>Cash Flows from Operating Activities before Changes in Net Current Assets</b>		<b>3,130,784,654</b>	<b>2,645,777,734</b>
<b>Changes in Net Current Assets :</b>			
Loans & Advances		(31,224,446,230)	(16,756,679,343)
Other Assets		(535,691,098)	(187,328,178)
Bank Deposit		10,149,625,000	-
Customers' Deposits		10,371,673,913	13,311,346,537
Borrowing from Other Banks, Financial Institutions & Agents		7,711,218,649	3,624,640,657
Other Liabilities		425,110,779	559,812,119
		<b>(3,102,508,988)</b>	<b>551,791,792</b>
<b>Net Cash Flows from Operating Activities</b>		<b>28,275,666</b>	<b>3,197,569,526</b>
<b>B) Cash Flows from Investing Activities:</b>			
Investments in T. Bills, T. Bonds and other		(3,111,093,401)	3,334,098,710
Investments in Shares & Bonds		(87,667,236)	369,838,523
Purchase of Premises & Fixed Asset (net)		(413,982,057)	(297,270,816)
<b>Net Cash Flows from Investing Activities</b>		<b>(3,612,742,693)</b>	<b>3,406,666,418</b>
<b>C) Cash Flows from Financing Activities:</b>			
Subordinated debts		3,750,000,000	(625,000,000)
<b>Net Cash Flows from Financing Activities</b>		<b>3,750,000,000</b>	<b>(625,000,000)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>165,532,973</b>	<b>5,979,235,944</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>(1,235,880)</b>	<b>5,536,428</b>
<b>F) Opening Cash and Cash Equivalents</b>		20,402,859,288	14,418,086,916
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>20,567,156,381</b>	<b>20,402,859,287</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		2,191,164,252	1,987,478,022
Balance with Bangladesh Bank and its Agent Bank		10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions		2,798,256,664	8,148,416,411
Money at Call and Short Notice		4,690,000,000	990,000,000
Prize Bond		1,776,200	1,396,300
		<b>20,567,156,381</b>	<b>20,402,859,288</b>
<b>Net Operating Cash Flows Per Share</b>		<b>0.06</b>	<b>6.27</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

# MUTUAL TRUST BANK LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 2017

Particulars	Amount in BDT									
	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total	
<b>Balance as at January 01, 2017</b>	<b>4,431,791,600</b>	<b>3,187,766,825</b>	<b>731,782,030</b>	<b>8,903,014</b>	<b>616,777,324</b>	<b>841,239,233</b>	<b>9,818,260,027</b>	<b>122,139</b>	<b>9,818,382,166</b>	
Bonus Share Issued	664,768,740	-	-	-	-	(664,768,740)	-	-	-	
Currency Translation differences	-	-	-	(1,235,880)	-	-	(1,235,880)	-	(1,235,880)	
Revaluation Reserve transferred during the period	-	-	(35,397,336)	-	-	-	(35,397,336)	-	(35,397,336)	
Net Profit for the period after Tax	-	-	-	-	-	1,980,335,258	1,980,335,258	2,547	1,980,337,805	
Appropriation made during the period	-	434,457,206	-	-	-	(434,457,206)	-	-	-	
<b>Balance as at December 31, 2017</b>	<b>5,096,560,340</b>	<b>3,622,224,031</b>	<b>696,384,694</b>	<b>7,667,134</b>	<b>616,777,324</b>	<b>1,722,348,545</b>	<b>11,761,962,068</b>	<b>124,686</b>	<b>11,762,086,755</b>	
<b>Balance as at December 31, 2016</b>	<b>4,431,791,600</b>	<b>3,187,766,825</b>	<b>731,782,030</b>	<b>8,903,014</b>	<b>616,777,324</b>	<b>841,239,233</b>	<b>9,818,260,027</b>	<b>122,139</b>	<b>9,818,382,166</b>	

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO



# MUTUAL TRUST BANK LIMITED

## CONSOLIDATED LIQUIDITY STATEMENT

As at December 31, 2017

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>						
Cash	3,695,443,517	-	-	-	9,381,680,000	13,077,123,517
Balance with other Banks and Financial Institutions	1,187,309,749	888,388,916	714,325,904	8,232,095	-	2,798,256,664
Money at Call & Short notice	4,690,000,000	-	-	-	-	4,690,000,000
Investments	1,524,578,279	1,324,823,090	4,497,950,359	7,720,604,208	10,037,846,198	25,105,802,134
Loans and Advances	15,281,244,353	35,656,989,191	48,606,866,548	36,900,160,812	9,161,732,878	145,606,993,782
Premises and Fixed Assets	-	-	-	-	3,211,265,364	3,211,265,364
Other Assets	857,724,836	73,154,889	1,135,493,038	5,187,529,810	10,590,161	7,264,492,733
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>27,236,300,733</b>	<b>37,943,356,085</b>	<b>54,954,635,849</b>	<b>49,816,526,925</b>	<b>31,803,114,602</b>	<b>201,753,934,195</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	2,187,104,634	1,002,565,000	5,465,315,712	1,500,026,825	6,262,665,928	16,417,678,099
Deposit and Other Account	21,855,708,947	35,573,026,339	46,758,271,589	41,820,944,230	5,768,114,396	151,776,065,501
Provision & Other Liabilities	52,850,330	330,521,357	2,445,539,566	6,089,230,529	4,879,962,058	13,798,103,840
Subordinated Debts	-	-	600,000,000	5,400,000,000	2,000,000,000	8,000,000,000
<b>Total Liabilities</b>	<b>24,095,663,910</b>	<b>36,906,112,696</b>	<b>55,269,126,867</b>	<b>54,810,201,584</b>	<b>18,910,742,382</b>	<b>189,991,847,439</b>
<b>Net Liquidities</b>	<b>3,140,636,823</b>	<b>1,037,243,389</b>	<b>(314,491,018)</b>	<b>(4,993,674,659)</b>	<b>12,892,372,220</b>	<b>11,762,086,755</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

# MUTUAL TRUST BANK LIMITED

## BALANCE SHEET

As at December 31, 2017

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Property and Assets</b>			
<b>Cash</b>	<b>3.a</b>	<b>13,065,276,389</b>	<b>11,247,541,472</b>
In Hand (Including Foreign Currency)		2,179,317,124	1,971,972,917
With Bangladesh Bank and its agent Bank (s) (including foreign currency)		10,885,959,265	9,275,568,555
<b>Balance with other Banks &amp; Financial Institutions</b>	<b>4.a</b>	<b>2,355,053,788</b>	<b>8,019,623,030</b>
In Bangladesh		586,801,419	7,158,101,358
Outside Bangladesh		1,768,252,369	861,521,672
<b>Money at Call and Short Notice</b>	<b>5.a</b>	<b>4,690,000,000</b>	<b>990,000,000</b>
<b>Investments</b>	<b>6.a</b>	<b>24,578,379,684</b>	<b>21,422,839,835</b>
Government		22,703,494,533	19,627,418,568
Others		1,874,885,151	1,795,421,268
<b>Loans and Advances</b>	<b>7.a</b>	<b>142,819,502,800</b>	<b>110,834,548,494</b>
Loans, Cash Credits, Overdrafts, etc.		140,641,723,806	108,550,667,620
Bills Purchased and Discounted		2,177,778,994	2,283,880,874
<b>Fixed Asset including Premises, Furniture &amp; Fixtures</b>	<b>8.a</b>	<b>3,127,669,387</b>	<b>3,042,051,609</b>
<b>Other Assets</b>	<b>9.a</b>	<b>10,641,640,357</b>	<b>8,923,815,634</b>
<b>Non-Banking Assets</b>		-	-
<b>Total Property and Assets</b>		<b>201,277,522,404</b>	<b>164,480,420,074</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>10.a</b>	<b>16,417,678,099</b>	<b>8,631,459,450</b>
<b>Deposits and Other Accounts</b>	<b>11.a</b>	<b>152,237,160,560</b>	<b>131,593,607,611</b>
Current Deposits & Other Accounts		14,652,101,282	12,302,356,822
Bills Payable		2,100,804,374	1,751,051,731
Savings Bank Deposits		27,479,479,774	23,710,184,165
Special Notice Deposits		12,183,058,012	11,966,383,586
Fixed Deposits		67,113,942,085	55,803,465,444
Deposit Products		28,707,775,033	26,060,165,863
<b>Other Liabilities</b>	<b>12.a</b>	<b>12,955,143,626</b>	<b>10,221,646,119</b>
<b>Subordinated Debts</b>	<b>13.a</b>	<b>8,000,000,000</b>	<b>4,250,000,000</b>
<b>Total Liabilities</b>		<b>189,609,982,285</b>	<b>154,696,713,181</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	<b>14.a</b>	5,096,560,340	4,431,791,600
Statutory Reserve	<b>15.a</b>	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities		696,384,694	731,782,030
Foreign Currency Translation gain/(loss)		3,111,876	104,902
General Reserve	<b>16.a</b>	616,777,324	616,777,324
Retained Earnings	<b>17.a</b>	1,632,481,854	815,484,211
<b>Total Shareholders' Equity</b>		<b>11,667,540,119</b>	<b>9,783,706,892</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>201,277,522,404</b>	<b>164,480,420,074</b>
<b>Net Asset Value (NAV) per share</b>		<b>22.89</b>	<b>19.20</b>

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities</b>	<b>18.a</b>		
Letter of guarantee		11,602,039,974	9,302,425,309
Irrevocable letters of credit		16,740,167,351	14,291,274,015
Bills for collection		2,442,346,145	3,296,481,413
Acceptances and endorsements		30,020,544,096	18,244,133,884
Other contingent liabilities		-	-
<b>Total Off- Balance Sheet Items</b>		<b>60,805,097,566</b>	<b>45,134,314,620</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>60,805,097,566</b>	<b>45,134,314,620</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

Signed as per our annexed report of the same date

April 17, 2018  
Dhaka



**A. Qasem & Co.**  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED

## PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
Interest Income	20.a	12,102,826,598	11,250,560,341
Less: Interest Paid on Deposits and Borrowings, etc.	21.a	7,856,055,015	7,506,266,934
<b>Net Interest Income</b>		<b>4,246,771,583</b>	<b>3,744,293,407</b>
Investment Income	22.a	2,056,350,696	1,974,265,630
Commission, Exchange and Brokerage	23.a	1,342,690,897	1,066,776,213
Other Operating Income	24.a	418,909,573	360,578,643
		<b>3,817,951,166</b>	<b>3,401,620,486</b>
<b>Total Operating Income</b>		<b>8,064,722,749</b>	<b>7,145,913,893</b>
<b>Less: Operating Expenses:</b>			
Salary and Allowances	25.a	2,314,039,862	2,168,780,701
Rent, Taxes, Insurance and Electricity etc.	26.a	624,713,881	559,033,357
Legal Expenses	27.a	3,535,580	3,077,953
Postage, Stamps and Telecommunication etc.	28.a	6,028,356	8,610,456
Stationery, Printing and Advertisements etc.	29.a	99,318,114	81,849,885
Managing Director's Remuneration	25.a.1	18,275,334	17,315,333
Directors' Fees	30.a	1,876,800	1,775,600
Auditors' Fees	31.a	1,341,500	1,889,500
Depreciation and Repair of Bank's Properties	32.a	420,129,234	379,031,532
Other Expenses	33.a	902,422,578	715,899,651
<b>Total Operating Expenses</b>		<b>4,391,681,239</b>	<b>3,937,263,968</b>
<b>Profit Before Provision</b>		<b>3,673,041,510</b>	<b>3,208,649,925</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>	34.a		
Specific Provision		444,645,646	721,919,363
General Provision		908,809,835	42,615,165
Off Balance Sheet Items		137,300,000	100,000,000
Margin Loan & Investment in Shares		-	-
Other Asset		10,000,000	11,000,000
<b>Total Provision</b>		<b>1,500,755,481</b>	<b>875,534,528</b>
<b>Profit Before Tax</b>		<b>2,172,286,029</b>	<b>2,333,115,397</b>
<b>Less: Income Tax Expenses</b>		<b>256,062,440</b>	<b>929,329,695</b>
Current Tax Expenses	35.a	1,157,322,844	897,030,119
Deferred Tax Expenses/(Income)	35.a.1	(901,260,404)	32,299,576
<b>Net Profit After Tax</b>		<b>1,916,223,589</b>	<b>1,403,785,702</b>
<b>Retained Surplus Brought Forward</b>		<b>815,484,211</b>	<b>786,953,518</b>
		<b>2,731,707,800</b>	<b>2,190,739,220</b>
<b>Appropriations:</b>			
Bonus Shares Issued during the year		664,768,740	738,631,930
Transferred to Statutory Reserve		434,457,206	466,623,080
Transferred to General Reserve		-	170,000,000
		<b>1,099,225,946</b>	<b>1,375,255,010</b>
<b>Retained Surplus, Carried Forward</b>		<b>1,632,481,854</b>	<b>815,484,211</b>
<b>Earnings Per Share (EPS)</b>	36.a	<b>3.76</b>	<b>2.75</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

Signed as per our annexed report of the same date

## MUTUAL TRUST BANK LIMITED

### STATEMENT OF CASH FLOW

For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
<b>A) Cash Flows From Operating Activities:</b>			
Interest Received		13,840,114,713	13,171,860,462
Interest Paid on Deposits, Borrowings, etc.		(7,751,879,794)	(7,899,265,924)
Dividend Income		155,943,572	54,132,093
Fees & Commission Income		1,342,690,897	1,066,776,213
Recoveries of Loans previously written off		1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances		(2,332,315,196)	(2,186,096,034)
Cash Paid to Suppliers		(99,318,114)	(81,849,885)
Advance Income Tax Paid		(983,243,898)	(688,616,696)
Cash Received from Other Operational Income	37.a	413,564,354	382,250,308
Cash Paid for Other Operational Expenses	38.a	(1,627,312,532)	(1,342,310,026)
<b>Cash Flow from Operating Activities before Changes in Net Current Assets</b>		<b>2,959,482,703</b>	<b>2,477,780,509</b>
<b>Changes in Net Current Assets:</b>			
Loans & Advances		(31,958,169,596)	(14,607,516,613)
Other Assets		128,425,385	(2,180,656,687)
Bank Deposits		10,149,625,000	-
Customers' Deposits		10,511,491,632	13,350,622,954
Borrowing from Other Banks, Financial Institutions & Agents		7,786,218,649	3,549,640,657
Other Liabilities		132,375,288	406,692,927
		<b>(3,250,033,643)</b>	<b>518,783,239</b>
<b>Net Cash Flows from Operating Activities</b>		<b>(290,550,940)</b>	<b>2,996,563,748</b>
<b>B) Cash Flow from Investing Activities:</b>			
Investments in T. Bills, T. Bonds and other		(3,111,093,401)	3,334,098,711
Investments in Shares & Bonds		(79,463,883)	455,230,513
Purchase of Fixed Assets (Net)		(418,353,175)	(298,536,361)
<b>Net Cash Flow from Investing Activities</b>		<b>(3,608,910,459)</b>	<b>3,490,792,863</b>
<b>C) Cash Flow from Financing Activities:</b>			
Subordinated debts		3,750,000,000	(625,000,000)
<b>Net Cash Flow from Financing Activities</b>		<b>3,750,000,000</b>	<b>(625,000,000)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>(149,461,400)</b>	<b>5,862,356,611</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>3,006,974</b>	<b>104,902</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>20,258,560,803</b>	<b>14,396,099,290</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>20,112,106,377</b>	<b>20,258,560,803</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		2,179,317,124	1,971,972,917
Balance with Bangladesh Bank and its Agent Bank		10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions		2,355,053,788	8,019,623,030
Money at Call and Short Notice		4,690,000,000	990,000,000
Prize Bond		1,776,200	1,396,300
		<b>20,112,106,377</b>	<b>20,258,560,803</b>
<b>Net Operating Cash Flows Per Share</b>		<b>(0.57)</b>	<b>5.88</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

# MUTUAL TRUST BANK LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 2017

Particulars	Amount in BDT							
	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	
<b>Balance as at January 01, 2017</b>	<b>4,431,791,600</b>	<b>3,187,766,825</b>	<b>731,782,030</b>	<b>104,902</b>	<b>616,777,324</b>	<b>815,484,211</b>	<b>9,783,706,892</b>	
Bonus Share Issued during the year	664,768,740	-	-	-	-	(664,768,740)	-	
Currency Translation differences	-	-	3,006,974	-	-	-	3,006,974	
Revaluation Reserve transferred during the year	-	-	(35,397,336)	-	-	-	(35,397,336)	
Net Profit for the year after tax	-	-	-	-	-	1,916,223,589	1,916,223,589	
Appropriation made during the year	-	434,457,206	-	-	-	(434,457,206)	-	
<b>Balance as at December 31, 2017</b>	<b>5,096,560,340</b>	<b>3,622,224,031</b>	<b>696,384,694</b>	<b>3,111,876</b>	<b>616,777,324</b>	<b>1,632,481,854</b>	<b>11,667,540,119</b>	
<b>Balance as at December 31, 2016</b>	<b>4,431,791,600</b>	<b>3,187,766,825</b>	<b>731,782,030</b>	<b>104,902</b>	<b>616,777,324</b>	<b>815,484,211</b>	<b>9,783,706,892</b>	

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

# MUTUAL TRUST BANK LIMITED

## LIQUIDITY STATEMENT

As at December 31, 2017

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>						
Cash	3,683,596,389	-	-	-	9,381,680,000	13,065,276,389
Balance with other Banks and Financial Institutions	1,187,309,749	888,388,916	271,123,028	8,232,095	-	2,355,053,788
Money at Call & Short notice	4,690,000,000	-	-	-	-	4,690,000,000
Investments	1,524,578,279	797,400,639	4,497,950,359	7,720,604,208	10,037,846,198	24,578,379,684
Loans and Advances	15,281,244,353	35,656,989,191	48,606,866,548	36,900,160,812	6,374,241,896	142,819,502,800
Premises and Fixed Assets	-	-	-	-	3,127,669,387	3,127,669,387
Other Assets	857,724,836	73,154,889	984,244,861	5,187,529,810	3,538,985,961	10,641,640,357
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>27,224,453,606</b>	<b>37,415,933,635</b>	<b>54,360,184,797</b>	<b>49,816,526,925</b>	<b>32,460,423,442</b>	<b>201,277,522,405</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	2,187,104,634	1,002,565,000	5,465,315,712	1,500,026,825	6,262,665,928	16,417,678,099
Deposit and Other Account	22,316,803,233	35,573,026,339	46,758,272,362	41,820,944,230	5,768,114,396	152,237,160,560
Provision & Other Liabilities	52,850,330	289,842,250	1,643,258,460	6,089,230,529	4,879,962,058	12,955,143,626
Subordinated Debts	-	-	600,000,000	5,400,000,000	2,000,000,000	8,000,000,000
<b>Total Liabilities</b>	<b>24,556,758,196</b>	<b>36,865,433,589</b>	<b>54,466,846,533</b>	<b>54,810,201,584</b>	<b>18,910,742,382</b>	<b>189,609,982,285</b>
<b>Net Liquidities</b>	<b>2,667,695,409</b>	<b>550,500,045</b>	<b>(106,661,736)</b>	<b>(4,993,674,659)</b>	<b>13,549,681,060</b>	<b>11,667,540,119</b>

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



**M.A. Rouf, JP**  
Chairman



**Md. Hedayetullah**  
Vice Chairman



**Syed Manzur Elahi**  
Director



**Anis A. Khan**  
Managing Director & CEO

# MUTUAL TRUST BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended December 31, 2017

### 1.00 The bank and its activities

#### 1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 111 (One hundred eleven) Branches including 14 (Fourteen) SME/Agri Branches all over Bangladesh, 50 (Fifty) Agent Banking Centres, 01 (One) Air Lounge and 02 (Two) Booths located at Hazrat Shahjalal International Airport, Dhaka.

#### 1.02 Principal activities and nature of operation of Mutual Trust Bank Limited

The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, providing loans to customers, issuing debit and credit cards, sms banking, internet banking, call centre, trade and services, treasury functions, cash management, securities and custody services, remittance services, privilege banking services, dealing in government securities etc.

#### 1.03 Off-Shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009-4470, dated December 03, 2009. The Bank commenced operation of this unit from December 07, 2009. This unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial banking services to its customers in foreign currencies. Separate Financial Statements of Off-shore Banking Unit has been drawn up in Annexure G.

#### 1.04 Subsidiaries

##### 1.4.1 MTB Securities Limited (MTBSL)

MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guidelines. Separate Financial Statements of MTB Securities Limited has been drawn up in the reports.

##### 1.4.2 MTB Exchange (UK) Limited (MTB UK)

Bangladesh Bank vide their letter No: BRPD(M)204/25/2010-289, dated August 19, 2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on June 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by exchange houses. Separate Financial Statements of MTB Exchange (UK) Limited has been drawn up in the reports.

##### 1.4.3 MTB Capital Limited (MTBCL)

The Bank obtained permission to embark upon Merchant Banking from the Bangladesh Securities and Exchange Commission (BSEC) vide its certificate No.MB-55/2010, dated December 06, 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011. Separate financial statements have been drawn up in the reports.

#### MTBCL offers the following services to the market:

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

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



**2.0 Significant accounting policies and basis of preparation of financial statements****2.01 Statement of Compliance**

The consolidated financial statements of the Group and the financial statements of the Bank and its subsidiary as at and for the year ended December 31, 2017 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section-38) of the Bank Companies Act 1991, as amended by the BRPD Circular no. 14, dated June 25, 2003, other Bangladesh Bank circulars, the Companies Act, 1994, the Bangladesh Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank has departed from those contradictory requirements of BFRSs in order to comply with the rules and regulation of Bangladesh Bank which are disclosed below:

**2.01.01 Investment in shares and securities**

**BFRSs:** As per requirements of "BAS 39: Financial Instruments: Recognition and Measurement" investments in shares and securities generally falls either under "at fair value through profit and loss accounts" or under "available for sale" where any change in the fair value at the period ended is taken to profit and loss account or revaluation reserve account, as the case may be.

**Bangladesh Bank:** As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated, June 25, 2003 of Bangladesh Bank, 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 should be made for any loss arising from diminution in value of investments. As such Mutual Trust Bank Limited measures and recognizes Investment in Quoted and Unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

**2.01.02 Revaluation gain/loss on Government securities:**

**BFRSs:** As per requirement of BAS 39, T-bills and T-bonds fall under the category of "held for trading" and "held to maturity" where any change in the fair value of held for trading is recognized in profit and loss accounts, and amortized cost method is applicable for held to maturity using an effective interest rate.

**Bangladesh Bank:** According to Department of Offsite Supervision (DOS) Circular no. 05, dated May 26, 2008 and subsequent clarification in DOS Circular no. 05, dated January 28, 2009 of Bangladesh Bank, loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through Income accounts, but any gain on such revaluation should be recorded under revaluation reserve accounts. However, at the year-end if there is any revaluation gain for any particular held for trading T-bill /T- bonds, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bills/T-bonds. T-bills designated as held to maturity are measured at amortized cost method but interest income / gain should be recognized through revaluation reserve.

**2.01.03 Provision on loans and advances**

**BFRSs:** As per Bangladesh Accounting Standard (BAS) 39, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD Circular no. 14, dated September 23, 2012, BRPD Circular no. 19, dated December 27, 2012, BRPD Circular no. 05, dated May 29, 2013, BRPD Circular no. 16, dated November 18, 2014, BRPD Circular no. 08, dated August 02, 2015, BRPD Circular no. 15, dated September 27, 2017 and BRPD Circular no. 01, dated February 20, 2018 a general provision at 0.25% to 5% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses, should 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 September 18, 2007 and BRPD Circular no. 01, dated January 03, 2018, a general provision at 1% should be provided for all off-balance sheet exposures except general provision against the LC for First Track Power Supply Projects. Such provision policies are not specifically in line with those prescribed by BAS 39.

**2.01.04 Financial instruments - presentation and disclosure:**

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of "BFRS 7: Financial Instrument- Disclosures" and "BAS 32: Financial Instruments-Presentation" cannot be made in the accounts.

**2.01.05 REPO transactions**

**BFRSs:** 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 accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

**Bangladesh Bank:** As per BRPD guidelines, 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 normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

#### 2.01.06 Financial guarantees

**BFRSs:** As per BAS-39 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, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD circular # 14, dated June 25, 2003 a financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin.

#### 2.01.07 Cash and cash equivalents

**BFRSs:** Cash and cash equivalents items should be reported as cash item as per "BAS 7: Statement of Cash Flows".

**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.

#### 2.01.08 Non-banking assets

**BFRSs:** No indication of non-banking assets is found in any BFRSs.

**Bangladesh Bank:** As per BRPD circular # 14, dated June 25, 2003, there should exist a face item named non-banking assets.

#### 2.01.09 Cash flow statement

**BFRSs:** 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 BRPD circular # 14, dated June 25, 2003, cash flow should be a mixture of direct and indirect method.

#### 2.01.10 Balance with Bangladesh Bank: (CRR)

**BFRSs:** Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per BAS 7.

**Bangladesh Bank:** Balance with Bangladesh Bank should be treated as cash and cash equivalents.

#### 2.01.11 Loans and advances net of provision

**BFRSs:** Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD circular # 14, dated June 25, 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note 2.22 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

#### 2.02 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiary, as mentioned in note No.1.03 has been consolidated in accordance with Bangladesh Accounting Standard (BAS) 27 "Separate Financial Statements" and Bangladesh Financial Reporting Standard (BFRS) 10 "Consolidated Financial Statements". The Consolidation of the Financial Statement has been made after eliminating all material intercompany balance, income and expenses arising from intercompany transactions.

The total profit of the Company and its subsidiary are shown in the consolidated statement of comprehensive income with the proportion of profit after taxation. All assets and liabilities of the Company and of its subsidiary is shown in the consolidated statement of financial position. The consolidated financial statements are prepared to a common financial year ended December 31, 2017.

**Conversion Policy**

The conversion policy of Off-shore Banking unit (OBU) and MTB Exchange (UK) Limited is given below.

Details	Price	Rate of GBP for MTBUK	Rate of USD for OBU
For assets & liabilities	Closing price	110.9917	82.7000
For income & expenses	Average price	104.6053	80.6263

**Transactions eliminated on consolidation**

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and losses resulting from transactions between groups are also eliminated on consolidation.

**2.03 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items:

- a) Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to income statement.
- b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- c) Land & Buildings is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property, Plant & Equipment."

The accounting policies, unless otherwise stated have been consistently applied by the company and consistent with those of the previous year.

**2.04 Going concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

**2.05 Functional and presentation currency**

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Bank's functional currency. All financial information presented in BDT has been rounded to the nearest BDT.

**2.06 Use of estimates and judgments**

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most perilous estimates and judgments are applied to the Provision for impairment of loans & investments and Employees benefits.

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.

**2.07 Materiality, aggregation and off setting**

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Bank 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.

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the period.

**2.08 Comparative information**

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is reclassified and rearranged wherever necessary to conform to the current presentation.

**2.09 Foreign currency transaction and Commitments****a) Foreign currencies translation**

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21: The Effects of Changes in Foreign Exchange Rates. Foreign currency balances held in US Dollar are converted into Taka 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 Taka equivalent. The resulting exchange transaction gains and losses are included in the profit and loss account.

**b) Commitments**

Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

**2.10 Statement of cash flows**

Statement of cash flows has been prepared in accordance with Bangladesh Accounting Standard (BAS) 7: Statement of Cash Flows and under the guideline of Bangladesh Bank BRPD Circular No. 14, dated June 25, 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the financial period.

**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 (BAS) 1: Presentation of Financial Statements and relevant guidelines of Bangladesh Bank.

**2.12 Liquidity statement**

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the period as per following basis.

- 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 repayment schedule.
- c) Loans and advances/investments are on the basis of their repayment schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their realization/amortization.
- f) Borrowing from other banks, financial institutions and agents, etc. are as per their maturity/repayment terms.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Provision and other liabilities are on the basis of their payment/ adjustments schedule.

**2.13 Accounting for contingent liabilities and contingent assets**

The bank recognized provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the obligation can be made. No provision is recognized for:

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the bank; or
- b) Any present obligation that arises from past events but is not recognized because
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - A reliable estimate of the amount of obligation cannot be made.

**2.14 Assets and basis of their valuation****2.14.01 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 Bank management for its short-term commitments.

**2.14.02 Investments**

All investment in securities is initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accreted, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

**a) Held to maturity (HTM)**

Investments which have 'fixed or determinable payments' and are intended to be 'held to maturity' other than those that meet the defined of 'held at amortized cost', are classified as held to maturity (HTM). These investments are subsequently measured at present value as per Bangladesh Bank guideline.

**b) Held for trading (HFT)**

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises.

**c) Revaluation**

As per the DOS Circular letter no. 05, dated May 26, 2008 & subsequent amendment DOS circular no.05, dated January 28, 2009 and DOS circular no. 21, dated October 27, 2009. HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognized in the statement of changes in equity. Gain/ loss on revaluation of HFT securities is recognized in the income statement on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

Valuation of investments has been shown as under Government treasury bills and bonds (HTM) at present value (using amortization concept), Government treasury bills and bonds (HFT) at present value (using making to market concept).

**d) Value of investments has been shown as under:**

Investment class	Initial recognition	Measurement after recognition	Recording of change
Government treasury bills (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bills (HTM)	Cost	Amortized cost	Loss transferred to profit and loss account and gain transferred to revaluation reserve.
Government treasury bonds (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bonds (HTM)	Cost	Amortized cost	Amortized gain / loss transferred to revaluation reserve.
Zero coupon bond	Cost	Amortized cost	None
Prize bond	Cost	None	None
Debentures	Cost	At cost price	None
Unquoted shares and debenture	Cost	None	Loss transferred to profit and loss account but no unrealized gain recorded.
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

**2.14.03 Loans, advances and provisions**

Loans and advances are stated at gross amount. General provisions on unclassified loans & off balance sheet exposures, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BRPD Circular no. 14, 19, 5, 16, 8, 15 & 01 dated September 23, 2012, December 27, 2012, May 29, 2013, November 18, 2014, August 02, 2015, September 27, 2017 & February 20, 2018.

**Interest on loans and advances**

Interest is calculated on daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss. Interest is calculated on unclassified loans and advances (only standard) and recognized as income during the period. Interest calculated on classified loans and advances (including special mention accounts) as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the period of its receipt from the defaulting borrowers.

Commission and discounts on bills purchased and discounted are recognized at the time of realization. Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

**Provision for loans and advances**

Provision for loans and advances are made on the basis of quarter as well as year-end review by the management following instructions contained in BRPD Circular no. 14, dated September 23, 2012 and subsequent changes of Bangladesh Bank. The percentage of provision on loans and advance are given below:

**Rate of provision**

Particulars	Short term Agri. Credit	Consumer financing			SMEF	Loans to BHs/SDs	All other Credit	
		Other than HF, LP	HF	LP				
<b>UC</b>	<b>Standard</b>	1%	5%	1%	2%	0.25%	2%	1%
	<b>SMA</b>	-	5%	1%	2%	0.25%	2%	1%
<b>Classified</b>	<b>SS</b>	5%	20%	20%	20%	20%	20%	20%
	<b>DF</b>	5%	50%	50%	50%	50%	50%	50%
	<b>B/L</b>	100%	100%	100%	100%	100%	100%	100%

**Presentation of loans and advances**

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

**Security against Loans:**

- Project loan: Project land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.
- Working Capital: Goods are taken as security in the form of hypothecation along with land and building mortgage. Listed securities, fixed deposits, assignments of receivables, etc. are also taken as security.

**Bills Purchased and Discounted**

- Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.,
  - Payable in Bangladesh and
  - Payable outside Bangladesh.
- The bills purchased and discounted have been analyzed as per the maturity grouping.

**Written off loans and advances**

Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss more than five years as per guidelines of Bangladesh Bank and iii) Special permission of Bangladesh Bank. These write off however, will not undermine/ affect that claim amount against the borrowers. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

**2.14.04 Property, plant and equipments****a) Recognition**

The cost of an item of property, plant and equipments (Fixed assets) shall be recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipments have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per BAS-16: Property, plant and equipments. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost of enhancement of an existing asset is recognized as a separate asset, only when it is probable that future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial periods which are incurred.

**b) Depreciation**

Category of Fixed Assets	Method of Depreciation	Rates of Depreciation
Land	N/A	Nil
Immovable Property	Reducing balance method	2.50%
Furniture & Fixtures	Reducing balance method	10%
Office Equipment	Reducing balance method	20%
Motor Vehicles	Straight line method	20%
Books & Periodicals	Reducing balance method	10%
Leasehold Assets	Straight line method	20%
Intangible Assets	Reducing balance method	20%

**c) Disposal of fixed assets**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gains or losses on such disposal are reflected in the income statement as per provision of BAS-16: Property, Plant and Equipment.

**d) Capital Work-in-Progress**

Capital Work-in-Progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of building, system development, awaiting capitalization.

**e) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalized as part of the cost of the assets.

**f) Impairment**

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expense in the income statements.

**2.14.05 Other assets**

Other assets include all assets 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.

**Provision for other assets**

Other assets have been classified as per BRPD Circular No. 14, dated June 25, 2001 of Bangladesh Bank and necessary provisions made thereon accordingly and for items not covered under the circular adequate provisions have been made considering their reliability.

**2.14.06 Receivables**

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

**2.14.07 Leases**

Leases are classified as finance lease whenever the 'Terms of the Lease' transfer substantially all the risks and rewards of ownership to the lessee as per "BAS-17: Leases".

**The Bank as Lessor**

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases (Note-7.03). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

**The Bank as Lessee**

Asset held under finance leases are recognized as assets of the Bank at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

**2.14.08 Non-Banking Assets**

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property. However, the bank has no non-banking assets.

**2.14.09 Reconciliation of inter-bank/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 the case of inter-branch transactions as on the reporting date are not material.

**2.15 Liabilities and provision****2.15.01 Borrowings from other banks, financial institutions and agents**

Borrowing from other banks, financial institutions and agents include interest bearing borrowing redeemable at call, on-demand and short term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance. Interest paid or payable on these borrowings is charged to the income statement.

**2.15.02 Deposits and other accounts**

Deposits and other accounts include non-interest bearing current deposit redeemable at call, interests bearing on demand and short term deposits, savings deposit, term deposit, margin, bills payable etc. These items are brought to account at the gross value of the outstanding balances.

**2.15.03 Other liability**

Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance 1984, BAS-37 and internal policy of the banks. 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.

**2.15.04 Employee benefit scheme**

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with provisions of Bangladesh Accounting Standard (BAS) 19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

**a) Provident Fund**

Provident fund benefits are given to the permanent employees' of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone 3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from April 30, 2001. The Fund is operated by a Board of Trustees consisting of 5 (five) members. All confirmed employees of the Bank contribute 10% of their basic salary as a subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

**b) Gratuity**

The Bank operates a funded gratuity scheme approved by the National Board of Revenue. The Gratuity Fund is managed separately by "MTBL Employees Gratuity Fund" and any investment decision out of this fund is also made by this trust.

As per gratuity scheme every permanent employee will get gratuity benefit as per following policy that rendering their service without break:

Completed years of Service	Payment of Gratuity
8 years & above	2.00 basic for each year of service in MTB
7 years	1.70 basic for each year of service in MTB
6 years	1.35 basic for each year of service in MTB
5 years	1.00 basic for each year of service in MTB

**c) MTB Employees' Welfare Fund**

The welfare fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund from time to time. The fund has been established to provide a token of appreciation or financial assistance to the employees and their family members for education, funeral function, etc. The fund is governed and administered by the Board of trustees consisting of four (04) members.



**d) MTB Employees' Medical Assistance Fund**

Medical Assistance fund is subscribed by monthly contribution of the employees as per policy. The Bank also contributes to the fund from time to time. The fund has been established to provide medical assistance to the employees with dependents. The fund is governed and administered by the Board of trustees consisting of four (04) members.

**e) MTB Employees' Death Benefit Plan**

The plan has been formed to provide financial benefit to the bereaved family of a deceased employee. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of four (04) members.

In case of death of an employee while in active service, financial benefit is paid to the nominee of the deceased employee at a prescribed amount ranging from 3 (three) lacs to 10 (ten) lacs.

**f) MTB Foundation**

The Bank, as part of corporate social responsibility, has established MTB Foundation for the benefit of the community in which it operates and as part of its said responsibility it commits itself to human development, poverty alleviation and overall national economic development. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of four (04) members.

**g) Incentive Bonus**

Mutual Trust Bank Limited has started an incentive bonus scheme for its employees. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually and costs are accounted for the period to which it relates.

**2.15.05 Taxation****a. Current tax**

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other period or are never taxable or deductible. Bank's liability for current tax is calculated using tax rates that have been enacted the reporting period.

**b. Deferred tax**

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh and as per BAS-12 (Income Taxes). Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred Tax liabilities are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized.

**2.16 Capital and shareholders' equity****2.16.01 Capital management**

The bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the bank and provide the banks shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the bank. The bank's finance and risk management department are key to implementing the bank's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.

**2.16.02 Paid-up capital**

Paid-up capital represents total amount of shareholder 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 company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

**2.16.03 Statutory reserve**

The Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 as amended 2013.

**2.17 Off Balance Sheet items**

Under general banking transactions, liabilities against acceptance, endorsements and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off Balance Sheet items. Provision for off balance sheet items is made as per BRPD circular no. 14 of September 23, 2012 and 01 of January 03, 2018.

**2.18 Provision for Nostro Accounts**

As per instructions contained in the circular Letter No. FEPD (FEMO)/01/2005-677, dated September 13, 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, the Bank is not required to make a provision regarding the un-reconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no un-reconciled entries which are outstanding more than 3 months.

**2.19 Revenue recognition**

The Revenue during the period has been recognized according to the provision of BAS-18 "Revenue" as well as Bangladesh Bank guidelines.

**2.19.01 Interest income**

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

- a) Interest on unclassified loans and advances (except SMA) has been accounted for as income on accrual basis and calculated on daily product basis but charged and accounted for quarterly and in some cases yearly;
- b) Interest on classified loans and advances has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per Instruction of Bangladesh Bank;
- c) No interest is charged on loans and advances on classified as bad/loss;
- d) Commission and discount on bills purchased and discounted are recognized at the time of realization.
- e) Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

**2.19.02 Investment income**

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

- Income on investment in treasury bills, bonds, preference shares and debenture, etc. other than equity shares has been accounted for on accrual basis.
- Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.
- Dividend on equity shares is recognized during the period in which it is declared and duly approved.
- Net increase in securities held to maturity during the period due to the valuation at market to market basis has been credited to income statement.

**2.19.03 Fee and commission income**

- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- Fee and Commission on bills discounted, purchased & others are recognized at the time of realization.
- Foreign currency transactions are converted into BDT at prevailing on the dates of such transactions and exchange gains or losses arising out of such transactions are recognized as income or expense for the period and dealt with exchange account.

**2.19.04 Dividend Income on Shares**

Dividend income on shares is recognized during the period in which it is declared and ascertained.

**2.19.05 Other operating income**

Other operating income is recognized at the time when it is realized.

**2.19.06 Interest paid on deposits and borrowings**

Interest paid on deposits, borrowing and other expenses are recognized on accrual basis.

**2.19.07 Other expenses**

Expenses incurred by the bank are recognized on accrual basis.

**2.19.08 Other comprehensive income**

Other comprehensive income is presented in financial statements in accordance with **BAS-1: Presentation of Financial Statements**. No other comprehensive income is recognized during the period.

**2.20 Earnings per share**

Basic earnings per share has been calculated in accordance with **BAS 33: Earnings per Share** which has been shown on the face of statement of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

**2.21 Reporting period**

These financial statements of the bank and its subsidiary cover the period from January 01 to December 31, 2017.

**2.22 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)**

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). Mutual Trust Bank Limited has applied all the applicable of BAS and BFRS as adopted by ICAB while preparing the financial statements. Details are given below:

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting policies, Changes in accounting Estimates & 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	Applied
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
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
Provision, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Business Combination	3	N/A
Insurance Contracts	4	N/A
Noncurrent Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	N/A

Bangladesh Bank is the prime regulatory body for banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the provision of BAS / BFRS as marked above. As such the bank has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

### 2.23 Regulatory & legal compliance

The bank has complied with the requirements of following regulatory & legal authority:

- a) The Bank Companies Act, 1991(as amended up to 2013)
- b) The Companies Act, 1994
- c) Rules & regulations issued by Bangladesh Bank
- d) The Securities & Exchange Rules, 1987
- e) The Securities & Exchange Ordinance, 1969
- f) The Securities & Exchange Act, 1993
- g) IPO Rules, 1998
- h) The Income-tax Ordinance, 1984
- i) VAT Act, 1991
- j) Dhaka Stock Exchange (listing) regulation 2015

### 2.24 Proposed dividend

Proposed dividend has not been recognized as a liability in the statement of financial position in accordance with Bangladesh Accounting Standards **BAS 10: Events after the Reporting Period**.

### 2.25 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment/disclosures have been made in the financial statements.

### 2.26 Operating segment

The bank has only one reportable business segment and the bank is operating with the geographical territory of Bangladesh. Hence segment reporting in accordance with **BFRS-8: Operating Segments** is applicable.

### 2.27 Litigation

The bank is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The bank, however, provides adequate provisions as per guidelines of **BAS 37: Provisions, Contingent Liabilities and Contingent Assets**.

### 2.28 Written Off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus canceled and removed from ("written off") the bank's statement of financial position. Recovery against debts written off /provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

## 2.29 Risk Management

Risk is an integral part of banking business, and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. MTB conducts its risk management activities following six core risk guidelines of Bangladesh Bank and Basel norms. At the directives of Bangladesh Bank, MTB has established a separate Risk Management Division (RMD) to identify, measure, monitor and manage risks more effectively and efficiently. MTB's Risk management process is accomplished at strategic level, managerial level and at operational level. At strategic level, MTB Board of Directors (BOD), through Board Risk Management Committee (BRMC) & senior management, sets up risk governance structure & risk philosophy, endorses risk strategies, reviews & approves risk policies as well as the threshold limits of risks that may be taken in line with bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. At managerial level, policies and strategies formulated by BOD are implemented by middle management or divisions/departments/units devoted to risk reviews. RMD reports high-risk related matters, identified by the management-level risk committee to the BRMC. RMD also submits periodic stress testing results to the BOD as well. Operational level encompasses on-the-line risk management, where risks are actually created at front office or at credit desk of the bank.

MTB's risk management in the following areas, among others, is mentioned briefly:

### (a) Credit Risk Management

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

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

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

The Bank follows a well-defined multi layered discretionary power structure for sanction of loans. Credit Grid has been constituted at Head office level for considering fresh/enhancements proposals. The Bank assesses various risk factors for new products prior to its introduction.

### (b) Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, equity and commodity prices.

#### i. Foreign Exchange Risk Management

Foreign Exchange Risk is a measure by the variance of the domestic currency value of an asset, liability or operating income that is attributable to unanticipated change in the exchange rates. Simply, it is the risk that relates to gains/losses that arise due to fluctuations in the exchange rates.

In view of the significance of the market risk and in order to aggregate all such risks at a single department and to bring expertise in such functions, the concept of treasury has evolved. Today's financial institutions engage in activities from import, export and remittance to complex derivatives involving basic foreign exchange and money market to complex structured products. All these require a high degree of expertise that is difficult to achieve in the transactions originating from departments and as such the expertise is housed in a separate department i.e. **Treasury**.

MTB has already segregated Treasury functions in three separate wings i.e. Front office, Back office and mid office.

In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department is performing the foreign exchange dealing in an appropriate manner and managing risks of the organization's overall balance sheet as well as the capital of the Bank.

#### ii. Interest Rate Risk

MTB's focus is mainly on interest rate risk arising from conduct of normal business. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction threatens the very existence of the institutions. It is therefore, imperative for the bank to form a "Asset Liability Management Committee (ALCO)" with the senior management as its members to control and better manage its Balance Sheet Risk.

In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MTB has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM).

MTB ALM desk performs Money Market activities, manages liquidity and interest rate risk of the bank and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

### iii. Equity Risk

Equity risk arises from movement in market value of securities. The investment committee monitors the risks under a well-designed policy framework.

### (c) Operational Risk

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

MTB has restructured Internal Control and Compliance Division (ICC) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Division is comprised of three departments; Audit and Inspection Department, ICC Compliance Unit and ICC Monitoring Unit. The Bank has developed an Internal Control and Compliance Policy duly approved by the Board of Directors.

As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank.

The Compliance & Monitoring Units of this division ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

The ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

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

### (d) Money Laundering Risk

Money Laundering risk of Financial Institutions lies with the involvement in any single transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities. So it is a major threat to the banks and non-bank financial institutions.

Mutual Trust Bank (MTB), as a compliant bank, is firmly determined not to let money launderers and terrorists or perpetrators to use it as a channel to launder money or finance terrorism in any possible way. Hence, MTB has its own Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT) compliance program which is designed considering the size & range of activities, complexity of operations and the nature & degree of Money Laundering & Terrorist Financing risks faced by the bank. Certainly, it is designed as per the prevailing laws (i.e. Money Laundering Prevention Act, 2012 (Amendment 2015), The Anti-Terrorism Act, 2009 (Amended- 2012 & 2013), rules (i.e. Money Laundering Prevention Rules 2013, Anti-Terrorism Rules 2013), BFIU guidelines (i.e. Money Laundering and Terrorist Financing Risk Management Guidelines), circulars & instruction and international standards. MTB applies risk sensitive Customer Due Diligence (CDD) measures, monitors business relationships and records suspicious transactions pursuant to the national regulations and international standards.

MTB has developed its own Money Laundering (ML) & Terrorist Financing (TF) Risk Management Guideline entailing the customer acceptance policy and the ML & TF Risk Assessment Guideline. The customer acceptance policy incorporates the detail customer due diligence procedure for acceptance/ rejection of customer, procedures to open & operate different types of account. The ML & TF Risk Assessment Guideline incorporates the risk register in line with BFIU guideline. Department has been reformed as 'Central Compliance Unit (CCU)' under the direct supervision of the MD & CEO which consists of 8 (eight) members having expertise in the field of general banking and information technology. Every year, the MD & CEO of the bank makes statement of commitment in writing to all employees that clearly sets forth MTB's policy against Money Laundering, Terrorist Financing & Proliferation Financing.

**(e) Fraud and Forgeries**

Fraud Detection and Management Process: Internal Audit (IA) team conducts surprise audit on all MTB branches and offices of the Head Office at least one in a year. While auditing branches and offices, the IA team thoroughly checks the operational activities of the branches/ offices including transactions in various accounts and search for any irregularities occurred in those accounts. IA team also monitors the staff accounts and if necessary investigate the suspicious transactions and report the same to the management. IA team also conducts investigation into specific allegations and submits report to the management for action. Senior management of the bank also conduct regular visit to MTB branches and advise the branch officials to comply with all the regulatory instructions, policies and procedures of the bank.

**2.30 Audit Committee**

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 4 (Four) Directors of the Board.

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Anwarul Amin	Independent Director	Chairman	Graduated from Westminster Bank Institute of Banking, Oaken Holt, Oxford shire, UK
02.	Mr. Rashed Ahmed Chowdhury	Director	Member	Higher National Diploma in Business Studies from West London College, UK and Post Graduate Degree in Business Management from Kingston University, UK and also member of the Chartered Management Institute, UK
03.	Mrs. Khwaja Nargis Hossain	Director	Member	MA in Islamic History from University of Dhaka
04.	Dr. Sultan Hafeez Rahman	Independent Director	Member	Ph.D. and M.A from Stanford University, USA and M.A in Economics from Vanderbilt University, USA

During the period, 04 (Four) meetings of the audit committee were held.

Audit committee reviews various audit/inspection reports at regular intervals. Upon scrutiny of the audit objections and compliance, the committee advised the management to remain within the policy guidelines and directives of the regulatory authorities.

As per circular, the committee places their report regularly to the board meetings of the Bank mentioning their activities & recommendations of the internal control system, compliance of rules and regulations and establishment of good governance within the organization.

**2.31 Directors responsibility on statements**

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

**2.32 Approval of Financial Statements**

The financial statements were approved by the Board of Directors on April 17, 2018.

**2.33 General**

- These financial statements are presented in BDT, which is the Bank's functional currency. Figure appearing in these financial statements have been rounded off to the nearest BDT.
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- Figures of previous year have been rearranged whenever necessary to conform to current period's presentation.
- No Asset has been set off against any Liability except MTB General Account.

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>3.00</b>	<b>Consolidated cash</b>		
	<b>i. Cash in hand (including foreign currency)</b>		
	Mutual Trust Bank Limited (Note-3.a.1)	2,179,317,124	1,971,972,917
	MTB Securities Limited	6,368,104	13,299,362
	MTB Capital Limited	4,414	257
	MTB Exchange (UK) Limited	5,474,610	2,205,486
		<b>2,191,164,252</b>	<b>1,987,478,022</b>
	<b>ii. Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currency)</b>		
	Mutual Trust Bank Limited (Note-3.a.2)	10,885,959,265	9,275,568,555
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>10,885,959,265</b>	<b>9,275,568,555</b>
		<b>13,077,123,517</b>	<b>11,263,046,577</b>
<b>3.a</b>	<b>Cash</b>		
	In Hand (including foreign currency) (Note 3.a.1)	2,179,317,124	1,971,972,917
	With Bangladesh Bank and its agent Bank (s) (including foreign currency) (Note 3.a.2)	10,885,959,265	9,275,568,555
		<b>13,065,276,389</b>	<b>11,247,541,472</b>
<b>3.a.1</b>	<b>In Hand (Including foreign currency)</b>		
	Local Currency	2,163,641,045	1,962,890,380
	Foreign Currency	15,676,079	9,082,537
		<b>2,179,317,124</b>	<b>1,971,972,917</b>
<b>3.a.2</b>	<b>Balance with Bangladesh Bank and its agent Bank (s)</b>		
	With Bangladesh Bank		
	Local Currency	10,484,435,034	8,943,165,787
	Foreign Currency	251,477,799	181,434,787
	With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	150,046,432	150,967,981
		<b>10,885,959,265</b>	<b>9,275,568,555</b>

Bangladesh Bank Adjustment Account represents outstanding transactions(net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2017 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	61	3	69,567,302	11,465,687
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
<b>Total</b>	<b>61</b>	<b>3</b>	<b>69,567,302</b>	<b>11,465,687</b>

All unadjusted entries are subsequently adjusted on regular basis.

### 3.a.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 Section 33 of The Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank DOS circular no.01 dated January 19, 2014 and MPD circular no. 01 dated June 23, 2014.



**A. Cash Reserve Requirement (CRR )**

As per Bangladesh Bank DOS circular no. 01 dated January 19, 2014 and MPD circular no. 01 dated June 23, 2014; bank has to maintain CRR 6.00% on daily basis and 6.50% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at December 31, 2017 are as follows:

	2017		2016	
	%	BDT Million	%	BDT Million
<b>i. Daily Bank's CRR Maintenance</b>				
Required Reserve (6.00% of ATDTL)	6.00%	8,660.01	6.00%	8,007.01
Actual Reserve Maintained	7.22%	10,426.33	6.61%	8,826.80
<b>Surplus</b>	<b>1.22%</b>	<b>1,766.32</b>	<b>0.61%</b>	<b>819.78</b>
<b>ii. Bi-weekly Bank's CRR Maintenance</b>				
Required Reserve (6.50% of ATDTL)	6.50%	9,381.68	6.50%	8,674.27
Actual Reserve Maintained (Average)*	6.72%	9,696.38	6.59%	8,790.62
<b>Surplus</b>	<b>0.22%</b>	<b>314.70</b>	<b>0.09%</b>	<b>116.35</b>

\* Last bi-weekly average of December, 2017

**B. Statutory Liquidity Ratio (SLR)**

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the bank as at December 31, 2017 are as follows:

	2017		2016	
	%	BDT Million	%	BDT Million
Required Reserve (13% of ATDTL)	13.00%	18,763.36	13.00%	17,348.53
Actual Reserve Maintained	18.07%	26,077.51	16.41%	21,902.89
<b>Surplus</b>	<b>5.07%</b>	<b>7,314.15</b>	<b>3.41%</b>	<b>4,554.36</b>

**i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)**

	December 31, 2017	December 31, 2016
Cash in Hand	2,179.32	1,971.97
Excess Cash Reserve	1,044.65	152.53
Balance with Agent Bank (Sonal Bank Ltd)	150.05	150.97
Held to Maturity (HTM) Securities	16,263.41	13,888.85
Held for Trading (HFT) Securities	6,438.30	5,737.17
Other eligible securities	1.78	1.40
	<b>26,077.51</b>	<b>21,902.89</b>

As per Bangladesh Bank DOS circular no.01 dated January 19, 2014; Cash Reserve (if any) in excess of 6.5% of ATDTL calculated on bi-weekly average basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

**4.00 Consolidated Balance with other Banks and Financial Institutions****In Bangladesh**

Mutual Trust Bank Limited (Note-4.a.1)	586,801,419	7,158,101,358
MTB Securities Limited	887,806,759	427,220,120
MTB Capital Limited	16,491,176	22,850,599
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(461,095,059)	(321,277,338)
	<b>1,030,004,295</b>	<b>7,286,894,739</b>

**Outside Bangladesh**

Mutual Trust Bank Limited (Note-4.a.2)	1,768,252,369	861,521,672
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>1,768,252,369</b>	<b>861,521,672</b>
	<b>2,798,256,664</b>	<b>8,148,416,411</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>4.a</b>	<b>Balance with other Banks and Financial Institutions</b>		
	In Bangladesh (Note-4.a.1)	586,801,419	7,158,101,358
	Outside Bangladesh (Note- 4.a.2)	1,768,252,369	861,521,672
		<b>2,355,053,788</b>	<b>8,019,623,030</b>
<b>4.a.1</b>	<b>In Bangladesh</b>		
	<b>Fixed Deposits Receipt (FDR)</b>		
	Meridian Finance & Investment Limited	50,000,000	-
	International Leasing & Financial Services Limited	200,000,000	300,000,000
	BD Finance & Investment Company Limited	100,000,000	100,000,000
	Lanka Bangla Finance Limited	-	250,000,000
	IDLC Finance Limited	-	500,000,000
	Union Capital Limited	-	200,000,000
	MIDAS Financing Limited	-	100,000,000
	Fareast Finance Limited	-	100,000,000
	Premier Leasing & Finance Limited	-	100,000,000
	Prime Finance & Investment Limited	-	200,000,000
	One Bank Limited	-	1,000,000,000
	FAS Finance Ltd	-	50,000,000
	GSP Finance Company (Bangladesh) Limited	-	100,000,000
	Bay Leasing & Investment Limited	-	100,000,000
	Bank Alfalah Limited	-	300,000,000
	Industrial & Infrastructure Development Finance Company Limited	-	300,000,000
	Delta Brac Housing Limited	-	200,000,000
	Standard Bank Limited	-	400,000,000
	IPDC Limited	-	150,000,000
	NRB Global Bank Limited	-	200,000,000
	Premier Bank Limited	-	400,000,000
	SBAC Bank Limited	-	200,000,000
	National Bank Limited	-	1,000,000,000
	Mercantile Bank Limited	-	500,000,000
	Midland Bank Limited	-	200,000,000
	Bangladesh Industrial Finance Company Limited	-	50,000,000
	<b>Special Notice Deposit (SND)</b>		
	Dutch Bangla Bank Limited	66,132	65,052
	BASIC Bank Limited	14,099,907	78,330
	Sonali Bank Limited	8,976	6,036,307
	Agrani Bank Limited	14,463,105	21,468,604
	Janata Bank Limited	6,543,571	10,256,999
	Standard Chartered Bank	58,939,662	21,868,301
	State Bank of India	-	6,573
	<b>Current Deposits (CD)</b>		
	Bkash Limited	24,168	-
	Arab Bangladesh Bank Limited	200,000	200,000
	Southeast Bank Limited	511,637	783,567
	Islami Bank Bangladesh Limited	9,432	298,288
	Janata Bank Limited	112,021	17,927
	Agrani Bank Limited	141,822,809	95,287,560
	Brac Bank Limited	-	1,733,851
	<b>Sub total</b>	<b>586,801,419</b>	<b>7,158,101,358</b>

**4.a.2 Outside Bangladesh (NOSTRO Accounts) - Current Account**

	Amount in BDT	
	December 31, 2017	December 31, 2016
Mashreq Bank Psc, New York	52,345,475	28,518,682
Standard Chartered Bank, New York	426,412,919	119,853,479
Habib American Bank, New York	110,048,836	82,391,715
Mashreq Bank Psc, London	-	7,083,628
ICICI Bank Ltd., Hong Kong	19,410,576	16,715,010
Sonali Bank (UK) Ltd., London	-	38,030,741
Commerz Bank AG, Germany	10,573,988	10,404,369
KB Kookmin Bnak, South Korea	6,298,714	10,675,868
Standard Chartered Bank, Singapore	950,745	2,231,309
Standard Chartered Bank, Colombo	5,792,242	4,886,884
Mashreq Bank Psc, London	3,593,850	2,508,704
Standard Chartered Bank, London	2,786,077	6,377,540
Sonali Bank (UK) Ltd., London	654,799	43,846
Habib American Bank, Zurich	2,329,581	1,590,578
Standard Chartered Bank, Tokyo	2,552,407	1,613,361
UBAF, Tokyo	1,045,114	462,030
Mashreq Bank Psc., London	266,274	1,143,902
Standard Chartered Bank, Germany	746,587	3,267,281
Sonali Bank (UK) Ltd., London	-	23,267
Sonali Bank Ltd., Kolkata	12,805,414	6,337,199
ICICI Bank Ltd., Mumbai	607,168	515,978
Unicredit Bank AG, Germany	1,811,388	1,803,889
Commerz Bank AG, Germany	33,657,782	39,342,287
Standard Chartered Bank, Mumbai	575,960	21,699,178
Standard Chartered Bank, Kolkata	41,389,900	39,389,071
Standard Chartered Bank, Karachi	5,242,484	3,909,800
United Bank of India, Kolkata	10,803,342	25,407,392
United Bank of India, Kolkata	416,199	347,725
Mashreq Bank Psc, Mumbai	7,136,944	18,133,856
AB Bank Ltd., Mumbai	52,535,622	45,818,747
ICICI Bank Ltd., Mumbai	31,408,674	30,288,502
HDFC Bank Ltd., Mumbai	23,651,275	19,169,222
Himalayan Bank Ltd., Kathmandu	9,054,823	8,617,104
Nepal Bangladesh Bank Ltd.	10,914,258	10,386,652
Habib Bank Ltd., Pakistan	-	15,739,512
Habib Metropolitan Bank Ltd., Karachi	15,036,887	4,610,513
Axis Bank Ltd., Mumbai	4,439,023	18,778,685
Mashreq Bank Psc, UAE	106,110,127	145,788,056
	<b>1,013,405,453</b>	<b>793,905,560</b>
ICICI Bank Ltd., Mumbai - <b>Term Deposit</b>	28,032,607	28,032,607
	<b>1,041,438,060</b>	<b>821,938,166</b>
<b>Offshore Banking Unit (Annexure-G)</b>	726,814,309	39,583,506
<b>Sub total</b>	<b>1,768,252,369</b>	<b>861,521,672</b>
<b>Total</b>	<b>2,355,053,788</b>	<b>8,019,623,030</b>

Details of NOSTRO accounts are shown in **Annexure-A**

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>4.a.3</b>	<b>Maturity grouping of Balance with other Banks and Financial Institutions</b>		
	On Demand	1,187,309,749	4,043,124,899
	Less than three months	888,388,916	3,025,215,069
	More than three months but less than one year	271,123,028	923,250,455
	More than one year but less than five years	8,232,095	28,032,607
	More than five years	-	-
		<b>2,355,053,788</b>	<b>8,019,623,030</b>
<b>5.a</b>	<b>Money at Call and Short Notice:</b>		
	<b>Call Money</b>		
	With Banking Companies ( Note 5.a.1)	3,760,000,000	100,000,000
	With Non-Banking Financial Institutions (Note 5.a.2)	930,000,000	890,000,000
		<b>4,690,000,000</b>	<b>990,000,000</b>
<b>5.a.1</b>	<b>Call Money-With Banking Companies</b>		
	The Premier Bank Limited	490,000,000	-
	The City Bank Limited	600,000,000	-
	Bank Al- Falah Limited	300,000,000	-
	AB Bank Limited	600,000,000	-
	Habib Bank Limited	200,000,000	-
	Standard Bank Limited	400,000,000	-
	National Credit & Commerce Bank Limited	550,000,000	-
	Dhaka Bank Limited	300,000,000	-
	Pubali Bank Limited	200,000,000	-
	Commercial Bank Of Ceylon	120,000,000	-
	Modhumoti Bank Limited	-	40,000,000
	The Farmers Bank Limited	-	60,000,000
		<b>3,760,000,000</b>	<b>100,000,000</b>
<b>5.a.2</b>	<b>Call Money-With Non-Banking Financial Institutions</b>		
	Bangladesh Finance and Investment Company Limited	100,000,000	100,000,000
	Fareast Finance and Investment Limited	140,000,000	90,000,000
	International Leasing and Financial Services Limited	200,000,000	120,000,000
	Phoenix Finance and Investments Limited	150,000,000	90,000,000
	Industrial and Infrastructure Development Finance Company Limited	100,000,000	140,000,000
	Lanka Bangla Finance Limited	240,000,000	-
	Lanka Bangla Finance Limited	-	70,000,000
	MIDAS Financing Limited	-	100,000,000
	Premier Leasing and Finance Limited	-	100,000,000
	Prime Finance and Investment Limited	-	80,000,000
		<b>930,000,000</b>	<b>890,000,000</b>
<b>6.00</b>	<b>Consolidated Investments</b>		
	<b>Government Investment</b>		
	Mutual Trust Bank Limited (Note-6.a.1)	22,703,494,533	19,627,418,568
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>22,703,494,533</b>	<b>19,627,418,568</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
	<b>Other Investments</b>		
	Mutual Trust Bank Limited (Note-6.a.2)	1,874,885,151	1,795,421,268
	MTB Securities Limited	419,261,304	345,705,846
	MTB Capital Limited	108,161,146	173,513,252
	MTB Exchange (UK) Limited	-	-
		<b>2,402,307,601</b>	<b>2,314,640,365</b>
		<b>25,105,802,134</b>	<b>21,942,058,933</b>
<b>6.a</b>	<b>Investments</b>		
	Government (Note 6.a.1)	22,703,494,533	19,627,418,568
	Others (Note 6.a.2)	1,874,885,151	1,795,421,268
		<b>24,578,379,684</b>	<b>21,422,839,836</b>
<b>6.a.1</b>	<b>Government ( Investment in Govt. securities)</b>		
	Treasury Bills (Note 6.a.1.1)	1,955,044,655	673,360,525
	Treasury Bonds (Note 6.a.1.2)	20,746,673,678	18,952,661,743
	Prize Bonds	1,776,200	1,396,300
		<b>22,703,494,533</b>	<b>19,627,418,568</b>
<b>6.a.1.1</b>	<b>Treasury Bills ( at present value )</b>		
	<b>Un-encumbered</b>		
	28 days	-	-
	91 days	596,025,705	-
	182 days	1,359,018,950	-
	364 days	-	673,360,525
	<b>Sub-total</b>	<b>1,955,044,655</b>	<b>673,360,525</b>
	<b>Encumbered</b>		
	91 days	-	-
	182 days	-	-
	364 days	-	-
	<b>Sub-total</b>	<b>-</b>	<b>-</b>
	<b>Total Treasury Bill</b>	<b>1,955,044,655</b>	<b>673,360,525</b>
<b>6.a.1.2</b>	<b>Treasury Bonds</b>		
	<b>Un-encumbered</b>		
	2 Years	2,241,764,351	1,445,834,096
	5 Years	1,801,253,418	1,828,047,015
	10 Years	9,657,244,065	9,775,463,982
	15 Years	4,799,493,532	3,854,291,490
	20 Years	2,246,918,311	2,049,025,158
	<b>Sub-total</b>	<b>20,746,673,678</b>	<b>18,952,661,743</b>
	<b>Encumbered</b>		
	2 Years	-	-
	5 Years	-	-
	10 Years	-	-
	15 Years	-	-
	20 Years	-	-
	<b>Sub-total</b>	<b>-</b>	<b>-</b>
	<b>Total Treasury Bond</b>	<b>20,746,673,678</b>	<b>18,952,661,743</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>6.a.2</b>	<b>Others (Investment in other securities)</b>		
	<b>Shares and Mutual Fund in quoted companies</b>		
	Shares in Quoted companies	136,840,327	274,230,408
	Mutual Fund in Quoted companies	403,381,073	655,527,110
	<b>(Details are shown in Annexure-B )</b>	<b>540,221,401</b>	<b>929,757,518</b>
	<b>Shares in unquoted companies (at face value) :</b>		
	Industrial & Infrastructure Development Finance Company Limited	42,453,820	42,453,820
	Central Depository (BD) Limited	15,694,430	15,694,430
	Energypac Power Generation Limited	50,000,000	50,000,000
	The Bangladesh Rating Agency Limited	4,915,500	4,915,500
	BD Venture Limited	20,000,000	20,000,000
	LIC Bangladesh Limited	30,000,000	30,000,000
		<b>163,063,750</b>	<b>163,063,750</b>
	<b>Funds:</b>		
	MTB Unit Fund	217,600,000	217,600,000
	MTB First Mutual Fund	-	100,000,000
		<b>217,600,000</b>	<b>317,600,000</b>
	<b>Bonds :</b>		
	Prime Bank Bond (Note 6.a.2.1)	-	45,000,000
	Uttara Finance & Investment Limited -Zero Coupon Bond (Note 6.a.2.2)	40,000,000	60,000,000
	AB Bank Subordinated Bond (Note 6.a.2.3)	64,000,000	80,000,000
	One Bank Subordinated Bond	100,000,000	100,000,000
	Trust Bank Subordinated Bond	100,000,000	100,000,000
	UCB Subordinated Bond	250,000,000	-
	Jamuna Bank Subordinated Bond	150,000,000	-
	NBL Subordinated Bond	250,000,000	-
		<b>954,000,000</b>	<b>385,000,000</b>
	<b>Total other investments</b>	<b>1,874,885,151</b>	<b>1,795,421,268</b>
<b>6.a.2.1</b>	<b>Prime Bank Bond</b>		
	Opening Balance	45,000,000	90,000,000
	Less: Redeemed upto 31.12.17	(45,000,000)	(45,000,000)
	Closing Balance	-	<b>45,000,000</b>
<b>6.a.2.2</b>	<b>Uttara Finance &amp; Investment Limited- Zero Coupon Bond</b>		
	Principal	60,000,000	80,000,000
	Less: Redeemed upto 31.12.17	(20,000,000)	(20,000,000)
	Redeemable Value	<b>40,000,000</b>	<b>60,000,000</b>
<b>6.a.2.3</b>	<b>AB Bank Subordinated Bond</b>		
	Principal	80,000,000	80,000,000
	Less: Redeemed upto 31.12.17	(16,000,000)	-
	Redeemable Value	<b>64,000,000</b>	<b>80,000,000</b>

- 6.a.3** There is no Assets pledged as security for liabilities as at December 31, 2017 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

**(a) i. Disclosure regarding outstanding Repo as at December 31, 2017**

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	-	-	-
B. Bangladesh Bank (Repo)	-	-	-
<b>Total</b>	-	-	-

ii. There was no Reverse Repo as at December 31, 2017.

**(b) Disclosure regarding overall transaction of Repo for the year 2017**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
<b>Securities sold under Repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	148,885,200	4,072,732,441	887,556,364
<b>Securities purchased under Reverse Repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	10,297,736	1,005,494,911	8,421,653

**6.a.4 Maturity grouping of Investment as follows:**

On Demand  
Less than three months  
More than three months but less than one year  
More than one year but less than five years  
More than five years

Amount in BDT	
December 31, 2017	December 31, 2016
1,524,578,279	1,796,817,567
797,400,639	406,890,801
4,497,950,359	1,458,243,864
7,720,604,208	8,390,555,955
10,037,846,198	9,370,331,647
<b>24,578,379,684</b>	<b>21,422,839,835</b>

**7.00 Consolidated loans, advances and lease**

Mutual Trust Bank Limited (Note-7.a)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
  
Less: Inter-company loan (MTB Securities Limited)

140,641,723,806	108,550,667,620
2,766,452,177	3,654,054,026
221,038,805	212,160,322
-	-
<b>143,629,214,788</b>	<b>112,416,881,968</b>
<b>(200,000,000)</b>	<b>(345,000,000)</b>
<b>143,429,214,788</b>	<b>112,071,881,968</b>

**Consolidated bills purchased and discounted:**

Mutual Trust Bank Limited (Note-7.a)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

2,177,778,994	2,283,880,874
-	-
-	-
-	-
<b>2,177,778,994</b>	<b>2,283,880,874</b>
<b>145,606,993,782</b>	<b>114,355,762,842</b>

**7.a Loans and Advances**

**In Bangladesh**

Loans (Note-7.a.1)  
Cash Credits  
Packing Credits  
Overdrafts

100,138,685,309	70,998,424,853
26,045,442,610	23,543,911,762
435,280,155	194,674,356
14,022,315,733	13,813,656,649
<b>140,641,723,806</b>	<b>108,550,667,620</b>

Bills Purchased and Discounted (Note-7.a.2)

2,177,778,994	2,283,880,874
<b>142,819,502,800</b>	<b>110,834,548,493</b>

**Outside Bangladesh**

-	-
<b>142,819,502,800</b>	<b>110,834,548,493</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>7.a.1</b>	<b>Loans</b>		
	Term Loan	38,044,472,369	30,595,569,285
	Small and Medium Enterprise Financing	18,019,404,459	10,451,837,733
	Consumer Financing	213,394,897	294,062,208
	Retail Financing	5,337,753,758	3,440,412,435
	General Loans	4,200,638,761	3,372,091,336
	Demand Loan	3,509,299,124	2,297,416,347
	Payment Against Documents (PAD)	459,938,418	234,343,467
	Trust Receipts	9,563,977,177	8,705,312,462
	Lease Finance (Note-7.a.4)	433,457,049	452,952,776
	Export Development Fund Loan	5,925,194,797	3,443,955,602
	House Building Loan	4,562,343,472	3,742,097,634
	Staff/Employee Loan	632,707,007	667,505,850
	Loan to MTB Securities Limited	200,000,000	345,000,000
	Loan to MTB Capital Limited	-	-
	Loan to MTB Exchange (UK) Limited	-	-
		<b>91,102,581,288</b>	<b>68,042,557,136</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	9,036,104,020	2,955,867,717
		<b>100,138,685,309</b>	<b>70,998,424,853</b>
<b>7.a.2</b>	<b>Bill Purchased and Discounted</b>		
	Payable in Bangladesh	1,829,861,118	1,987,680,277
	Payable outside Bangladesh	146,261,810	126,386,035
		<b>1,976,122,929</b>	<b>2,114,066,312</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	201,656,065	169,814,562
		<b>2,177,778,994</b>	<b>2,283,880,874</b>
<b>7.a.3</b>	<b>Net Loans &amp; Advances</b>		
	Gross Loans & Advances (Note- 7.a)	<b>142,819,502,800</b>	<b>110,834,548,493</b>
	Less:		
	Interest Suspense (Note- 12.a.5)	1,062,187,946	905,633,141
	Provision for Loans & Advances (Note -12.a.1)	4,414,765,000	3,158,534,528
	<b>Net Loans &amp; Advances</b>	<b>137,342,549,854</b>	<b>106,770,380,825</b>
<b>7.a.4</b>	<b>Gross Lease Rent Receivable</b>		
	within 1 year	96,149,980	101,057,859
	within 5 years	441,933,362	464,491,404
	after 5 years	-	-
		<b>538,083,342</b>	<b>565,549,263</b>
	Less: Unearned Lease Rent	104,626,293	112,596,487
		<b>433,457,049</b>	<b>452,952,776</b>
<b>7.a.5</b>	<b>Residual Maturity grouping of Loans and Advances</b>		
	On Demand	15,281,244,353	13,799,069,111
	Not more than three months	35,656,989,191	28,331,114,340
	More than three months but less than one year	48,606,866,548	37,255,551,757
	More than one year but less than five years	36,900,160,812	21,845,828,493
	More than five years	6,374,241,896	9,602,984,793
		<b>142,819,502,800</b>	<b>110,834,548,494</b>



		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>7.a.6</b>	<b>Significant concentration wise grouping of Loans &amp; advances:</b>		
	a) Directors	-	-
	b) Chief Executive & other Senior Executives	<b>632,707,007</b>	<b>667,505,850</b>
	i) Managing Director	-	-
	ii) Other Senior Executives	632,707,007	667,505,850
	c) Advances to Industries		
	Agriculture	3,545,368,157	3,069,895,369
	RMG	19,016,650,232	11,901,638,990
	Textile	13,446,170,835	9,781,370,446
	Ship Building	2,106,337,996	1,254,822,262
	Ship Breaking	3,673,620,349	1,790,274,575
	Other Manufacturing industry	22,918,180,821	24,250,084,620
	SME loans	19,576,939,152	15,260,841,835
	Construction	1,242,960,734	1,156,184,500
	Power, Gas	2,216,057,968	1,870,790,000
	Transport, Storage and Communication	1,270,278,523	418,359,000
	Trade Service	33,143,233,198	15,228,568,023
	Commercial real estate financing	4,561,338,770	7,364,841,229
	Residential real estate financing	685,504,287	869,250,138
	Consumer credit	7,448,218,289	2,180,839,432
	Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	200,000,000	345,000,000
	NBFIs	4,027,289,725	4,985,274,312
	Others	3,108,646,758	8,439,007,914
		<b>142,186,795,793</b>	<b>110,167,042,644</b>
		<b>142,819,502,800</b>	<b>110,834,548,494</b>
<b>7.01</b>	<b>Significant concentration wise grouping of Consolidated Loans &amp; advances:</b>		
	a) Directors	-	-
	b) Chief Executive & other Senior Executives	<b>632,707,007</b>	<b>667,505,850</b>
	i) Managing Director	-	-
	ii) Other Senior Executives	632,707,007	667,505,850
	c) Advances to Industries		
	Agriculture	3,545,368,157	3,069,895,369
	RMG	19,016,650,232	11,901,638,990
	Textile	13,446,170,835	9,781,370,446
	Ship Building	2,106,337,996	1,254,822,262
	Ship Breaking	3,673,620,349	1,790,274,575
	Other Manufacturing industry	22,918,180,821	24,250,084,620
	SME loans	19,576,939,152	15,260,841,835
	Construction	1,242,960,734	1,156,184,500
	Power, Gas	2,216,057,968	1,870,790,000
	Transport, Storage and Communication	1,270,278,523	418,359,000
	Trade Service	33,143,233,198	15,228,568,023
	Commercial real estate financing	4,561,338,770	7,364,841,229
	Residential real estate financing	685,504,287	869,250,138
	Consumer credit	7,448,218,289	2,180,839,432
	Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	2,987,490,982	3,866,214,348
	NBFIs	4,027,289,724	4,985,274,312
	Others	3,108,646,758	8,439,007,914
		<b>144,974,286,775</b>	<b>113,688,256,992</b>
		<b>145,606,993,782</b>	<b>114,355,762,842</b>

**7.a.7 Details of Large Loan**

Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 18,846.47 million as at December 31, 2017 (BDT 13,699.25 million in 2016)

	December 31, 2017	December 31, 2016
Number of Clients	43	48
Outstanding Advances (BDT Million)	71,301	54,899

Client wise details are given below:

BDT Million

Name of the clients	Sanction limit	Outstanding		Total	Classification Status
		Funded	Non - Funded		
MSA Group	3,530.00	1,654.20	1,091.60	2,745.80	UC
City Group	5,900.00	1,499.90	2,097.70	3,597.60	UC
City Seed Crushing Industries Ltd. & its allied concerns	4,560.00	1,505.00	1,483.80	2,988.80	UC
Ctg. Denim & its allied concerns	2,235.90	85.40	665.50	750.90	UC
Bengal Group	2,635.50	893.10	222.50	1,115.60	UC
Walton	2,200.00	928.30	34.70	963.00	UC
Meghna Group	4,100.00	0.10	3,544.20	3,544.30	UC
Dynasty Group	1,752.70	721.90	170.80	892.70	UC
Lankabangla Finance Limited	1,950.00	610.60	-	610.60	UC
Karnafuly Ship Builders Ltd & its allied concerns	4,100.00	1,216.70	1,697.10	2,913.80	UC
Energypac Engineering Ltd.	3,250.00	1,031.50	1,794.00	2,825.50	UC
Confidence Group	1,900.00	485.00	632.20	1,117.20	UC
BBS Cables Ltd. & its allied concerns	2,100.00	928.00	146.90	1,074.90	UC
BSRM	2,900.00	259.50	490.70	750.20	UC
Purbani Group	1,940.00	459.30	82.20	541.50	UC
ASR Group	1,945.20	1,260.00	102.40	1,362.40	UC
Rahmat Group	2,435.90	1,522.10	197.80	1,719.90	UC
Dekko Group	2,619.00	902.30	67.90	970.20	UC
AJI Group	2,913.20	1,084.60	889.10	1,973.70	UC
Sajeeb	1,800.00	528.00	86.20	614.20	UC
Ahsan Composite Ltd & its allied concerns	1,860.00	260.60	1,216.10	1,476.70	UC
EON Group	2,165.00	1,423.90	551.30	1,975.20	UC
Oxford Shirt Limited & its allied concerns	2,080.00	1,532.90	481.80	2,014.70	UC
Summit Holding Ltd its allied concerns	6,162.00	928.70	1,882.40	2,811.10	UC
Pran-RFL	3,850.00	813.10	1,805.60	2,618.70	UC
Bashundhara Food & Beverage industries Ltd its allied concerns	4,750.00	1,415.90	2,441.60	3,857.50	UC
Epyllion Fabrics Limited & its allied concerns	2,645.00	1,333.80	174.90	1,508.70	UC
BRAC	1,850.00	12.30	-	12.30	UC
SQ Celsius Limited & its allied concerns	3,210.00	1,828.60	894.00	2,722.60	UC
Pride Group	2,080.00	398.10	536.70	934.80	UC
Northern Tosrifa Group	1,889.70	283.60	167.90	451.50	UC
Arkay Knit Dyeing Mills Ltd	3,029.00	107.30	424.70	532.00	UC
Mahdeen Group	2,010.00	972.00	202.70	1,174.70	UC
ROBI Axiata Ltd.	2,050.00	-	597.70	597.70	UC
Abul Khair Group	3,610.00	1,587.80	1,350.90	2,938.70	UC
Kabir Steel	2,150.00	354.50	360.00	714.50	UC
Saad Musa Group	2,800.00	2,353.60	111.30	2,464.90	UC
Sitalpur Auto Steel Mills Ltd & its allied concerns	2,200.00	1,450.00	426.60	1,876.60	UC
Modern Poly industries Ltd & its allied concerns	1,760.00	-	601.40	601.40	UC
Asadi Group	2,200.00	-	1,303.00	1,303.00	UC
BSM	1,950.00	537.60	1,359.30	1,896.90	UC
Sheema Automatic Re-Rolling Mills Ltd & its allied concerns	2,346.60	706.90	1,630.80	2,337.70	UC
KDS Group	3,150.00	727.60	678.90	1,406.50	UC
<b>Total</b>	<b>118,564.70</b>	<b>36,604.30</b>	<b>34,696.90</b>	<b>71,301.20</b>	

**7.a.7.1 Large Loan Restructuring**

- i) The Term Loan (Non-Industrial) liabilities for BDT 93.24 Million against Jamuna Denims Ltd. and BDT 817.91 Million against Jamuna Builders Ltd. both the companies are sister concern of Jamuna Group, have been restructured vide Bangladesh Bank approval dated September 02, 2015 for a period of 12 years (including 12 months moratorium period) as per BRPD Circular no. 04 dated January 29, 2015 on "Large Loan Restructuring".
- ii) The Term Loan (Industrial) liabilities for BDT 404.41 Million against Abdul Monem Ltd. and BDT 762.45 Million against Abdul Monem Sugar Refinery Ltd. have been restructured vide Bangladesh Bank approval dated August 31, 2015 for a period of 12 years (including 09 months moratorium period) as per BRPD Circular no. 04 dated January 29, 2015 on "Large Loan Restructuring".

**7.a.8 Classification of Loans and Advances:****Unclassified (UC):**

Standard

Special Mention Account (SMA)

**Sub total****Classified:**

Substandard

Doubtful

Bad &amp; Loss

**Sub total****Total****7.02 Classification of Consolidated Loans and Advances:****Consolidated Unclassified Loans and Advances (UC):**

Standard

Special Mention Account (SMA)

**Sub total****Consolidated Classified Loans & Advances:**

Substandard

Doubtful

Bad &amp; Loss

**Sub total****Total**

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Unclassified (UC):</b>			
Standard		133,113,561,800	102,626,596,813
Special Mention Account (SMA)		3,437,584,000	3,224,863,681
<b>Sub total</b>		<b>136,551,145,800</b>	<b>105,851,460,494</b>
<b>Classified:</b>			
Substandard		166,108,000	846,750,537
Doubtful		133,943,000	405,055,372
Bad & Loss		5,968,306,000	3,731,282,091
<b>Sub total</b>		<b>6,268,357,000</b>	<b>4,983,088,000</b>
<b>Total</b>		<b>142,819,502,800</b>	<b>110,834,548,494</b>
<b>7.02 Classification of Consolidated Loans and Advances:</b>			
<b>Consolidated Unclassified Loans and Advances (UC):</b>			
Standard		135,901,052,782	106,147,811,161
Special Mention Account (SMA)		3,437,584,000	3,224,863,681
<b>Sub total</b>		<b>139,338,636,782</b>	<b>109,372,674,842</b>
<b>Consolidated Classified Loans &amp; Advances:</b>			
Substandard		166,108,000	846,750,537
Doubtful		133,943,000	405,055,372
Bad & Loss		5,968,306,000	3,731,282,091
<b>Sub total</b>		<b>6,268,357,000</b>	<b>4,983,088,000</b>
<b>Total</b>		<b>145,606,993,782</b>	<b>114,355,762,842</b>

**7.a.9 Details of Required Provision for Loans and Advances**

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
<b>Unclassified (UC):</b>				
Standard			1,865,588,985	1,865,588,985
Standard- Offshore Banking Unit	132,092,841,793	0% , 0.25%, 1% 2% & 5%	92,377,601	92,377,601
Special Mention Account (SMA)	3,437,584,000		58,458,415	58,458,415
<b>Sub total</b>	<b>135,530,425,793</b>		<b>2,016,425,000</b>	<b>2,016,425,000</b>
<b>Classified:</b>				
Substandard	65,898,491	5% & 20%	12,304,269	12,304,269
Doubtful	93,189,309	5% & 50%	46,261,538	46,261,538
Bad loan*	2,309,774,193	100%	2,309,774,193	2,339,774,193
<b>Sub total</b>	<b>2,468,861,993</b>		<b>2,368,340,000</b>	<b>2,398,340,000</b>
<b>Total</b>	<b>137,999,287,786</b>		<b>4,384,765,000</b>	<b>4,414,765,000</b>
<b>Excess/(short) Provision as at December 31, 2017</b>				<b>30,000,000</b>

\*As per Bangladesh Bank letter (reference No. DBI-1/119/2018-1209 dated April 11, 2018), the Bank has maintained minimum required provision for the year 2017. In addition, deferred provision of BDT 1,280.991 million is to be maintained in next 3 (three) years equally i.e. in the year 2018, 2019 and 2020.

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>7.a.10</b>	<b>Details of Required Provision for Off Balance Sheet Items</b>		
	Required Provision for Off- Balance Sheet Exposures	589,226,564	451,343,146
	Total Provision maintained (Note -12.a.2)	589,300,000	452,000,000
	<b>Excess/(Short) Provision</b>	<b>73,436</b>	<b>656,854</b>
<b>7.a.11</b>	<b>Geographical Location wise Loans and Advances</b>		
	<b>Inside Bangladesh</b>		
	<b>Urban</b>		
	Dhaka Division	101,049,391,578	75,656,919,932
	Chittagong Division	25,754,190,653	22,474,593,473
	Sylhet Division	1,075,366,732	845,476,356
	Mymensingh Division	691,921,411	562,111,203
	Rajshahi Division	4,716,804,055	3,908,852,579
	Khulna Division	1,632,445,333	1,177,172,773
	Rangpur Division	2,898,119,496	2,269,236,684
	Barisal Division	436,166,243	209,242,417
		<b>138,254,405,500</b>	<b>107,103,605,416</b>
	<b>Rural</b>		
	Dhaka Division	2,665,640,514	2,103,806,136
	Chittagong Division	1,548,763,979	1,396,770,143
	Sylhet Division	131,360,048	128,908,916
	Mymensingh Division	122,006,566	101,457,883
	Rajshahi Division	-	-
	Khulna Division	-	-
	Rangpur Division	97,326,193	-
	Barisal Division	-	-
		<b>4,565,097,300</b>	<b>3,730,943,078</b>
	<b>Outside Bangladesh</b>	-	-
		<b>142,819,502,800</b>	<b>110,834,548,494</b>
<b>7.a.12</b>	<b>Sector-wise Loans (including Bill Purchased and Discounted)</b>		
	Public sector	-	15,975,287
	Co-Operative sector	-	-
	Private sector	142,819,502,800	110,818,573,207
		<b>142,819,502,800</b>	<b>110,834,548,494</b>
<b>7.a.13</b>	<b>Particulars of Loans and Advances:</b>		
	I) Debts considered good in respect of which the bank company is fully secured.	111,928,071,080	90,904,582,309
	II) Debts considered good for which the bank holds no other security than the debtor's personal security.	1,052,521,606	760,565,810
	III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	23,570,553,114	14,186,312,376
	IV) Debts considered doubtful or bad, provision not provided for.	-	-
	V) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person.	632,707,007	667,505,850
	VI) Debts due by companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as members.	-	-

		Amount in BDT	
		December 31, 2017	December 31, 2016
	VII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the bank or any of them either severally or jointly with any other person.	632,707,007	667,505,850
	VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as member.	-	-
	IX) Due from banking companies;	-	-
	<b>X) Amount of classified loan on which interest has not been charged, should be mentioned as follows:</b>		
a.	i) (Decrease)/Increase in provision,	1,490,755,481	864,534,528
	ii) amount of loan written off	116,190,000	-
	iii) amount realized against loan previously written off;	1,238,700	1,260,000
b.	Amount of provision kept against loan classified as ' bad/loss' on the date of preparing the balance sheet	2,339,774,193	1,930,952,158
c.	Interest creditable to the interest Suspense A/c;	501,528,857	905,633,141
	<b>XI) Cumulative amount of loans written off</b>		
	Opening Balance	1,479,660,000	1,479,660,000
	Amount Written off during the year	116,190,000	-
	<b>Balance of Written off Loans &amp; Advance</b>	<b>1,595,850,000</b>	<b>1,479,660,000</b>
	XII) The amount of written off loan for which law suit has been filed	1,595,850,000	1,479,660,000
<b>7.a.14</b>	<b>Maturity grouping of Bill Purchased and Discounted</b>		
	Payable within one month	603,703,516	633,116,086
	More than one month but less than three months	1,169,265,574	1,226,232,454
	More than three months but less than six months	404,809,904	424,532,333
	More than or equal to six months	-	-
		<b>2,177,778,994</b>	<b>2,283,880,873</b>
<b>7.03</b>	<b>Consolidated list of Asset pledged as collaterals:</b>		
	Collateral of movable/immovable assets	85,124,049,125	13,851,978,636
	Export documents	14,330,952,146	6,070,872,792
	Fixed deposit receipts	7,527,115,338	3,178,773,573
	Other securities	26,968,545,853	72,221,151,803
	Personal guarantee	11,656,331,320	19,032,986,038
		<b>145,606,993,782</b>	<b>114,355,762,842</b>
<b>7.04</b>	<b>Maturity grouping of Consolidated Loans and Advances</b>		
	On Demand	15,281,244,353	13,799,069,111
	Not more than three months	35,656,989,191	28,331,114,340
	More than three months but less than one year	48,606,866,548	37,255,551,757
	More than one year but less than five years	36,900,160,812	21,845,828,493
	More than five years	9,161,732,878	13,124,199,141
		<b>145,606,993,782</b>	<b>114,355,762,842</b>
<b>8.00</b>	<b>Consolidated fixed assets including premises, furniture and fixtures</b>		
	Mutual Trust Bank Limited (Note-8.a)	3,127,669,387	3,042,051,609
	MTB Securities Limited	75,782,247	89,710,140
	MTB Capital Limited	5,670,802	6,575,609
	MTB Exchange (UK) Limited	2,142,929	2,633,885
	<b>Consolidated net book value at the end of the year</b>	<b>3,211,265,364</b>	<b>3,140,971,243</b>
	<b>Details are shown in Annexure-C</b>		

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>8.a</b>	<b>Fixed Asset including Premises, Furniture &amp; Fixture</b>		
	<b>Cost</b>		
	Land	104,253,000	104,253,000
	Immovable Property	1,455,740,795	1,455,740,795
	Furniture & Fixtures	1,346,987,053	1,277,414,563
	Office Equipments	1,725,443,429	1,531,068,277
	Motor Vehicles	141,320,597	101,542,673
	Books & Periodicals	423,974	423,974
	Leased Asset	30,410,000	37,955,000
	Intangible Assets	199,696,090	112,208,736
	<b>Total Cost</b>	<b>5,004,274,938</b>	<b>4,620,607,018</b>
	Less: Accumulated Depreciation	1,876,605,551	1,578,555,409
	<b>Book value at the end of the year</b>	<b>3,127,669,387</b>	<b>3,042,051,609</b>
	<b>Details are shown in Annexure-C (i)</b>		
<b>9.00</b>	<b>Consolidated other assets</b>		
	Mutual Trust Bank Limited (Note-9.a)	10,641,640,357	8,923,815,634
	Less: Investment in subsidiary	(3,528,395,800)	(3,528,395,800)
		<b>7,113,244,557</b>	<b>5,395,419,834</b>
	MTB Securities Limited	145,182,788	134,848,770
	MTB Capital Limited	45,699,342	40,094,419
	MTB Exchange (UK) Limited	1,045,153	844,072
	Less: Intragroup receivable & payable	(40,679,107)	(40,776,230)
		<b>151,248,176</b>	<b>135,011,030</b>
		<b>7,264,492,733</b>	<b>5,530,430,863</b>
<b>9.a</b>	<b>Other Asset</b>		
	<b>Classification of Other Asset</b>		
	A) Income generating Other Asset		
	i) Investment in Shares of Subsidiary Companies (Note-9.a.1)	3,528,395,800	3,528,395,800
	B) Non-Income generating Other Asset :		
	i) Stationery, Stamps, Printing materials in stock etc.	22,686,331	21,474,393
	ii) Advance Rent and Advertisement	245,011,577	317,582,871
	iii) Interest Accrued on Investment but not collected & other income receivable	24,171,624	26,416,646
	iv) Security Deposit	10,590,161	10,695,057
	v) Branch Adjustment	-	-
	vi) Suspense Account (Note- 9.a.2)	218,501,990	193,253,088
	vii) Others (Note- 9.a.3)	6,592,282,873	4,825,997,779
		<b>10,641,640,357</b>	<b>8,923,815,634</b>
<b>9.a.1</b>	<b>Investment in Shares of Subsidiary Companies</b>		
	MTB Securities Limited	3,250,000,000	3,250,000,000
	MTB Capital Limited	250,000,000	250,000,000
	MTB Exchange (UK) Limited	28,395,800	28,395,800
		<b>3,528,395,800</b>	<b>3,528,395,800</b>

		Amount in Taka	
		December 31, 2017	December 31, 2016
<b>9.a.2</b>	<b>Suspense Account</b>		
	Sundry Debtors	31,548,171	19,701,579
	Advance against TA/DA	19,000	-
	Legal Expenses	8,551,087	5,415,689
	Sanchay Patra	174,414,235	164,234,611
	Others	3,969,497	3,901,209
		<b>218,501,990</b>	<b>193,253,088</b>
<b>9.a.3</b>	<b>Others</b>		
	Advance Income Tax ( Note-9.a.3.1)	5,146,850,703	4,163,606,805
	Stock of Commemorative Coins	218,320	218,320
	Clearing House Adjustment	-	1,500,000
	Deferred Tax Assets (Note-9.a.3.2)	721,326,693	-
	Advance Against Interior Decoration	4,600,000	43,627,000
	Advance to Employee	5,644,025	13,101,530
	Advance to Suppliers/Parties	68,554,889	120,589,888
	Placement to Off-Shore Banking Unit	1,616,516,543	193,422,813
	Receivables from Off-Shore Banking Unit	124,102,942	34,894,959
	Receivables from MTBUK	40,679,107	40,776,230
	Interest Receivable on Treasury Bond	574,868,100	402,111,800
	Interest Receivable on Call Money	2,136,111	365,417
	Interest Receivable on Balance with Other Bank	9,498,333	40,100,789
		<b>8,314,995,767</b>	<b>5,054,315,552</b>
	<b>Add: Offshore Banking Unit (Annexure-G)</b>	17,906,592	-
	Less: Inter transaction with Offshore Banking Unit	(1,740,619,486)	(228,317,773)
	<b>Total</b>	<b>6,592,282,873</b>	<b>4,825,997,779</b>
<b>9.a.3.1</b>	<b>Advance Income Tax</b>		
	Opening Balance	4,163,606,805	3,474,990,108
	Add: Payment during the year	983,243,898	688,616,697
	<b>Closing Balance</b>	<b>5,146,850,703</b>	<b>4,163,606,805</b>
<b>9.01</b>	<b>Consolidated Advance Income Tax</b>		
	Mutual Trust Bank Limited (Note-9.a.3.1)	5,146,850,703	4,163,606,805
	MTB Securities Limited	58,771,987	35,681,960
	MTB Capital Limited	24,745,303	11,242,320
	MTB Exchange (UK) Limited	-	-
		<b>5,230,367,992</b>	<b>4,210,531,085</b>
<b>9.a.3.2</b>	<b>Deferred Tax Assets/ (Liabilities)</b>		
	Opening Balance	(179,933,711)	(147,634,135)
	Add: Deferred Tax Income/(Expense) during the year (Note-9.a.3.2.2)	901,260,404	(32,299,576)
	<b>Closing Balance</b>	<b>721,326,693</b>	<b>(179,933,711)</b>
<b>9.02</b>	<b>Consolidated Deferred Tax Assets/ (Liabilities)</b>		
	Mutual Trust Bank limited (Note-9.a.3.2)	721,326,693	(179,933,711)
	MTB Securities Limited	(4,514,310)	(4,100,994)
	MTB Capital Limited	(179,580)	(206,087)
	MTB Exchange (UK) Limited	-	-
		<b>716,632,803</b>	<b>(184,240,792)</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>9.a.3.2.2</b>	<b>Computation of deferred tax</b>		
	<b>Fixed Assets</b>		
	Accounting written down value	3,069,836,937	3,006,497,083
	Tax base written down value	2,533,379,475	2,556,662,803
	<b>Deductable/(Taxable) temporary difference</b>	<b>(536,457,462)</b>	<b>(449,834,280)</b>
	Effective Tax Rate	40.00%	40.00%
	<b>Deferred Tax Assets/(Liabilities)</b>	<b>(214,582,985)</b>	<b>(179,933,712)</b>
	<b>Loan Loss Provision</b>		
	Provision made against Bad & Loss Loans	2,339,774,193	-
	Less: Tax Base	-	-
	<b>Deductable/(Taxable) temporary difference</b>	<b>2,339,774,193</b>	-
	Effective Tax Rate	40.00%	40.00%
	<b>Deferred Tax Assets/(Liabilities) *</b>	<b>935,909,677</b>	-
	Closing Deferred Tax Assets/(Liabilities)	721,326,693	(179,933,711)
	Opening Deferred Tax Assets/(Liabilities)	(179,933,711)	(147,634,135)
	<b>Deferred Tax Income/(Expense)</b>	<b>901,260,404</b>	<b>(32,299,576)</b>
	<b>*Profit for the year includes Tax income of Taka 935,909,677 which has been created with the provision of bad &amp; loss loan is not distributable as dividend as per Bangladesh Bank BRPD circular No. 11 dated December 12, 2011.</b>		
<b>9.a.4</b>	<b>Classification of Other Asset</b>		
	Unclassified	10,641,640,357	8,923,815,634
	Substandard	-	-
	Doubtful	-	-
	Bad/Loss	-	-
		<b>10,641,640,357</b>	<b>8,923,815,634</b>
<b>10.00</b>	<b>Consolidated borrowing from other banks, financial institutions and agents</b>		
	Mutual Trust Bank Limited (Note-10.a)	16,417,678,099	8,631,459,450
	MTB Securities Limited	200,000,000	345,000,000
	MTB Capital Limited	-	75,000,000
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Borrowings	(200,000,000)	(345,000,000)
		<b>16,417,678,099</b>	<b>8,706,459,450</b>
<b>10.a</b>	<b>Borrowing From Other Banks, Financial Institutions &amp; Agents</b>		
	<b>In Bangladesh</b>		
	Mutual Trust Bank Limited (Note 10.a.1)	8,240,467,272	5,694,532,805
	Offshore Banking Unit ( <b>Annexure-G</b> )	2,648,676,566	585,818,996
		<b>10,889,143,838</b>	<b>6,280,351,802</b>
	<b>Outside Bangladesh</b>		
	Mutual Trust Bank Limited	-	-
	Offshore Banking Unit ( <b>Annexure-G</b> )	7,145,050,804	2,544,530,462
		<b>7,145,050,804</b>	<b>2,544,530,462</b>
		<b>18,034,194,642</b>	<b>8,824,882,264</b>
	Less: Inter transaction with Offshore Banking Unit	(1,616,516,543)	(193,422,814)
		<b>16,417,678,099</b>	<b>8,631,459,450</b>



		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>10.a.1</b>	<b>In Bangladesh</b>		
	<b>Borrowing from Bank:</b>	<b>246,900,000</b>	<b>196,750,000</b>
	<b>Foreign Currency Borrowing</b>	<b>246,900,000</b>	<b>196,750,000</b>
	Agrani Bank Limited	246,900,000	118,050,000
	Southeast Bank Limited	-	78,700,000
	<b>Borrowing from Bangladesh Bank:</b>	<b>7,940,751,155</b>	<b>5,431,483,976</b>
	SME Refinance	460,869,882	778,556,493
	Investment Promotion and Financing Facility (IPFF)	1,162,193,184	1,210,411,855
	Long Term Financing Facility (LTFF) under FSSP	405,194,044	-
	Export Development Fund	5,912,494,045	3,442,515,628
	<b>Borrowing from Other Institutes:</b>	<b>52,816,117</b>	<b>66,298,829</b>
	SME Foundation	52,816,117	66,298,829
	<b>Total</b>	<b>8,240,467,272</b>	<b>5,694,532,805</b>
<b>10.a.2</b>	<b>Security against Borrowing From Other Banks, Financial Institutions and Agents</b>		
	Secured (Treasury Bill)	-	-
	Unsecured	16,417,678,099	8,631,459,450
		<b>16,417,678,099</b>	<b>8,631,459,450</b>
<b>10.a.3</b>	<b>Maturity Grouping of Borrowing From Other Banks, Financial Institutions &amp; Agents</b>		
	On Demand	2,187,104,634	1,677,904,332
	Repayable within one month	1,002,565,000	-
	More than one month but within six months	4,462,650,653	3,131,676,450
	More than six months but within one year	1,002,665,059	527,445,233
	More than one year but within five years	1,500,026,825	-
	More than five years but within ten years	6,262,665,928	3,294,433,436
		<b>16,417,678,099</b>	<b>8,631,459,451</b>
<b>11.00</b>	<b>Consolidated deposits and other accounts</b>		
	<b>Current deposits and other accounts</b>		
	Mutual Trust Bank limited (Note-11.a.1)	14,652,101,282	12,302,356,822
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(773)	(880,745)
		<b>14,652,100,509</b>	<b>12,301,476,077</b>
	<b>Bills payable</b>		
	Mutual Trust Bank limited (Note-11.a.1)	2,100,804,374	1,751,051,731
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>2,100,804,374</b>	<b>1,751,051,731</b>
	<b>Savings Bank Deposits</b>		
	Mutual Trust Bank limited (Note-11.a.1)	27,479,479,774	23,710,184,165
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>27,479,479,774</b>	<b>23,710,184,165</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
	<b>Special Notice Deposits</b>		
	Mutual Trust Bank limited (Note-11.a.1)	12,183,058,012	11,966,383,586
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(461,094,286)	(320,396,593)
		<b>11,721,963,726</b>	<b>11,645,986,993</b>
	<b>Fixed Deposits</b>		
	Mutual Trust Bank limited (Note-11.a.1)	67,113,942,085	55,803,465,444
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	-	-
		<b>67,113,942,085</b>	<b>55,803,465,444</b>
	<b>Deposit Products</b>		
	Mutual Trust Bank limited (Note-11.a.1)	28,707,775,033	26,060,165,863
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>28,707,775,033</b>	<b>26,060,165,863</b>
		<b>151,776,065,501</b>	<b>131,272,330,273</b>
<b>11.a</b>	<b>Deposit and Other Accounts</b>		
	From Customers (Note 11.a.1)	142,087,535,560	131,593,607,611
	From Banks (Note 11.a.1)	10,149,625,000	-
		<b>152,237,160,560</b>	<b>131,593,607,611</b>
<b>11.a.1</b>	<b>Deposits and Other Accounts:</b>		
	<b>Current Deposits &amp; Other Accounts :</b>		
	Current Deposits	10,027,340,123	8,345,457,419
	Foreign Currency Deposit	1,634,616,293	1,805,360,585
	Non-Resident Taka account	49,720,618	28,422,736
	Sundry Deposits	2,940,424,248	2,123,116,081
		<b>14,652,101,282</b>	<b>12,302,356,822</b>
	<b>Bills Payable :</b>		
	Payment Order Issued	2,095,092,071	1,745,919,098
	Pay Slip Issued	574,677	530,528
	Demand Draft Payable	5,137,626	4,602,105
		<b>2,100,804,374</b>	<b>1,751,051,731</b>
	<b>Savings Bank Deposit</b>	<b>27,479,479,774</b>	<b>23,710,184,165</b>
	<b>Special Notice Deposits</b>	<b>12,183,058,012</b>	<b>11,966,383,586</b>
	<b>Fixed Deposits:</b>	<b>67,113,942,085</b>	<b>55,803,465,444</b>
	From Customers	<b>56,964,317,085</b>	<b>55,803,465,444</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>From Banks (Note 11.a):</b>			
Sonali Bank Limited		1,799,975,000	-
Dutch Bangla Bank Limited		999,950,000	-
Pubali Bank Limited		799,925,000	-
Agrani Bank Limited		2,549,925,000	-
Eastern Bank Limited		299,975,000	-
Southeast Bank Limited		399,975,000	-
Rupali Bank Limited		1,499,975,000	-
United Commercial Bank Limited		799,950,000	-
Bank Alfalah Limited		399,975,000	-
Trust Bank Limited		600,000,000	-
		<b>10,149,625,000</b>	-
<b>Deposit-Products :</b>			
Brick by Brick		10,767,910,811	9,237,253,792
MTB Double Saver Plan		7,336,344,863	7,244,757,073
MTB Monthly Benefit Plan		4,101,145,064	4,540,408,753
MTB Millionaire Plan		3,668,919,988	2,884,691,551
MTB Kotipati		2,176,584,527	1,432,987,050
MTB Education Plan		248,138,955	204,230,256
MTB Triple Saver Plan		233,687,160	344,915,195
NRB Deposit Pension Scheme		155,238,263	157,936,750
Children Education Deposit Scheme		8,830,042	2,761,037
MTB Gift Cheque		8,250,285	7,461,407
Festival Savings Plan		1,492,240	1,531,038
Best invest Deposit		689,352	688,653
Save Everyday Deposit		521,545	521,371
MTB Quarterly Benefit Plan		16,268	16,268
Unique Savings Plan		5,670	5,670
		<b>28,707,775,033</b>	<b>26,060,165,863</b>
<b>Total</b>		<b>152,237,160,560</b>	<b>131,593,607,611</b>
<b>11.a.2 Maturity grouping of Deposit and Other Accounts:</b>			
On Demand		5,723,168,156	4,947,099,262
Repayable within one month		16,593,635,077	14,343,517,017
More than one month but within six months		35,573,026,339	30,749,278,641
More than six months but within one year		46,758,272,362	40,417,791,052
More than one year but within five years		41,820,944,230	36,149,970,905
More than five years but within ten years		4,899,345,278	4,234,987,816
More than ten years		868,769,118	750,962,918
		<b>152,237,160,560</b>	<b>131,593,607,611</b>
<b>11.a.3 Demand &amp; Time Deposit</b>			
<b>a) Demand Deposit</b>		<b>19,226,058,836</b>	<b>16,187,325,127</b>
Current Deposits		10,027,340,123	8,345,457,419
Savings Bank Deposit (9%)		2,473,153,180	2,133,916,575
Foreign Currency Deposit non interest bearing		1,634,616,293	1,805,360,585
Non Resident Taka Deposit		49,720,618	28,422,736
Sundry Deposits		2,940,424,248	2,123,116,081
Bills Payable		2,100,804,374	1,751,051,731

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>b) Time Deposits</b>		<b>133,011,101,725</b>	<b>115,406,282,484</b>
	Savings Bank Deposit (91%)	25,006,326,595	21,576,267,590
	Fixed Deposits	56,964,317,085	55,803,465,444
	Deposit from Banks	10,149,625,000	-
	Short Term Deposits	12,183,058,012	11,966,383,586
	Deposit Under Scheme	28,707,775,033	26,060,165,863
	<b>Total Demand &amp; Time Deposits</b>	<b>152,237,160,560</b>	<b>131,593,607,611</b>
<b>11.a.4 Sector-wise Deposit</b>			
	Government	502,266,000	437,125,000
	Autonomus & Semi-Autonomous Bodies	361,671,000	483,671,000
	Public Non- Financial Organisation	2,378,162,000	2,230,227,000
	Other Public	601,498,000	590,216,000
	Foreign Currency	1,634,616,293	1,805,360,585
	Private	136,609,322,267	126,047,008,026
	Deposit from Banks	10,149,625,000	-
		<b>152,237,160,560</b>	<b>131,593,607,611</b>
<b>12.00 Consolidated other liabilities</b>			
	Mutual Trust Bank limited (Note-12.a)	12,955,143,626	10,221,646,119
	MTB Securities Limited	768,781,867	1,013,511,004
	MTB Capital Limited	76,463,316	97,526,266
	MTB Exchange (UK) Limited	38,394,138	31,607,821
	Less: Intragroup receivable & payable	(40,679,107)	(40,776,230)
		<b>13,798,103,840</b>	<b>11,323,514,980</b>
<b>12.a Other Liabilities</b>			
	Provision for Loans and Advances (Note-12.a.1)	4,414,765,000	3,158,534,528
	Provision for Off Balance Sheet Items (Note-12.a.2)	589,300,000	452,000,000
	Provision against Shares in quoted companies (Note- 12.a.3)	55,267,667	55,267,667
	Provision for Other Asset (Note-12.a.4)	31,000,000	21,000,000
	Interest Suspense (Note- 12.a.5)	1,062,187,946	905,633,141
	Provision for Income Tax (Note-12.a.6)	6,138,366,743	4,981,043,898
	Provision for Good Borrower	14,301,000	23,240,000
	Provision for Bonus	234,574,583	221,817,656
	Contribution to MTB Foundation	15,000,000	17,000,000
	Contribution to MTB Employees Welfare Fund	5,675	6,055
	Contribution to MTB Employees Medical Assistance Fund	10,000,000	10,000,000
	Provision for Expenses	27,850,330	20,012,992
	Deferred Tax Liability (Note-9.a.3.2)	-	179,933,711
	Interest Payable on Subordinated debt	283,350,555	170,493,021
	Interest Payable on Borrowing	13,831,444	4,950,073
	Liabilities Under Finance Lease	692,009	692,009
		<b>12,890,492,952</b>	<b>10,221,624,752</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	<b>188,753,617</b>	<b>34,916,327</b>
	Less: Inter transaction with Offshore Banking Unit	(124,102,942)	(34,894,959)
		<b>12,955,143,626</b>	<b>10,221,646,119</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>12.a.1</b>	<b>Provision for Loans and Advances</b>		
	<b>For Unclassified</b>		
	Opening Balance	1,107,615,165	1,065,000,000
	Add: Provision made during the year	908,809,835	42,615,165
	<b>Closing Balance</b>	<b>2,016,425,000</b>	<b>1,107,615,165</b>
	<b>For Classified</b>		
	Opening Balance	2,050,919,363	1,182,000,000
	Add: Provision made during the year	444,645,646	721,919,363
	Add: Recoveries of amounts previously written off	1,238,700	-
	Add: Provision transferred from Shares in quoted companies	-	147,000,000
	Less: Adjustment for Loan written off during the year	(98,463,709)	-
	<b>Closing Balance</b>	<b>2,398,340,000</b>	<b>2,050,919,363</b>
		<b>4,414,765,000</b>	<b>3,158,534,528</b>
<b>12.a.2</b>	<b>Provision for Off Balance Sheet Items</b>		
	Opening Balance	452,000,000	352,000,000
	Add: Provision made during the year	137,300,000	100,000,000
	<b>Closing Balance</b>	<b>589,300,000</b>	<b>452,000,000</b>
<b>12.a.3</b>	<b>Provision against Shares in quoted companies</b>		
	Opening Balance	55,267,667	225,507,667
	Less: Provision transferred to Classified Loans and Advances	-	(147,000,000)
	Less: Provision transferred to Good Borrower	-	(23,240,000)
	<b>Closing Balance</b>	<b>55,267,667</b>	<b>55,267,667</b>
<b>12.a.4</b>	<b>Provision for Other Assets</b>		
	Opening Balance	21,000,000	10,000,000
	Add: Provision made during the year	10,000,000	11,000,000
	Closing Balance	<b>31,000,000</b>	<b>21,000,000</b>
<b>12.a.5</b>	<b>Interest suspense account</b>		
	Opening Balance	905,633,141	536,807,002
	Add: Addition during the year	501,528,857	590,037,375
	Less: Adjustment made during the year	(344,974,052)	(221,211,236)
	<b>Closing Balance</b>	<b>1,062,187,946</b>	<b>905,633,141</b>
<b>12.a.6</b>	<b>Provision for Income Tax*</b>		
	Opening Balance	4,981,043,899	4,084,013,779
	Add: Provision made during the year	1,157,322,844	897,030,119
		<b>6,138,366,743</b>	<b>4,981,043,898</b>
	*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.		
<b>12.01</b>	<b>Consolidated Provision for Income Tax*</b>		
	Mutual Trust Bank limited (Note-12.a.6)	6,138,366,743	4,981,043,898
	MTB Securities Limited	44,378,833	72,818,847
	MTB Capital Limited	37,277,243	31,679,544
	MTB Exchange (UK) Limited	-	-
		<b>6,220,022,819</b>	<b>5,085,542,289</b>

\*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.

**13.a Subordinated Debts****12% Partially Convertible Subordinated Debt**

Opening Balance

Less: Payment during the year

**MTB 2nd Subordinated Debt****MTB 3rd Subordinated Debt**

	Amount in BDT	
	December 31, 2017	December 31, 2016
Opening Balance	1,250,000,000	1,875,000,000
Less: Payment during the year	(1,250,000,000)	(625,000,000)
	-	1,250,000,000
<b>MTB 2nd Subordinated Debt</b>	3,000,000,000	3,000,000,000
<b>MTB 3rd Subordinated Debt</b>	5,000,000,000	-
	<b>8,000,000,000</b>	<b>4,250,000,000</b>

The Bank floated 12% partially Convertible Subordinated Debt through private placement for BDT 2,500 million, date of issue October 10, 2010. Interest on the 12% partially convertible subordinated debt is payable half yearly from the date of Issue i.e. March and September of each year. However, 50% (BDT 1,250 million) of the remaining principal amount of the bond was fully redeemed on September 30, 2017.

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue October 20, 2015. Interest on the 10.50% to 13.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. April and October of each year.

The Bank floated MTB 3rd Non convertible Subordinated Debt through private placement for BDT 5,000 million, date of issue February 16, 2017. Interest on the 7.00% to 10.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. February and August of each year.

**Detail list of subordinated debt holders are shown in Annexure-D****14.a Capital****14.a.1 Authorized Capital:**

1,000,000,000 ordinary shares of Tk. 10 each

**10,000,000,000****10,000,000,000****14.a.1.1 Issued, subscribed and Paid-up Capital:**

443,179,160 ordinary shares @ BDT 10 each

4,431,791,600

3,693,159,670

66,476,874 ordinary shares @ BDT 10 each issued as bonus

664,768,740

738,631,930

**5,096,560,340****4,431,791,600****14.a.1.2 Raising of Share Capital****Given below the history of raising of Share Capital of the Bank:**

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20%	12,000,000	120,000,000	720,000,000
2004-Bonus	20%	14,400,000	144,000,000	864,000,000
2005-Bonus	10%	8,640,000	86,400,000	950,400,000
2006-Bonus	5%	4,752,000	47,520,000	997,920,000
2007-Bonus	25%	24,948,000	249,480,000	1,247,400,000
2008-Right	20%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10%	27,978,482	279,784,820	3,077,633,060
2014-Bonus	20%	61,552,661	615,526,610	3,693,159,670
2015-Bonus	20%	73,863,193	738,631,930	4,431,791,600
2016-Bonus	15%	66,476,874	664,768,740	5,096,560,340
<b>Total</b>		<b>509,656,034</b>	<b>5,096,560,340</b>	

**14.a.1.3 Percentage of shareholdings at the closing date:**

Particulars	No. of shares	Value of shares BDT	December 31, 2017
			% of holding
Sponsors / Directors	186,651,665	1,866,516,650	36.62%
Institutions	113,496,829	1,134,968,290	22.27%
General	209,507,540	2,095,075,400	41.11%
<b>Total</b>	<b>509,656,034</b>	<b>5,096,560,340</b>	<b>100%</b>

**14.a.1.4 Classification of Shareholders by holdings as at December 31, 2017**

Holdings	No. of Shareholders	No. of Shares	Value of shares BDT	Total Holdings %
Less than 499 shares	2,776	463,269	4,632,690	0.09%
500 to 5,000 shares	3,219	6,133,343	61,333,430	1.20%
5,001 to 10,000 shares	482	3,367,394	33,673,940	0.66%
10,001 to 20,000 shares	341	4,610,036	46,100,360	0.90%
20,001 to 30,000 shares	125	2,985,020	29,850,200	0.59%
30,001 to 40,000 shares	68	2,380,724	23,807,240	0.47%
40,001 to 50,000 shares	45	2,004,517	20,045,170	0.39%
50,001 to 100,000 shares	101	7,416,956	74,169,560	1.46%
100,001 to 1,000,000 shares	133	37,045,814	370,458,140	7.27%
Over 1,000,000 shares	71	443,248,961	4,432,489,610	86.97%
<b>Total</b>	<b>7,361</b>	<b>509,656,034</b>	<b>5,096,560,340</b>	<b>100.00%</b>

**14.a.1.5 Name of Directors and their shareholdings as at December 31, 2017**

Name	Status	December 2017		
		No. of Shares held	BDT	Holding %
Mr. M. A. Rouf, JP	Chairman	10,212,163	102,121,630	2.00%
Mr. Md. Hedayetullah	Vice Chairman	10,198,976	101,989,760	2.00%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	18,793,233	187,932,330	3.69%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	16,988,498	169,884,980	3.33%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	25,482,776	254,827,760	5.00%
Mr. Md. Abdul Malek	Director	10,290,519	102,905,190	2.02%
Mr. Md. Wakiluddin	Director	10,202,422	102,024,220	2.00%
Mrs. Khwaja Nargis Hossain	Director	10,193,426	101,934,260	2.00%
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	12,741,347	127,413,470	2.50%
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	33,092,421	330,924,210	6.49%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
<b>Total</b>		<b>158,195,781</b>	<b>1,581,957,810</b>	<b>31.04%</b>

**14.a.1.6 Capital to Risk-weighted Assets Ratios (CRAR) as defined by the Basel Capital Accord****Common Equity Tier-1 (Going-Concern Capital) :**

	Amount in BDT	
	December 31, 2017	December 31, 2016
Paid-up Capital	5,096,560,340	4,431,791,600
Statutory Reserve	3,622,224,031	3,187,766,825
General Reserve	616,777,324	616,777,324
Minority Interest	-	-
Retained Earnings	1,632,481,854	815,484,211
	<b>10,968,043,549</b>	<b>9,051,819,959</b>

**Regulatory Adjustments:**

Goodwill and all other Intangible Assets	101,344,815	65,805,338
Deferred Tax Assets (95% of DTA as per BB Guideline)	889,114,193	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	98,048	2,462,968
	<b>990,557,056</b>	<b>68,268,306</b>

**Total Common Equity Tier -1 (Going-Concern Capital)**

Additional Tier-1 Capital	-	-
<b>Total Tier-1 Capital</b>	<b>9,977,486,493</b>	<b>8,983,551,653</b>

**Tier-2 Capital (Gone-Concern Capital) :**

General Provision including Off Balance Sheet items	2,605,725,000	1,559,615,165
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	6,159,207,491	3,000,000,000
	<b>9,025,070,624</b>	<b>4,819,753,298</b>

**Regulatory Adjustments:**

Revaluation Reserve for Fixed Assets , Securities & Equity Securities	156,082,880	104,055,253
<b>Total Tier-2 Capital (Gone-Concern Capital)</b>	<b>8,868,987,744</b>	<b>4,715,698,045</b>

**A. Total Regulatory Capital (Tier-1+Tier-2)**

	<b>18,846,474,237</b>	<b>13,699,249,698</b>
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**B. Risk Weighted Assets****Credit Risk on**

Balance Sheet Exposure	104,533,265,967	94,057,106,198
Off Balance Sheet Exposure	18,490,970,895	12,883,138,418
	<b>123,024,236,862</b>	<b>106,940,244,616</b>

**Market Risk****Operational Risk**

	3,774,475,429	3,729,916,327
	9,798,391,582	8,321,733,273
<b>Total Risk Weighted Assets</b>	<b>136,597,103,874</b>	<b>118,991,894,216</b>

**C. Required Capital on Risk Weighted Assets**

	<b>13,659,710,387</b>	<b>11,899,189,422</b>
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**D. Capital Surplus/(Shortfall) (A-C)**

	<b>5,186,763,849</b>	<b>1,800,060,277</b>
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**E. Capital Requirement**

	2017		2016	
	Required	Held	Required	Held
<b>Capital to Risk-weighted Assets Ratios (CRAR)</b>	<b>10%</b>	<b>13.80%</b>	<b>10%</b>	<b>11.51%</b>
Common Equity Tier-1	4.50%	7.30%	4.50%	7.55%
Tier- 1 Capital	5.50%	7.30%	5.50%	7.55%
Tier- 2 Capital	-	6.49%	-	3.96%

The calculation of CRAR under Basel III has been made as per " Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.



		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>14.a.1.7</b>	<b>Consolidated Capital to Risk-weighted Assets Ratios (CRAR) as defined by the Basel Capital Accord</b>		
	<b>Common Equity Tier-1 (Going-Concern Capital) :</b>		
	Paid-up Capital	5,096,560,340	4,431,791,600
	Statutory Reserve	3,622,224,031	3,187,766,825
	General Reserve	616,777,324	616,777,324
	Minority Interest	124,686	122,139
	Retained Earnings	1,722,348,545	841,239,233
		<b>11,058,034,926</b>	<b>9,077,697,121</b>
	<b>Regulatory Adjustments:</b>		
	Goodwill and all other Intangible Assets	101,344,815	65,805,338
	Deferred Tax Assets (95% of DTA as per BB Guideline)	889,114,193	-
	Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	98,048	2,462,968
		<b>990,557,056</b>	<b>68,268,306</b>
	<b>Total Common Equity Tier -1 (Going-Concern Capital)</b>	<b>10,067,477,870</b>	<b>9,009,428,815</b>
	Additional Tier-1 Capital	-	-
	<b>Total Tier-1 Capital</b>	<b>10,067,477,870</b>	<b>9,009,428,815</b>
	<b>Tier-2 Capital (Gone-Concern Capital) :</b>		
	General Provision including Off Balance Sheet items	2,605,725,000	1,559,615,165
	Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
	Subordinated debt	6,239,200,826	3,000,000,000
		<b>9,105,063,959</b>	<b>4,819,753,298</b>
	<b>Regulatory Adjustments:</b>		
	Revaluation Reserve for Fixed Assets , Securities & Equity Securities	156,082,880	104,055,253
	<b>Total Tier-2 Capital (Gone-Concern Capital)</b>	<b>8,948,981,080</b>	<b>4,715,698,045</b>
	<b>A. Total Regulatory Capital (Tier-1+Tier-2)</b>	<b>19,016,458,950</b>	<b>13,725,126,860</b>
	<b>B. Risk Weighted Assets</b>		
	<b>Credit Risk on</b>		
	Balance Sheet Exposure	104,821,694,921	95,341,608,521
	Off Balance Sheet Exposure	18,490,970,895	12,883,138,418
		<b>123,312,665,816</b>	<b>108,224,746,939</b>
	<b>Market Risk</b>	4,495,137,086	4,399,847,002
	<b>Operational Risk</b>	10,416,690,392	8,930,949,882
	<b>Total Risk Weighted Assets</b>	<b>138,224,493,293</b>	<b>121,555,543,823</b>
	<b>C. Required Capital on Risk Weighted Assets</b>	<b>13,822,449,329</b>	<b>12,155,554,382</b>
	<b>D. Capital Surplus/(Shortfall) (A-C)</b>	<b>5,194,009,621</b>	<b>1,569,572,478</b>
	<b>E. Capital Requirement</b>		
		<b>2017</b>	<b>2016</b>
		<b>Required</b>	<b>Held</b>
	<b>Capital to Risk-weighted Assets Ratios (CRAR)</b>	<b>10%</b>	<b>13.76%</b>
	Common Equity Tier-1	4.50%	7.28%
	Tier- 1 Capital	5.50%	7.28%
	Tier- 2 Capital	-	6.47%
		<b>Required</b>	<b>Held</b>
	<b>Capital to Risk-weighted Assets Ratios (CRAR)</b>	<b>10%</b>	<b>11.29%</b>
	Common Equity Tier-1	4.50%	7.41%
	Tier- 1 Capital	5.50%	7.41%
	Tier- 2 Capital	-	3.88%

The calculation of CRAR under Basel III has been made as per " Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>15.00</b>	<b>Consolidated Statutory Reserve</b>		
	Opening Balance	3,187,766,825	2,721,143,745
	Add: Transferred during the year (20% of pretax profit )	434,457,206	466,623,080
	<b>Closing Balance</b>	<b>3,622,224,031</b>	<b>3,187,766,825</b>
<b>15.a</b>	<b>Statutory Reserve</b>		
	Opening Balance	3,187,766,825	2,721,143,745
	Add: Transferred during the year (20% of pretax profit )	434,457,206	466,623,080
	<b>Closing Balance</b>	<b>3,622,224,031</b>	<b>3,187,766,825</b>
<b>16.a</b>	<b>General Reserve</b>		
	Opening Balance	616,777,324	446,777,324
	Add: Transferred from Retained Earnings	-	170,000,000
	<b>Closing Balance</b>	<b>616,777,324</b>	<b>616,777,324</b>
<b>17.00</b>	<b>Consolidated Retained Earnings</b>		
	Opening Balance	841,239,233	752,903,276
	Add: Consolidated Profit made during the year *	1,980,335,258	1,463,590,967
	Less: Bonus Share Issued during the year	(664,768,740)	(738,631,930)
	Less: Bonus Share Issued by MTB Capital Limited	(15,899,364)	(14,999,400)
	Less: Transferred to Statutory Reserve	(434,457,206)	(466,623,080)
	Less: Transferred to General Reserve	-	(170,000,000)
		<b>1,706,449,181</b>	<b>826,239,833</b>
	Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	15,899,364	14,999,400
	<b>Closing Balance</b>	<b>1,722,348,545</b>	<b>841,239,233</b>
<b>17.a</b>	<b>Retained Earnings</b>		
	Opening Balance	815,484,211	786,953,519
	Add: Profit made during the year *	1,916,223,589	1,403,785,702
	Less: Bonus Share Issued during the year	(664,768,740)	(738,631,930)
	Less: Transferred to Statutory Reserve	(434,457,206)	(466,623,080)
	Less: Transferred to General Reserve	-	(170,000,000)
	<b>Closing Balance</b>	<b>1,632,481,854</b>	<b>815,484,211</b>
	<b>*Profit for the year includes Tax income of BDT 935,909,677 which has been created with the provision of bad &amp; loss loan is not distributable as dividend as per Bangladesh Bank BRPD circular No. 11 dated December 2011.</b>		
<b>17.01</b>	<b>Minority Interest</b>		
	Opening balance	122,139	119,678
	Add: Profit made during the year	2,547	2,461
	<b>Closing balance</b>	<b>124,686</b>	<b>122,139</b>
<b>18.a</b>	<b>Contingent Liabilities &amp; Commitments</b>		
	<b>Letter of Guarantee (Note 18.a.1)</b>	<b>11,597,904,974</b>	<b>9,302,425,309</b>
	<b>Letter of Credit :</b>		
	Letter of Credit (Cash)	4,226,884,309	3,515,503,120
	Letter of Credit (Back to Back)	2,580,254,591	2,270,892,766
	Letter of Credit (EDF)	299,350,966	261,380,257
	Letter of Credit (Deferred)	8,822,272,760	7,527,009,947
	Letter of Credit (Inland)	811,404,725	716,487,925
		<b>16,740,167,351</b>	<b>14,291,274,015</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>Bills for collection :</b>			
Inland		1,318,541,928	1,906,040,601
Foreign		1,123,804,217	1,390,440,812
		<b>2,442,346,145</b>	<b>3,296,481,413</b>
<b>Other Contingent Liabilities :</b>			
IFDBC (Back to Back)		1,109,000	554,500
Foreign Contract		62,947	-
Accepted Bill (Inland)		3,294,386,560	3,372,514,679
Accepted Bill (Foreign)		26,724,985,589	14,871,064,705
		<b>30,020,544,096</b>	<b>18,244,133,884</b>
<b>Other Commitments</b>			
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<b>60,800,962,566</b>	<b>45,134,314,620</b>
<b>Letter of Guarantee (Off-Shore Banking Unit (Annexure-G))</b>		4,135,000	-
		<b>60,805,097,566</b>	<b>45,134,314,620</b>
<b>18.a.1 Letter of Guarantee</b>			
i) Claims against the Bank not acknowledged as debts		-	-
ii) Money for which the bank is contingently liable in respect of guarantees given favoring :			
Directors		-	-
Government		-	-
Bank and other Financial Institutions		49,616,688	96,346,387
Others		11,552,423,286	9,206,078,922
		<b>11,602,039,974</b>	<b>9,302,425,309</b>
Less: Margin		(1,212,841,544)	(695,969,085)
		<b>10,389,198,430</b>	<b>8,606,456,224</b>
iii) Liability on Account of Bills Re-Discounted		-	-
iv) Liability on Account of Outstanding Forward Exchange Contract		-	-
		<b>10,389,198,430</b>	<b>8,606,456,224</b>
<b>18.a.1.1 Segregation of Commitment by Type</b>			
Documentary Credit and Short Term Business Related Transaction		16,740,167,351	14,291,274,015
Forward Asset Purchased and Forward Deposit		-	-
Endorsed formal standby facilities, Credit facilities and other commitments:			
Less than one year		41,622,584,070	27,546,559,193
One year and above		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Spot and Forward Foreign Exchange Rate Contract		-	-
Other Exchange Contract		-	-
Others		2,442,346,145	3,296,481,412
		<b>60,805,097,566</b>	<b>45,134,314,620</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>19.00</b>	<b>Income Statement</b>		
	<b>Income:</b>		
	Interest, Discount and Similar Income	14,008,578,941	13,181,696,620
	Dividend income	155,943,572	54,132,093
	Fee, Commission and Brokerage	721,380,636	608,003,652
	Exchange Gain	621,310,261	458,772,561
	Other Operating Income	413,564,354	349,575,900
		<b>15,920,777,764</b>	<b>14,652,180,826</b>
	<b>Expenses:</b>		
	Interest, Fee and Commission	7,856,055,015	7,506,266,934
	Administrative expenses	3,069,129,427	2,842,332,785
	Other operating expenses	994,179,798	786,011,805
	Depreciation on Banking Assets	328,372,014	308,919,377
		<b>12,247,736,254</b>	<b>11,443,530,901</b>
	<b>Operating profit</b>	<b>3,673,041,510</b>	<b>3,208,649,925</b>
<b>20.00</b>	<b>Consolidated Interest Income</b>		
	Mutual Trust Bank Limited (Note-20.a)	12,102,826,598	11,250,560,341
	MTB Securities Limited	126,853,097	109,948,362
	MTB Capital Limited	40,924,378	27,630,841
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Income (Loans)	(100,000,000)	-
	Less: Intragroup Interest Income (Bank balance)	(10,061,111)	(6,766,654)
		<b>12,160,542,962</b>	<b>11,381,372,890</b>
<b>20.a</b>	<b>Interest Income</b>		
	Loans and Advances (Note-20.a.1)	11,743,866,029	10,938,134,404
	Money at Call and Short Notice	62,548,028	95,627,031
	Balance with Other Banks and Financial Institutions (Note-20.a.2)	287,356,016	242,298,554
	Foreign Currency Lending	16,540,767	17,318,978
		<b>12,110,310,840</b>	<b>11,293,378,967</b>
	Less: Inter transaction with Offshore Banking Unit	(7,484,242)	(17,063,626)
	Less: Rebate for the good borrower	-	(25,755,000)
		<b>12,102,826,598</b>	<b>11,250,560,341</b>
<b>20.a.1</b>	<b>Interest on Loans and Advances</b>		
	Term Loan	2,902,297,886	2,661,678,046
	Small and Medium Enterprise Financing	1,633,529,996	1,231,212,991
	Retail/Consumer Financing	572,538,809	453,628,428
	General Loans	336,767,846	346,856,633
	Demand Loan	294,465,503	259,289,977
	Payment Against Documents (PAD)	52,864,592	33,616,166
	Trust Receipts	962,262,774	1,103,978,968
	Lease Finance	40,020,062	44,306,325
	Export Development Fund	57,957,350	32,649,466
	House Building Loan	458,290,265	438,160,322
	Cash Credit	2,288,467,350	2,582,132,921
	Packing Credit	18,553,357	7,614,274
	Secured Overdraft	1,416,611,505	1,375,390,642
	Bills Purchased and Discounted	228,791,639	274,655,459
	Interest on Loans from Subsidiaries	100,000,000	-
		<b>11,363,418,934</b>	<b>10,845,170,618</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	380,447,095	92,963,786
		<b>11,743,866,029</b>	<b>10,938,134,404</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>20.a.2</b>	<b>Interest on Balance with other Bank and Financial Institution</b>		
	Interest on Balance with other Bank in Bangladesh	287,356,016	242,298,554
	Interest on Balance held with outside Bangladesh	-	-
		<b>287,356,016</b>	<b>242,298,554</b>
<b>21.00</b>	<b>Consolidated Interest Paid on Deposits &amp; Borrowings, etc.</b>		
	Mutual Trust Bank Limited (Note-21.a)	7,856,055,015	7,506,266,934
	MTB Securities Limited	100,000,000	-
	MTB Capital Limited	6,873,767	3,594,521
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Expense (Borrowings)	(100,000,000)	-
	Less: Intragroup Interest Expense (Deposits)	(10,061,111)	(6,766,654)
		<b>7,852,867,671</b>	<b>7,503,094,801</b>
<b>21.a</b>	<b>Interest on Deposit &amp; Borrowing, etc.</b>		
	Interest on Deposit and Other Accounts (Note-21.a.1)	7,468,056,369	7,377,375,042
	Interest on Borrowing from other Banks and Financial Institutions	126,607,105	87,214,823
		<b>7,594,663,474</b>	<b>7,464,589,865</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	268,875,783	58,740,695
	Less: Inter transaction with Offshore Banking Unit	(7,484,242)	(17,063,626)
		<b>7,856,055,015</b>	<b>7,506,266,934</b>
<b>21.a.1</b>	<b>Interest on Deposits and Other Accounts</b>		
	Savings Bank Deposits	683,848,521	686,012,437
	Short Term Deposits	333,149,318	413,085,559
	Fixed Deposits	2,963,195,204	3,367,699,343
	Deposit-Products	2,716,316,993	2,388,310,578
	Interest on Subordinated Debt	771,546,333	522,267,125
		<b>7,468,056,369</b>	<b>7,377,375,042</b>
<b>22.00</b>	<b>Consolidated Income From Investments</b>		
	Mutual Trust Bank Limited (Note-22.a)	2,056,350,696	1,974,265,630
	MTB Securities Limited	51,390,151	30,063,602
	MTB Capital Limited	19,472,487	6,215,123
	MTB Exchange (UK) Limited	-	-
		<b>2,127,213,334</b>	<b>2,010,544,355</b>
<b>22.a</b>	<b>Investment Income</b>		
	Interest on Treasury Bond	1,858,875,310	1,862,845,446
	Interest on reverse REPO	879,127	6,302,042
	Interest on Commercial Paper	-	9,239,661
	Interest on other Investment	45,997,906	19,174,723
	Discount on Treasury Bill	38,388,510	33,565,157
	Capital Gain from Trading in Govt. Securities	225,045,738	749,993,399
	Capital Gain/(Loss) on Investment in shares of quoted companies	49,150,813	166,963
	Dividend on Investment in Shares	30,910,540	28,279,786
	Dividend from Mutual and Unit Fund	125,033,032	25,852,307
	Prize Bond	-	9,250
		<b>2,374,280,976</b>	<b>2,735,428,734</b>
	Loss from Government Securities	(52,234,556)	(52,333,218)
	Loss on revaluation of Government Securities	(265,695,724)	(708,829,886)
		<b>2,056,350,696</b>	<b>1,974,265,630</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>23.00</b>	<b>Consolidated Commission, Exchange and Brokerage</b>		
	Mutual Trust Bank Limited (Note-23.a)	1,342,690,897	1,066,776,213
	MTB Securities Limited	222,335,661	150,165,334
	MTB Capital Limited	175,000	331,250
	MTB Exchange (UK) Limited	12,807,559	10,882,143
		<b>1,578,009,117</b>	<b>1,228,154,940</b>
<b>23.a</b>	<b>Commission, Exchange and Brokerage</b>		
	Commission (Note-23.a.1)	721,380,636	608,003,652
	Exchange	621,310,261	458,772,561
	Brokerage	-	-
		<b>1,342,690,897</b>	<b>1,066,776,213</b>
<b>23.a.1</b>	<b>Commission</b>		
	Commission on Letter of Guarantee	104,768,942	84,187,394
	Commission on Letter of Credit	261,414,416	223,743,666
	Commission on Acceptance of Bills	269,871,843	214,632,680
	Commission on LC Advising	12,200,566	11,362,050
	Commission on PO, DD & TT	4,394,548	4,736,480
	Exchange houses commission	23,112,492	13,086,029
	On-line service commission	14,323,953	12,792,431
	Commission on IBC	433,701	625,284
	Underwriting Commission regarding Treasury Bill/Bond	17,805,371	31,309,695
	Commission on IPO collection	44,591	68,728
	Commission on POS	12,210,121	11,451,973
	Commission on RTGS	779,935	7,242
		<b>721,360,479</b>	<b>608,003,652</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	20,157	-
		<b>721,380,636</b>	<b>608,003,652</b>
<b>24.00</b>	<b>Consolidated other operating income</b>		
	Mutual Trust Bank Limited (Note-24.a)	418,909,573	360,578,643
	MTB Securities Limited	12,747,982	13,002,150
	MTB Capital Limited	31,600,091	21,735,197
	MTB Exchange (UK) Limited	3,138,159	2,586,588
	Less: Intragroup other operating income	-	-
		<b>466,395,805</b>	<b>397,902,578</b>
<b>24.a</b>	<b>Other Operating Income</b>		
	Handling Charges	3,925,344	3,217,178
	VISA Card	16,128,692	6,945,242
	Service Charges	116,625,595	102,469,550
	SWIFT Charge Recoveries	29,126,832	28,493,361
	SME Fees and Charges	766,996	11,608,822
	Management fees	16,711,800	11,847,588
	Early Settlement Fee	4,912,375	4,395,299
	Loan Processing Fee	28,647,758	24,430,048
	Partial Payment Fee	259,263	288,272
	Charges against cards	101,462,726	84,806,862
	NPSB Acquirer Income	4,472,604	3,661,561
	Locker Rent	4,051,361	3,578,835
	Miscellaneous Earnings	79,389,683	69,674,558
		<b>406,481,029</b>	<b>355,417,176</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	12,428,544	5,161,467
		<b>418,909,573</b>	<b>360,578,643</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>25.00</b>	<b>Consolidated salaries and allowances</b>		
	Mutual Trust Bank Limited (Note-25.a)	2,314,039,862	2,168,780,701
	MTB Securities Limited	74,454,836	71,895,379
	MTB Capital Limited	9,656,626	10,840,421
	MTB Exchange (UK) Limited	4,532,861	4,678,028
		<b>2,402,684,185</b>	<b>2,256,194,529</b>
<b>25.a</b>	<b>Salary &amp; Allowances</b>		
	Basic Pay	986,461,643	903,888,480
	Allowances	720,255,608	665,492,008
	Bonus	372,303,969	321,294,587
	Gratuity	62,700,000	120,000,000
	Leave Fare Assistance	84,177,889	78,436,516
	Provident Fund	88,140,753	79,669,110
		<b>2,314,039,862</b>	<b>2,168,780,701</b>
<b>25.a.1</b>	<b>Managing Director's Remuneration</b>		
	Basic	8,226,667	7,626,667
	House Rent	1,980,000	1,980,000
	House Maintenance	1,320,000	1,320,000
	Entertainment	216,000	216,000
	Festival Bonus	2,100,000	1,950,000
	Incentive Bonus	1,000,000	1,000,000
	Leave Fare Assistance	1,950,000	1,800,000
	Security and personal wages	660,000	660,000
	Provident Fund	822,667	762,666
		<b>18,275,334</b>	<b>17,315,333</b>
<b>26.00</b>	<b>Consolidated rent, taxes, insurance, electricity, etc.</b>		
	Mutual Trust Bank Limited (Note-26.a)	624,713,881	559,033,357
	MTB Securities Limited	30,457,378	33,421,640
	MTB Capital Limited	3,624,578	3,140,184
	MTB Exchange (UK) Limited	5,672,327	5,941,972
		<b>664,468,164</b>	<b>601,537,153</b>
<b>26.a</b>	<b>Rent, Tax, Insurance, Electricity, etc.</b>		
	Rent	427,540,986	367,425,834
	Rates & taxes	3,841,406	7,538,413
	Insurance	95,852,033	86,651,779
	Electricity & Utilities	97,479,456	97,169,557
	Lease Rent	-	247,774
		<b>624,713,881</b>	<b>559,033,357</b>
<b>27.00</b>	<b>Consolidated Legal Expense</b>		
	Mutual Trust Bank Limited (Note-27.a)	3,535,580	3,077,953
	MTB Securities Limited	-	3,300
	MTB Capital Limited	33,333	55,000
	MTB Exchange (UK) Limited	-	249,685
		<b>3,568,913</b>	<b>3,385,938</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>27.a</b>	<b>Legal Expense</b>		
	Legal Expense	3,535,580	3,077,953
		<b>3,535,580</b>	<b>3,077,953</b>
<b>28.00</b>	<b>Consolidated Postage, Stamp &amp; Telecommunication etc.</b>		
	Mutual Trust Bank Limited (Note-28.a)	6,028,356	8,610,456
	MTB Securities Limited	809,236	797,448
	MTB Capital Limited	89,604	81,487
	MTB Exchange (UK) Limited	148,958	157,940
		<b>7,076,154</b>	<b>9,647,331</b>
<b>28.a</b>	<b>Postage, Stamps &amp; Telecommunication, etc</b>		
	Postage/Courier Service	1,311,075	663,090
	Telephone	4,717,281	7,947,366
		<b>6,028,356</b>	<b>8,610,456</b>
<b>29.00</b>	<b>Consolidated Stationery, Printing, Advertisements etc.</b>		
	Mutual Trust Bank Limited (Note-29.a)	99,318,114	81,849,885
	MTB Securities Limited	1,325,433	870,568
	MTB Capital Limited	254,488	96,917
	MTB Exchange (UK) Limited	275,217	357,899
		<b>101,173,252</b>	<b>83,175,269</b>
<b>29.a</b>	<b>Stationery, Printing, Advertisements etc.</b>		
	Printing & Security Stationery	36,679,140	33,249,336
	Computer Stationery	15,978,162	16,576,241
	Petty & Table Stationery	14,755,719	12,805,602
	Publicity & Advertisement	31,905,093	19,218,706
		<b>99,318,114</b>	<b>81,849,885</b>
<b>30.00</b>	<b>Consolidated Directors' Fees</b>		
	Mutual Trust Bank Limited (Note-30.a)	1,876,800	1,775,600
	MTB Securities Limited	823,400	692,683
	MTB Capital Limited	741,000	562,750
	MTB Exchange (UK) Limited	-	-
		<b>3,441,200</b>	<b>3,031,033</b>
<b>30.a</b>	<b>Directors' Fees</b>		
	Meeting fee	1,876,800	1,775,600
		<b>1,876,800</b>	<b>1,775,600</b>
	Bank has paid BDT 8,000 as Honarium according to the BRPD circular letter no. 11 dated 04 October 2015		
<b>31.00</b>	<b>Consolidated Auditors' Fee</b>		
	Mutual Trust Bank Limited (Note-31.a)	1,341,500	1,889,500
	MTB Securities Limited	57,500	57,500
	MTB Capital Limited	63,250	63,250
	MTB Exchange (UK) Limited	313,816	570,105
		<b>1,776,066</b>	<b>2,580,355</b>
<b>31.a</b>	<b>Auditors' Fee</b>		
	Annual Account	1,169,000	1,759,500
	NOSTRO Account	57,500	50,000
	IPFF Account	57,500	30,000
	Corporate Governance	57,500	50,000
		<b>1,341,500</b>	<b>1,889,500</b>



		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>32.00</b>	<b>Consolidated depreciation and repair of assets</b>		
	Mutual Trust Bank Limited (Note-32.a)	420,129,234	379,031,532
	MTB Securities Limited	7,795,608	9,781,984
	MTB Capital Limited	1,216,867	1,336,169
	MTB Exchange (UK) Limited	611,732	752,222
		<b>429,753,440</b>	<b>390,901,907</b>
<b>32.01</b>	<b>Consolidated depreciation of assets</b>		
	Mutual Trust Bank Limited (Note-32.a)	328,372,014	308,919,377
	MTB Securities Limited	7,323,979	9,273,484
	MTB Capital Limited	955,615	1,124,480
	MTB Exchange (UK) Limited	508,382	637,145
		<b>337,159,990</b>	<b>319,954,486</b>
<b>32.02</b>	<b>Consolidated Repair &amp; Maintenance of assets</b>		
	Mutual Trust Bank Limited (Note-32.a)	91,757,220	70,112,155
	MTB Securities Limited	471,629	508,500
	MTB Capital Limited	261,252	211,689
	MTB Exchange (UK) Limited	103,350	115,077
		<b>92,593,451</b>	<b>70,947,421</b>
<b>32.a</b>	<b>Depreciation on &amp; Repairs to Bank's property</b>		
	Depreciation :		
	Immovable Property	33,129,429	34,074,406
	Furniture & Fixture	79,606,330	81,795,138
	Office Equipments	198,060,868	180,832,146
	Motor Vehicles	17,575,387	12,217,687
	Books & Periodicals	-	-
	Leasehold Property	-	-
		<b>328,372,014</b>	<b>308,919,377</b>
	Repairs on Bank's property	91,757,220	70,112,155
		<b>420,129,234</b>	<b>379,031,532</b>
<b>33.00</b>	<b>Consolidated other expenses</b>		
	Mutual Trust Bank Limited (Note-33.a)	902,422,578	715,899,651
	MTB Securities Limited	21,445,932	17,193,992
	MTB Capital Limited	3,612,527	2,375,029
	MTB Exchange (UK) Limited	3,876,149	3,530,006
		<b>931,357,187</b>	<b>738,998,678</b>
<b>33.a</b>	<b>Other Expenses</b>		
	Security & Auxiliary Service	172,901,674	167,943,299
	Office Cleaning	43,805,915	40,363,513
	Office Maintenance	33,275,347	31,702,589
	Car Expense	193,482,212	158,223,887
	Entertainment	33,229,179	31,415,952
	Newspaper & Periodicals	1,461,173	1,736,766
	Clearing House Expense	452,816	860,870
	Traveling & Conveyance	48,644,654	46,040,682
	Bank Charge	6,003,674	4,199,320
	Training Expense	8,533,027	10,182,796

		Amount in BDT	
		December 31, 2017	December 31, 2016
	Professional Fee	38,733,912	12,599,670
	AGM Expense	282,052	499,700
	Subscription & Donation	158,287,163	36,162,039
	Reuters Charge	2,308,171	1,949,475
	CDBL Charges	54,500	310,288
	Fees & Registration	7,463,748	14,870,510
	Business Development Expense	52,692,374	50,780,590
	Contribution to MTB Foundation	15,000,000	15,000,000
	Employees Medical Assistance Fund	10,000,000	10,000,000
	Honorarium	1,138,332	984,115
	Cash Carrying Expense	23,522,603	15,798,372
	Contact Point Verification (CPV) Charges	2,741,556	148,031
	Site Maintenance & Support Service	3,066,578	3,017,171
	On-line and connectivity charges	37,002,041	38,288,184
	NID Verification Charge	947,546	138,684
	Loss on Sale of Fixed Assets	4,363,383	18,088,645
		<b>899,393,630</b>	<b>711,305,148</b>
	<b>Offshore Banking Unit (Annexure-G)</b>	3,028,948	4,594,503
		<b>902,422,578</b>	<b>715,899,651</b>
<b>34.00</b>	<b>Consolidated Provision for Loans, Investment &amp; Other</b>		
	Provision for Classified Loans & Advances	444,645,646	721,919,363
	Provision for Unclassified Loans and Advances	908,809,835	42,615,165
	Provision for Off Balance Sheet Items	137,300,000	100,000,000
	Provision for Margin Loan & Investment in Shares	155,492,999	71,100,000
	Provision for Other Asset	10,000,000	11,000,000
		<b>1,656,248,480</b>	<b>946,634,528</b>
<b>34.a</b>	<b>Provision for Loans, Investment &amp; Other</b>		
	Provision for Classified Loans & Advances	444,645,646	721,919,363
	Provision for Unclassified Loans and Advances	908,809,835	42,615,165
	Provision for Off Balance Sheet Items	137,300,000	100,000,000
	Provision for Margin Loan & Investment in Shares	-	-
	Provision for Other Asset	10,000,000	11,000,000
		<b>1,500,755,481</b>	<b>875,534,528</b>
<b>35.00</b>	<b>Consolidated Provision for Current Tax Expenses</b>		
	Mutual Trust Bank Limited (Note-35.a)	1,157,322,844	897,030,119
	MTB Securities Limited	-	52,528,830
	MTB Capital Limited	22,605,246	11,718,874
	MTB Exchange (UK) Limited	78,872	-
		<b>1,180,006,962</b>	<b>961,277,823</b>
<b>35.01</b>	<b>Consolidated Deferred Tax (Income)/Expenses</b>		
	Mutual Trust Bank limited (Note-35.a.1)	(901,260,404)	32,299,576
	MTB Securities Limited	413,316	4,100,994
	MTB Capital Limited	(26,507)	206,087
	MTB Exchange (UK) Limited	-	-
		<b>(900,873,595)</b>	<b>36,606,657</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>35.a</b>	<b>Provision for Current Tax Expenses</b>		
	Current tax	1,157,322,844	897,030,119
	<b>Total</b>	<b>1,157,322,844</b>	<b>897,030,119</b>
<b>35.a.1</b>	<b>Provision for Deferred Tax (Income)/Expenses</b>		
	Deferred Tax (Note-9.a.3.2.2)	(901,260,404)	32,299,576
	<b>Total</b>	<b>(901,260,404)</b>	<b>32,299,576</b>
* Deferred tax has been calculated as per "BAS:12 Income Taxes" and it is the timing differences arising from the carrying value of fixed assets.			
<b>36.00</b>	<b>Consolidated Earnings Per Share (EPS)*</b>		
	Consolidated Net Profit After Tax	1,980,335,258	1,463,590,967
	Number of Ordinary Shares outstanding	<b>509,656,034</b>	<b>509,656,034</b>
	<b>Earnings Per Share (EPS)</b>	<b>3.89</b>	<b>2.87</b>
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
<b>36.a</b>	<b>Earnings Per Share (EPS)*</b>		
	Net Profit After Tax	1,916,223,589	1,403,785,702
	Number of Ordinary Shares outstanding	<b>509,656,034</b>	<b>509,656,034</b>
	<b>Earnings Per Share (EPS)</b>	<b>3.76</b>	<b>2.75</b>
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
<b>37.00</b>	<b>Consolidated Received from Other Operational Income</b>		
	Mutual Trust Bank Limited (Note-37.a)	413,564,354	382,250,308
	MTB Securities Limited	51,477,533	35,850,646
	MTB Capital Limited	46,917,266	23,204,728
	MTB Exchange (UK) Limited	3,138,159	2,586,588
	Less: Intragroup other operating income	-	-
		<b>515,097,313</b>	<b>443,892,270</b>
<b>37.a</b>	<b>Received from Other Operational Income</b>		
	Handling charge	3,925,344	3,217,178
	VISA	16,128,692	6,945,242
	Service charge	116,625,595	102,469,550
	SWIFT charge recovery	29,126,832	28,493,361
	SME Fees and Charges	766,996	11,608,822
	Management fees	16,711,800	11,847,588
	Early settlement and Loan processing fees	33,819,397	29,113,618
	Charges against cards	101,462,726	84,806,862
	NPSB Acquirer Income	4,472,604	3,661,561
	Locker rent	4,051,361	3,578,835
	Discount on Treasury Bill	38,388,510	33,565,157
	Gain( net off loss) from Trading in Govt. Securities	172,811,182	697,660,181
	Loss on revaluation of treasury securities	(265,695,724)	(708,829,886)
	Gain/(Loss) on Investment in shares of quoted companies	49,150,813	166,963
	Prize Bond	-	9,250
	Miscellaneous income	79,389,683	68,774,558
	Offshore Banking Unit ( <b>Annexure-G</b> )	12,428,544	5,161,467
		<b>413,564,354</b>	<b>382,250,308</b>

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>38.00</b>	<b>Consolidated Payment for Other Operational Expenses</b>		
	Rent, Tax, Insurance, Electricity	664,468,164	601,537,153
	Legal Expense	3,568,913	3,385,938
	Postage, Stamps, Telegram & Telephone	7,076,154	9,647,331
	Directors' Fee	3,441,200	3,031,033
	Audit fee	1,776,066	2,580,355
	Repair & Maintenance	92,593,451	70,947,420
	Other Expenditure	924,829,242	720,823,745
		<b>1,697,753,189</b>	<b>1,411,952,975</b>
<b>38.a</b>	<b>Payment for Other Operational Expenses</b>		
	Rent, Tax, Insurance, Electricity	624,713,881	559,033,357
	Legal Expense	3,535,580	3,077,953
	Postage, Stamps, Telegram & Telephone	6,028,356	8,610,455
	Directors' Fee	1,876,800	1,775,600
	Audit fee	1,341,500	1,889,500
	Repair & Maintenance	91,757,219	70,112,155
	Other Expenditure	898,059,195	697,811,006
		<b>1,627,312,532</b>	<b>1,342,310,026</b>
<b>39.00</b>	<b>Number of Employees</b>		
	The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 2,004.		
<b>40.00</b>	<b>Number of Branch</b>	111	110
<b>41.00</b>	<b>Number of Meeting</b>		
	Board Meeting	15	13
	Executive Committee Meeting	8	9
	Audit Committee Meeting	4	5
	Risk Management Committee Meeting	4	5
<b>42.00</b>	<b>Auditors Work Hour</b>		
	The external auditors of the bank, A.Qasem & Co., Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 1,500 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).		
<b>43.00</b>	<b>Related Party Disclosures of the Bank</b>		
	i) Name of the Directors together with a list of entities in which they have interest		

Annexure-E

**ii) Significant contracts where Bank is a party and wherein Directors have Interest during the year 2017**

Name of Directors	Relationship with the Bank	Nature of transaction	Approve limit	Outstanding amount	
				BDT	USD
Mr. M. A. Rouf, JP	Chairman	Credit Card	500,000	148,325	-
Mr. Md. Hedayetullah	Vice Chairman	Credit Card	500,000	230	-
Mr. Syed Manzur Elahi	Director (Founding Chairman)	Credit Card	1,575,000	-	2,358
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	Credit Card	500,000	-	-
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	Credit Card	592,800	11,500	1,140
Mr. Md. Abdul Malek	Director	Credit Card	1,000,000	90,847	-
Mr. Md. Wakiluddin	Director	Credit Card	500,000	-	187
Mrs. Khwaja Nargis Hossain	Director	Credit Card	500,000	230	-
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	490,000	-	-
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	Credit Card	700,000	184,318	11,169
Mr. Anwarul Amin	Independent Director	Credit Card	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	Credit Card	-	-	-

**iii) Shares issued to Directors and Executives without consideration or exercisable at a discount** Nil

**iv) Related Party Transactions**

Name of party	Related with	Transactions nature	Outstanding balance BDT Million	Nature of Security
Mrs. Banesa Khatun	Mr. Md. Wakiluddin Director	House Building Loan (General)	1.119	Registered Mortgage (RM) of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2. Mr. Sayed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	SOD (General)	38.469	RM of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2.Mr. Sayed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	Term Loan	15.193	RM of Land and Building

**v) Lending policies in respect of related party**

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act, 1991.

**vi) Business other than banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991**

## a) Lease agreement made with the Directors

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement	Pabna Branch	Mr. Anjan Chowdhury	Approved by Bangladesh Bank
	Pabna Branch ATM Booth		Approved by Board of MTB
	Square Textile ATM Booth		
	Square Pharmaceuticals ATM Booth		
	Square Hospital ATM Booth		
Lease agreement	Square Fashions ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	Bilquis Tower ATM Booth		
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
Lease agreement	ABC BPL ATM Booth	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch		
Lease agreement	Pragati Sarani Branch ATM Booth	Syed Manzur Elahi	Approved by Board of MTB

## vii) Business with subsidiary

Name of party	Relationship	Nature of transaction	Outstanding balance BDT Million
MTB Securities Limited	Subsidiary Company	Loan facility	200.00
MTB Exchange (UK) Limited	Subsidiary Company	Receivable from MTB Exchange (UK)	40.68

**44.00 Events after the Balance Sheet Date**

Subsequent to the Balance Sheet date, The Board of Directors recommended Stock Dividend @ 12.50% for the year 2017 which will be recognized in the accounts as and when approved by the Shareholders in the Annual General Meeting (AGM).

**45.00 Financial Highlights as at December 31, 2017 are shown in Annexure-F**

**MUTUAL TRUST BANK LIMITED****Annexure- A****Balance with other Banks- Out Side Bangladesh (NOSTRO Account)**

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at 31 December 2017

Name of the Bank	Currency	2017			2016		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreq Bank PSC, New York	US\$	632,956	82.70	52,345,475	362,362	78.70	28,518,682
Standard Chartered Bank, New York	US\$	5,156,142	82.70	426,412,919	1,522,873	78.70	119,853,479
Habib American Bank, New York	US\$	1,330,699	82.70	110,048,836	1,046,879	78.70	82,391,715
Commerz Bank AG, Germany	US\$	127,860	82.70	10,573,988	132,199	78.70	10,404,369
Mashreq Bank PSC, London	US\$	-	82.70	-	90,005	78.70	7,083,628
ICICI Bank Ltd., Hong Kong	US\$	234,711	82.70	19,410,576	212,383	78.70	16,715,010
Sonali Bank (UK) Ltd., London	US\$	-	82.70	-	483,223	78.70	38,030,741
KB Kookmin Bank, South Korea	US\$	76,163	82.70	6,298,714	135,649	78.70	10,675,868
Standard Chartered Bank, Singapore	SGD	15,399	61.74	950,745	41,084	54.31	2,231,309
Mashreq Bank PSC, London	GBP	32,379	110.99	3,593,850	26,006	96.47	2,508,704
Standard Chartered Bank, London	GBP	25,102	110.99	2,786,077	66,112	96.47	6,377,540
Sonali Bank (UK) Ltd., London	GBP	5,900	110.99	654,799	455	96.47	43,846
Habib American Bank, Zurich	CHF	27,744	83.97	2,329,581	20,699	76.84	1,590,578
Standard Chartered Bank, Tokyo	JPY	3,492,507	0.73	2,552,407	2,390,352	0.67	1,613,361
UBAF, Tokyo	JPY	1,430,049	0.73	1,045,114	684,543	0.67	462,030
Mashreq Bank PSC, London	EUR	2,703	98.50	266,274	13,901	82.29	1,143,902
Standard Chartered Bank, Germany	EUR	7,580	98.50	746,587	39,704	82.29	3,267,281
Sonali Bank (UK) Ltd., London	EUR	-	98.50	-	283	82.29	23,267
ICICI Bank Ltd., Mumbai	EUR	6,164	98.50	607,168	6,164	82.29	507,276
Unicredit Bank, Germany	EUR	18,391	98.50	1,811,388	21,921	82.29	1,803,889
Commerz Bank AG, Germany	EUR	341,718	98.50	33,657,782	478,087	82.29	39,342,287
United Bank of India, Kolkata	EUR	4,226	98.50	416,199	4,226	82.29	347,725
Standard Chartered Bank, Mumbai	ACU	6,964	82.70	575,960	275,712	78.70	21,699,178
Standard Chartered Bank, Kolkata	ACU	500,482	82.70	41,389,900	500,482	78.70	39,389,071
Standard Chartered Bank, Karachi Pakistan	ACU	63,392	82.70	5,242,484	49,678	78.70	3,909,800
Standard Chartered Bank, Colombo	ACU	70,039	82.70	5,792,242	62,093	78.70	4,886,884
Habib Metropolitan Bank Ltd., Karachi	ACU	181,825	82.70	15,036,887	58,582	78.70	4,610,513
Mashreq Bank PSC, Mumbai	ACU	86,299	82.70	7,136,944	230,411	78.70	18,133,856
AB Bank Ltd., Mumbai	ACU	635,255	82.70	52,535,622	582,179	78.70	45,818,747
ICICI Bank Ltd., Mumbai	ACU	379,791	82.70	31,408,674	384,960	78.70	30,297,204
Himalayan Bank Ltd., Kathmundu	ACU	109,490	82.70	9,054,823	109,490	78.70	8,617,104
Nepal Bangladesh Bank Limited	ACU	131,974	82.70	10,914,258	131,974	78.70	10,386,652
United Bank of India, Kolkata	ACU	130,633	82.70	10,803,342	322,830	78.70	25,407,392
HDFC Bank Ltd., Mumbai	ACU	285,989	82.70	23,651,275	243,567	78.70	19,169,222
Habib Bank Ltd., Pakistan	ACU	-	82.70	-	199,988	78.70	15,739,512
Axis Bank Ltd., Mumbai	ACU	53,676	82.70	4,439,023	238,604	78.70	18,778,685
Sonali Bank Ltd., Kolkata	ACU	154,842	82.70	12,805,414	80,521	78.70	6,337,199
Mashreq Bank PSC, UAE	AED	4,712,727	22.52	106,110,126	6,804,611	21.42	145,788,056
ICICI, Mumbai	ACU	-	-	28,032,607	-	-	28,032,607
<b>Total</b>		<b>20,471,771</b>		<b>1,041,438,060</b>	<b>18,054,794</b>		<b>821,938,166</b>

# MUTUAL TRUST BANK LIMITED INVESTMENT IN SHARES

As at December 31, 2017

## Annexure- B

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share Dec 31, 2017	Total Market Value as at Dec 31, 2017	Amount in BDT	
								Unrealised Gain/Loss	
<b>A. Quoted Share</b>									
1	ACI Limited	10	950	444,837	468.05	459.80	436,994	(7,843)	
2	BRAC Bank Ltd.	10	3,921	351,279	89.59	108.40	425,036	73,757	
3	Bangladesh Submarine Cable Company Limited	10	55,000	9,348,350	169.97	103.10	5,670,500	(3,677,850)	
4	The City Bank Ltd.	10	1,843	80,645	43.76	53.20	98,048	17,403	
5	Dhaka Electric Supply Company Ltd.	10	28,638	2,907,903	101.54	45.40	1,300,165	(1,607,737)	
6	First Finance Limited	10	121,275	3,461,189	28.54	11.60	1,406,790	(2,054,399)	
7	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	39.70	397,000	(217,200)	
8	Grameenphone Ltd.	10	1,270	463,116	364.66	470.80	597,916	134,800	
9	Jamuna Oil Company Limited	10	66,000	15,467,760	234.36	189.70	12,520,200	(2,947,560)	
10	Matin Spinning Mills Ltd.	10	100,000	4,733,000	47.33	38.60	3,860,000	(873,000)	
11	Meghna Petroleum Limited	10	32,670	7,510,506	229.89	188.90	6,171,363	(1,339,143)	
12	National Bank Ltd.	10	252,139	4,465,382	17.71	13.00	3,277,807	(1,187,575)	
13	Northern General Insurance Company Ltd.	10	30,719	967,956	31.51	23.80	731,112	(236,843)	
14	Orion Pharma Ltd.	10	50,000	3,551,000	71.02	48.70	2,435,000	(1,116,000)	
15	Phoenix Insurance Company Ltd.	10	42,750	2,579,108	60.33	29.50	1,261,125	(1,317,983)	
16	Pragati Life Insurance Ltd.	10	135,135	25,524,299	188.88	113.60	15,351,336	(10,172,963)	
17	Premier Cement Mills Limited	10	25,000	2,940,500	117.62	87.70	2,192,500	(748,000)	
18	RAK Ceramics (Bangladesh) Limited	10	15,750	1,114,470	70.76	59.90	943,425	(171,045)	
19	R.N. Spinning Mills Limited	10	144,000	3,712,320	25.78	16.50	2,376,000	(1,336,320)	
20	Square Pharmaceuticals Ltd.	10	2,338	494,877	211.67	301.80	705,608	210,731	
21	Summit Power Limited	10	692,102	38,916,895	56.23	35.90	24,846,462	(14,070,434)	
22	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	5.60	1,897,280	(5,109,104)	
	Free Fund available			184,353					
	<b>Sub-Total</b>		<b>2,150,300</b>	<b>136,840,327</b>			<b>89,086,020</b>	<b>(47,754,307)</b>	



## MUTUAL TRUST BANK LIMITED INVESTMENT IN SHARES

As at December 31, 2017

### Annexure- B

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share Dec 31, 2017	85% NAV	Total Market Value as at Dec 31, 2017	Provision Req. as per BB Guideline	Amount in BDT	
										Unquoted Share	Unrealized Gain/Loss
<b>B. Mutual Fund (Quoted)</b>											
1	DBH First Mutual Fund	10	33,800	238,432	7.05	9.40	10.79	317,720	-		
2	Green Delta Mutual Fund	10	10,241	73,328	7.16	9.20	10.85	94,217	-		
3	First Bangladesh Fixed Income Fund	10	32,225,096	219,656,142	6.82	5.70	10.30	183,683,047	-		
4	EBL NRB Mutual Fund	10	15,357,989	108,995,083	7.10	6.60	10.29	101,362,727	-		
5	MBL 1st Mutual Fund	10	4,160,000	41,600,000	10.00	9.10	10.87	37,856,000	-		
6	PHP First Mutual Fund	10	4,551,746	32,818,089	7.21	6.40	10.26	29,131,174	-		
	<b>Sub-Total</b>		<b>56,338,872</b>	<b>403,381,073</b>				<b>352,444,886</b>			
<b>C. Unquoted Share</b>											
1	BD Venture Limited	10	2,000,000	20,000,000	203,287,005	20,000,000	10.16	20,328,701	328,701		
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,602,331,131	200,000,000	33.01	188,556,107	172,861,677		
3	Energypack Power Generation Limited	10	1,192,800	50,000,000	5,590,321,619	149,869,650	37.30	44,492,902	(5,507,098)		
4	Industrial & Infrastructure Development Finance Company Limited	10	7,329,110	42,453,820	1,648,605,625	100,000,000	16.49	120,828,120	78,374,300		
5	LIC Bangladesh	10	3,000,000	30,000,000	578,588,464	60,000,000	9.64	28,929,423	(1,070,577)		
6	The Bangladesh Rating Agency Limited	100	49,155	4,915,500	3,273,546	1,067,175	3.07	150,782	(4,764,718)		
	<b>Sub-Total</b>			<b>163,063,750</b>	<b>14,626,407,390</b>			<b>403,286,034</b>	<b>240,222,284</b>		

# MUTUAL TRUST BANK LIMITED INVESTMENT IN SHARES

As at December 31, 2017

## Annexure- B

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Total Market Value as at Dec 31, 2017	Amount in BDT
<b>D Unquoted Mutual Fund</b>						
1	MTB Unit Fund	10	21,760,000	217,600,000	217,600,000	-
<b>Sub-Total</b>				<b>217,600,000</b>	<b>217,600,000</b>	-
<b>E Bond</b>						
1	Uttara Finance & Investment Limited-Zero Coupon Bond			40,000,000	40,000,000	-
2	One Bank Subordinated Bond			100,000,000	100,000,000	-
3	Trust Bank Subordinated Bond			100,000,000	100,000,000	-
4	UCB 3rd Subordinated Bond			250,000,000	250,000,000	-
5	Jamuna Bank Subordinated Bond			150,000,000	150,000,000	-
6	NBL Subordinated Bond			250,000,000	250,000,000	-
7	AB Bank Subordinate Bond			64,000,000	64,000,000	-
<b>Sub-Total</b>				<b>954,000,000</b>	<b>954,000,000</b>	-
<b>Total</b>				<b>1,874,885,150</b>	<b>2,016,416,940</b>	<b>47,754,307</b>

Particulars	Provision Required	Provision Maintained	Excess/(Shortfall)
Quoted Shares	47,754,307		
Unquoted Shares	-	55,267,667	7,513,360
Mutual Funds	-		
<b>Total</b>	<b>47,754,307</b>	<b>55,267,667</b>	<b>7,513,360</b>

## Annexure-C

## MUTUAL TRUST BANK LIMITED CONSOLIDATED FIXED ASSET SCHEDULE

As at December 31, 2017

Particulars	Cost			Rate	Depreciation			Written down value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Disposal during the year		Balance as at 31.12.2017	Charged for the year	Adjustment made during the year	
Land	104,253,000	-	-	0%	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	2.50%	138,915,718	35,030,073	-	1,328,160,004
Furniture & Fixture	1,319,933,861	115,082,169	29,943,527	10%	480,347,825	91,540,131	16,553,166	849,737,712
Office Equipments	1,600,595,436	181,773,981	17,309,108	20%	880,328,201	171,338,334	13,912,406	727,306,180
Motor Vehicles	101,542,673	39,777,924	-	20%	53,553,370	17,575,387	-	70,191,840
Books & Periodicals	423,974	-	-	10%	423,974	-	-	423,974
Leasehold Asset	37,955,000	-	7,545,000	20%	37,954,999	-	7,545,000	30,409,999
Intangible Asset	112,088,989	87,607,101	-	20%	46,403,398	21,676,065	-	131,616,627
<b>Total 2017</b>	<b>4,778,898,729</b>	<b>424,241,175</b>	<b>54,797,635</b>		<b>1,637,927,486</b>	<b>337,159,990</b>	<b>38,010,572</b>	<b>1,937,076,904</b>
<b>Total 2016</b>	<b>4,571,079,721</b>	<b>310,624,589</b>	<b>102,805,581</b>		<b>1,389,249,874</b>	<b>319,954,486</b>	<b>71,276,875</b>	<b>1,637,927,486</b>
								<b>3,140,971,243</b>

Amount in BDT

# MUTUAL TRUST BANK LIMITED

## FIXED ASSET SCHEDULE

As at December 31, 2017

### Annexure-C (i)

Particulars	Cost				Rate	Depreciation			Written down value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged for the year	Adjustment made during the year	
Land	104,253,000	-	-	104,253,000	0%	-	-	-	104,253,000
Immovable Property	1,455,740,795	-	-	1,455,740,795	2.50%	130,563,588	33,129,429	-	1,292,047,778
Furniture & Fixture	1,248,294,325	114,700,681	16,007,953	1,346,987,053	10%	456,077,677	87,297,379	10,124,188	813,736,185
Office Equipments	1,560,308,262	180,798,998	15,663,831	1,725,443,429	20%	853,578,403	168,693,754	12,652,684	715,823,956
Motor Vehicles	101,542,673	39,777,924	-	141,320,597	20%	53,553,370	17,575,387	-	70,191,840
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974
Leasehold Asset	37,955,000	-	7,545,000	30,410,000	20%	37,954,999	-	7,545,000	30,409,999
Intangible Asset	112,088,989	87,607,101	-	199,696,090	20%	46,403,398	21,676,065	-	131,616,627
<b>Total 2017</b>	<b>4,620,607,018</b>	<b>422,884,704</b>	<b>39,216,784</b>	<b>5,004,274,938</b>		<b>1,578,555,409</b>	<b>328,372,014</b>	<b>30,321,872</b>	<b>1,876,605,551</b>
<b>Total 2016</b>	<b>4,408,692,360</b>	<b>307,004,349</b>	<b>95,089,691</b>	<b>4,620,607,018</b>		<b>1,338,169,090</b>	<b>308,919,377</b>	<b>68,533,058</b>	<b>3,042,051,609</b>

Amount in BDT

## MUTUAL TRUST BANK LIMITED

### LIST OF SUBORDINATED DEBT HOLDERS

Annexure-D

as at December 31, 2017

**A. 12% Partially Convertible Subordinate Bond**

SL No.	Name of party	2017	2016
		Investment Amount	Investment Amount
1	Ak Khan & Co. Limited	-	180,000,000
2	Agrani Bank Limited	-	150,000,000
3	Sonali Bank Limited	-	125,000,000
4	Rupali Bank Limited	-	100,000,000
5	Dhaka Bank Limited	-	95,000,000
6	IPDC of Bangladesh Limited	-	75,000,000
7	Dutch Bangla Bank Limited	-	75,000,000
8	Bank Asia Limited	-	75,000,000
9	Trust Bank Limited	-	55,000,000
10	Janata Bank Limited	-	50,000,000
11	BASIC Bank Limited	-	35,000,000
12	National Life Insurance Co. Limited	-	35,000,000
13	Central Depository Bangladesh Limited	-	35,000,000
14	Investment Corporation of Bangladesh (ICB)	-	25,000,000
15	NCC Bank Limited	-	20,000,000
16	Pubali Bank Limited	-	20,000,000
17	Prime Bank Employees Provident Fund	-	20,000,000
18	Popular Life Insurance Co. Limited	-	20,000,000
19	Delta Life Insurance Co. Limited	-	20,000,000
20	Grameen Mutual Fund One-Scheme Two	-	20,000,000
21	Pragati Life Insurance Limited	-	10,000,000
22	Pacific Jeans Limited	-	10,000,000
<b>Sub-Total (A)</b>		-	<b>1,250,000,000</b>

**B MTB 2nd Subordinate Bond**

SL No.	Name of party	2017	2016
		Investment Amount	Investment Amount
1	Sonali Bank Limited	1,000,000,000	1,000,000,000
2	BRAC Provident Fund	500,000,000	500,000,000
3	Bank Asia Limited	400,000,000	400,000,000
4	Uttara Bank Limited	300,000,000	300,000,000
5	BRAC	250,000,000	250,000,000
6	BRAC Bank Limited	250,000,000	250,000,000
7	NRB Commercial Bank Limited	200,000,000	200,000,000
8	United Finance Limited	100,000,000	100,000,000
<b>Sub-Total (B)</b>		<b>3,000,000,000</b>	<b>3,000,000,000</b>

**C MTB 3rd Subordinate Bond**

SL No.	Name of party	2017	2016
		Investment Amount	Investment Amount
1	Pubali Bank Limited	950,000,000	-
2	Dhaka Bank Limited	900,000,000	-
3	Sonali Bank Limited	750,000,000	-
4	Southeast Bank Limited	650,000,000	-
5	Janata Bank Limited	500,000,000	-
6	Agrani Bank Limited	300,000,000	-
7	Eastern Bank Limited	300,000,000	-
8	Rupali Bank Limited	200,000,000	-
9	Delta Life Insurance Company Limited	200,000,000	-
10	Standard Bank Limited	150,000,000	-
11	United Finance Limited	100,000,000	-
<b>Sub-Total (C)</b>		<b>5,000,000,000</b>	-
<b>Total (A+B+C)</b>		<b>8,000,000,000</b>	<b>4,250,000,000</b>

**MUTUAL TRUST BANK LIMITED****Annexure - E****NAME OF COMPANIES IN WHICH THE DIRECTORS OF THE BANK HAVE INTEREST**

SL No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	<b>Mr. M A Rouf, JP</b> Chairman	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- Britannia Properties Ltd. Bangladesh</li> <li>- Britannia Holdings &amp; Management Ltd.</li> <li>- Britannia Developments Ltd.</li> <li>- Britannia Asset &amp; Equity Management Ltd.</li> <li>- Diamond Properties (BD)</li> <li>- Diamond Properties (UK) St. Andrews</li> <li>- MTB Securities Limited (MTBSL)</li> <li>- MTB Capital Limited (MTBCL)</li> <li>- MTB Exchange (UK) Ltd.</li> </ul> <p><b>Director</b></p> <ul style="list-style-type: none"> <li>- Tiger Tours Ltd.</li> </ul>
2	<b>Mr. Md. Hedayetullah</b> Vice Chairman	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- Hedayetullah Securities Ltd.</li> </ul> <p><b>Director</b></p> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Property Development Ltd.</li> <li>- MTB Securities Limited (MTBSL)</li> </ul> <p><b>Managing Director</b></p> <ul style="list-style-type: none"> <li>- Footbed Footwear Ltd.</li> <li>- FB Footwear Ltd.</li> </ul>
3	<b>Mr. Syed Manzur Elahi</b> Director (Founding Chairman)	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Footwear Ltd.</li> <li>- Apex Pharma Ltd.</li> <li>- Blue Ocean Footwear Ltd.</li> <li>- Apex Enterprises Ltd.</li> <li>- Apex Investments Ltd.</li> <li>- Grey Advertising (Bangladesh) Ltd.</li> <li>- Quantum Market Research</li> <li>- Manusher Jonno Foundation</li> </ul> <p><b>Director</b></p> <ul style="list-style-type: none"> <li>- International Publications Limited</li> <li>- Credit Rating Agency of 14. Bangladesh Limited (CRAB)</li> <li>- Central Depository Bangladesh Ltd. (CDBL)</li> <li>- MTB Exchange (UK)</li> </ul> <p><b>Member of the Board of Trustees</b></p> <ul style="list-style-type: none"> <li>- East West University</li> <li>- Centre for Policy Dialogue (CPD)</li> <li>- Diabetic Association of Bangladesh</li> </ul>
4	<b>Mr. Rashed Ahmed Chowdhury</b> Director (Representing Associated Builders Corp. Ltd.)	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- ABC Building Products Ltd.</li> <li>- Banga Garments Ltd.</li> </ul> <p><b>Director</b></p> <ul style="list-style-type: none"> <li>- Associated Builders Corporation Ltd.</li> <li>- ABC Real Estate Ltd.</li> <li>- Shamsuddin Towels Ltd.</li> <li>- MTB Exchange (UK)</li> </ul>

**MUTUAL TRUST BANK LIMITED**

Annexure - E

**NAME OF COMPANIES IN WHICH THE DIRECTORS OF THE BANK HAVE INTEREST**

SL No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
5	<b>Dr. Arif Dowla</b> Director (Representing Advanced Chemical Industries Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Tetley ACI (Bangladesh) Ltd.</li> </ul> <b>Vice Chairman</b> <ul style="list-style-type: none"> <li>- ACI HealthCare Limited</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- ACI Formulations Limited</li> <li>- ACI Motors Limited</li> <li>- ACI Pure Flour Limited</li> <li>- ACI Agrolink Limited</li> <li>- Premiaflex Plastics Limited</li> <li>- ACI Foods Limited</li> <li>- ACI Chemicals Limited</li> <li>- Infolytx Bangladesh Limited</li> <li>- ACI Salt Limited</li> <li>- ACI Biotech Limited</li> <li>- ACI Edible Oils Limited</li> <li>- Creative Communication Limited</li> <li>- Consolidated Chemicals Limited</li> <li>- Dowla Agricultural Development Company Ltd</li> <li>- ACI Godrej Agrovet Private Limited</li> <li>- ACI Foundation</li> <li>- Bangladesh Business Publications Limited</li> <li>- ACI Healthcare USA Inc.</li> <li>- MTB Capital Limited (MTBCL)</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Advanced Chemical Industries (ACI) Ltd.</li> <li>- ACI Logistics Limited</li> <li>- Stochastic Logic Limited</li> </ul> <b>Member of the Board of Governors</b> <ul style="list-style-type: none"> <li>- Society for Promotion of Bangladesh Art (SPBA)</li> </ul>
6	<b>Mr. Md. Abdul Malek</b> Director	<b>Proprietor</b> <ul style="list-style-type: none"> <li>- Gardenia</li> </ul>
7	<b>Mr. Md. Wakiluddin</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Baridhara Corporation Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Swadesh Properties Ltd.</li> <li>- Swadesh Global Media Ltd.</li> <li>- HURDCO International School</li> </ul>
8	<b>Mrs. Khwaja Nargis Hossain</b> Director	<b>Director</b> <ul style="list-style-type: none"> <li>- SAHCO International Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- SAHCO Securities Ltd.</li> </ul>

**MUTUAL TRUST BANK LIMITED****Annexure - E****NAME OF COMPANIES IN WHICH THE DIRECTORS OF THE BANK HAVE INTEREST**

SL No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
9	<b>Mr. Anjan Chowdhury</b> Director (Representing ASTRAS Ltd.)	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- Oracle Travels Ltd.</li> <li>- Vision Technologies Ltd. (Radio Din Raat)</li> <li>- Sun Communications Ltd.</li> </ul> <p><b>Director</b></p> <ul style="list-style-type: none"> <li>- Square Pharmaceuticals Limited</li> <li>- Square Hospitals Ltd.</li> <li>- Square Formulations Ltd.</li> <li>- Square Herbal and Nutraceuticals Ltd.</li> <li>- Square Agro Development and Proc. Ltd.</li> <li>- Square Textiles Ltd.</li> <li>- Square Fashions Limited</li> <li>- Square Yarns Limited</li> <li>- Square Fashion Yarns Limited</li> <li>- Square Denims Limited</li> <li>- Square Apparels Limited</li> <li>- Square Holdings Ltd.</li> <li>- Square Informatix Ltd.</li> <li>- ASTRAS Limited</li> <li>- Pharma Packages (Pvt.) Ltd.</li> <li>- Barnali Printers Ltd.</li> <li>- Sabazpur Tea Co. Ltd.</li> <li>- Abahani Limited</li> </ul> <p><b>Managing Director</b></p> <ul style="list-style-type: none"> <li>- Square Toiletries Ltd.</li> <li>- Square Food &amp; Beverage Ltd.</li> <li>- Square Securities Management Ltd.</li> <li>- Square Texcom Limited</li> <li>- Square Air Ltd.</li> <li>- Maasranga Communications Ltd (Maasranga Television)</li> <li>- Mediacom Ltd.</li> <li>- Aegis Services Ltd</li> </ul>
10	<b>Mr. Q. A. F. M. Serajul Islam</b> Director (Representing Pioneer Insurance Company Ltd.)	<p><b>Consultant</b></p> <ul style="list-style-type: none"> <li>- Pioneer Insurance Co. Ltd.</li> </ul> <p><b>Director (Representing Mutual Trust Bank Limited (MTB))</b></p> <ul style="list-style-type: none"> <li>- Life Insurance Corporation (LIC) of Bangladesh Ltd.</li> </ul>
11	<b>Mr. Anwarul Amin</b> Independent Director	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>- Kayfin Consultants Ltd. (Management Consultancy Firm)</li> </ul> <p><b>Independent Director (Fully owned subsidiary of MTB)</b></p> <ul style="list-style-type: none"> <li>- MTB Securities Ltd. (MTBSL)</li> <li>- MTB Capital Ltd. (MTBCL)</li> </ul>
12	<b>Dr. Sultan Hafeez Rahman</b> Independent Director	<p><b>Executive Director</b></p> <ul style="list-style-type: none"> <li>- BRAC Institute of Governance and Development(BIGD)</li> </ul> <p><b>Independent Director</b></p> <ul style="list-style-type: none"> <li>- MTB Exchange (Uk)</li> </ul>



## MUTUAL TRUST BANK LIMITED

### CONSOLIDATED FINANCIAL HIGHLIGHTS

Annexure - F

As at December 31, 2017

		BDT Million/Percentage	
Sl. No.	Items	2017	2016
1	Paid up Capital	5,096.56	4,431.79
2	Total Capital (Tier-1 & 2)	19,016.46	13,725.13
3	Surplus/ (Shortage) Capital	5,193.72	1,569.57
4	Total Asset	201,753.93	165,370.69
5	Total Deposit	151,776.07	131,272.33
6	Total Loans and Advances	145,606.99	114,355.76
7	Total Contingent Liabilities	60,805.10	45,134.31
8	Lending-Deposit Ratio	83.45%	77.69%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.30%	4.36%
10	Profit after Provision and Tax	1,980.34	1,463.59
11	Total Classified Loans and Advances	6,268.36	4,983.09
12	Total Provision Maintained against Classified Loans	2,398.34	2,050.92
13	Surplus/(Deficit) in Provision against Classified Loans	30.00	0.00
14	Cost of Fund	7.88%	8.71%
15	Earning Assets	170,162.67	139,590.23
16	Non-Interest Earning Assets	31,591.27	25,780.45
17	Return on Investments (ROI)	9.04%	8.34%
18	Return on Asset (ROA)	1.08%	0.94%
19	Income from Investment	2,127.21	2,010.54
20	Earnings Per Share (BDT)	3.89	2.87
21	Operating Profit Per Share (BDT)	7.68	6.69
22	Price-Earning Ratio (Times)	9.01	8.04

# MUTUAL TRUST BANK LIMITED

## FINANCIAL HIGHLIGHTS

As at December 31, 2017

**Annexure - F(i)**

Sl. No.	Items	BDT Million/Percentage	
		2017	2016
1	Paid up Capital	5,096.56	4,431.79
2	Total Capital (Tier-1 & 2)	18,846.47	13,699.25
3	Surplus/(shortage) Capital	5,165.82	1,800.06
4	Total Assets	201,277.52	164,480.42
5	Total Deposits	152,237.16	131,593.61
6	Total Loans and Advances	142,819.50	110,834.55
7	Total Contingent Liabilities	60,805.10	45,134.31
8	Lending-Deposit Ratio	83.45%	77.69%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.39%	4.50%
10	Profit after Provision and Tax	1,916.22	1,403.79
11	Total Classified Loans and Advances	6,268.36	4,983.09
12	Total Provision Maintained against Classified Loans	2,398.34	2,050.92
13	Surplus/(Deficit) in Provision against Classified Loans	30.00	0.00
14	Cost of Fund	7.75%	8.42%
15	Earning Assets	166,404.55	135,421.01
16	Non-Interest Earning Assets	34,872.97	29,059.41
17	Return on Investments (ROI)	8.94%	8.36%
18	Return on Asset (ROA)	1.05%	0.91%
19	Income from Investment	2,056.35	1,974.27
20	Earnings Per Share (BDT)	3.76	2.75
21	Operating Profit Per Share (BDT)	7.21	6.30
22	Price-Earning Ratio (Times)	9.31	8.39

## OFF SHORE BANKING UNIT (OBU)

Annexure- G

## BALANCE SHEET

As at December 31, 2017

Particulars	Notes	December 31, 2017		December 31, 2016	
		USD	BDT	USD	BDT
<b>Property and Assets</b>					
<b>Cash</b>		-	-	-	-
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	<b>8,788,565</b>	<b>726,814,309</b>	<b>502,953</b>	<b>39,583,506</b>
In Bangladesh		-	-	-	-
Outside Bangladesh		8,788,565	726,814,309	502,953	39,583,506
<b>Loans and advances</b>	4	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>
Loans, cash credits, overdrafts etc.		109,263,652	9,036,104,020	37,557,625	2,955,867,717
Bills purchased and discounted		2,438,405	201,656,065	2,157,685	169,814,562
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	5	<b>216,525</b>	<b>17,906,592</b>	-	-
<b>Non - banking assets</b>		-	-	-	-
<b>Total assets</b>		<b>120,707,146</b>	<b>9,982,480,987</b>	<b>40,218,263</b>	<b>3,165,265,785</b>
<b>Liabilities and Capital</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions and agents</b>	6	<b>118,424,757</b>	<b>9,793,727,370</b>	<b>39,774,612</b>	<b>3,130,349,458</b>
<b>Deposits and other accounts</b>		-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
<b>Other liabilities</b>	7	<b>2,282,390</b>	<b>188,753,617</b>	<b>443,651</b>	<b>34,916,327</b>
<b>Total liabilities</b>		<b>120,707,146</b>	<b>9,982,480,987</b>	<b>40,218,263</b>	<b>3,165,265,785</b>
<b>Capital / Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
<b>Total Shareholders' equity</b>		-	-	-	-
<b>Total Liabilities and Shareholders' equity</b>		<b>120,707,146</b>	<b>9,982,480,987</b>	<b>40,218,263</b>	<b>3,165,265,785</b>

**Annexure- G**

Particulars	Notes	December 31, 2017		December 31, 2016	
		USD	BDT	USD	BDT
<b>Off-Balance Sheet Items</b>					
<b>Contingent liabilities</b>		<b>50,000</b>	<b>4,135,000</b>	-	-
Acceptances and endorsements		-	-	-	-
Letters of guarantee	8	50,000	4,135,000	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Other commitments</b>		-	-	-	-
Documentary credits and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-	-	-
Liabilities against forward purchase and sale		-	-	-	-
Other commitments		-	-	-	-
<b>Total Off-Balance Sheet exposures including contingent liabilities</b>		<b>50,000</b>	<b>4,135,000</b>	-	-

## OFF SHORE BANKING UNIT (OBU) PROFIT AND LOSS ACCOUNT

Annexure- G

For the year ended December 31, 2017

Particulars	Notes	2017		2016	
		USD	BDT	USD	BDT
Interest income	9	4,718,648	380,447,095	1,184,771	92,963,786
Less: Interest on deposits, borrowings, etc.	10	3,334,840	268,875,783	748,617	58,740,695
<b>Net Interest Income</b>		<b>1,383,808</b>	<b>111,571,313</b>	<b>436,154</b>	<b>34,223,092</b>
Commission, exchange, etc.	11	250	20,157	-	-
Other operating income	12	154,150	12,428,544	65,780	5,161,467
<b>Total Operating Income (A)</b>		<b>1,538,208</b>	<b>124,020,013</b>	<b>501,934</b>	<b>39,384,559</b>
Operating expenses	13	37,568	3,028,949	58,554	4,594,503
<b>Total operating expenses (B)</b>		<b>37,568</b>	<b>3,028,949</b>	<b>58,554</b>	<b>4,594,503</b>
<b>Profit / (loss) before provision (C=A-B)</b>		<b>1,500,640</b>	<b>120,991,065</b>	<b>443,380</b>	<b>34,790,056</b>
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
<b>Total provision (D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit / (loss) before taxes (C-D)</b>		<b>1,500,640</b>	<b>120,991,065</b>	<b>443,380</b>	<b>34,790,056</b>
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Net profit / (loss) after taxation</b>		<b>1,500,640</b>	<b>120,991,065</b>	<b>443,380</b>	<b>34,790,056</b>
Retained earnings brought forward from previous years		-	-	-	-
		<b>1,500,640</b>	<b>120,991,065</b>	<b>443,380</b>	<b>34,790,056</b>

## OFF SHORE BANKING UNIT (OBU) STATEMENT OF CASH FLOW

As at December 31, 2017

## Annexure- G

Particulars	2017		2016	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest receipts in cash	4,718,648	380,447,095	1,184,771	92,963,786
Interest payments	(3,334,840)	(268,875,783)	(748,617)	(58,740,695)
Fees and commission receipts in cash	250	20,157	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	154,150	12,428,544	65,780	5,161,467
Payments for other operating activities	(37,568)	(3,028,949)	(58,554)	(4,594,503)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,500,640</b>	<b>120,991,065</b>	<b>443,380</b>	<b>34,790,056</b>
<b>Increase / (decrease) in operating assets and liabilities</b>				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(71,986,747)	(6,112,077,806)	(23,329,523)	(1,839,398,017)
Other assets	(216,525)	(17,906,592)	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	1,838,738	150,830,316	179,355	14,201,149
	<b>(70,364,533)</b>	<b>(5,979,154,083)</b>	<b>(23,150,168)</b>	<b>(1,825,196,868)</b>
<b>Net cash from operating activities</b>	<b>(68,863,893)</b>	<b>(5,858,163,018)</b>	<b>(22,706,788)</b>	<b>(1,790,406,812)</b>
<b>B) Cash flows from investing activities</b>				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Borrowing from banks, financial institution and agents	78,650,145	6,663,377,912	23,575,266	1,858,700,845
Net profit transferred to main operation	(1,500,640)	(120,991,065)	(443,380)	(34,790,056)
<b>Net Cash from financing activities</b>	<b>77,149,505</b>	<b>6,542,386,847</b>	<b>23,131,886</b>	<b>1,823,910,789</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>8,285,612</b>	<b>684,223,829</b>	<b>425,098</b>	<b>33,503,977</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>3,006,974</b>	<b>-</b>	<b>(32,057)</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>502,953</b>	<b>39,583,506</b>	<b>77,855</b>	<b>6,111,586</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>8,788,565</b>	<b>726,814,309</b>	<b>502,953</b>	<b>39,583,506</b>
<b>Cash and cash equivalents at end of the year</b>				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-	-
Balance with other banks and financial institutions	8,788,565	726,814,309	502,953	39,583,506
	<b>8,788,565</b>	<b>726,814,309</b>	<b>502,953</b>	<b>39,583,506</b>

## OFF SHORE BANKING UNIT (OBU) LIQUIDITY STATEMENT

As at December 31, 2017

Annexure- G

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>						
Cash	-	-	-	-	-	-
Balance with Other Banks and Financial Institutions	726,814,309	-	-	-	-	726,814,309
Money at Call & Short Notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	9,237,760,086	-	-	9,237,760,086
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	-	17,906,592	-	-	-	17,906,592
Non-banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>726,814,309</b>	<b>17,906,592</b>	<b>9,237,760,086</b>	<b>-</b>	<b>-</b>	<b>9,982,480,987</b>
<b>LIABILITIES :</b>						
Borrowing from Other Banks, Financial Institutions & Agents	-	386,179,063	9,407,548,307	-	-	9,793,727,370
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	188,753,617	-	-	-	-	188,753,617
<b>Total Liabilities</b>	<b>188,753,617</b>	<b>386,179,063</b>	<b>9,407,548,307</b>	<b>-</b>	<b>-</b>	<b>9,982,480,987</b>
<b>Net Liquidity</b>	<b>538,060,692</b>	<b>(368,272,471)</b>	<b>(169,788,222)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# OFF SHORE BANKING UNIT (OBU)

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2017

### Annexure-G

#### 1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(105)/2009-4470 dated December 3, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at 26, MTB centre, Gulshan South Avenue, Gulshan Circle 1, Dhaka 1212.

#### 1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

#### 2 Significant accounting policies and basis of preparation of financial statements

##### 2.1 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, Bangladesh Accounting Standards, Bangladesh Financial Reporting Standard (BFRS) and other applicable directives issued by The Bangladesh Bank, in particular, Banking regulations and policy department (BRPD) Circular No. 14 (25 June 2003).

##### 2.2 Use of estimates and judgements

The preparation of financial statements 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.

##### 2.3 Foreign currency transaction

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per **BAS-21 "The Effects of Changes in Foreign Exchange Rates"**. The financial statements of the Unit are presented in US Dollar (USD) and Bangladesh Taka where USD is the functional currency and Taka are the Unit's presentation currency. Entities functional currency is Bangladesh Taka.

Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-bank market as determined by The Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date.

##### 2.4 Reporting period

These financial statements cover from January 01 to December 31, 2017.

##### 2.5 Loans and advances / investments

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 14 and 19 dated September 23, 2012 and December 27, 2012 respectively.

##### 2.6 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the **BAS-37 "Provisions, Contingent Liabilities and Contingent Assets"**.

##### 2.7 Interest income

In terms of the provisions of the **BAS-18 "Revenue"**, the interest income is recognized on accrual basis.

##### 2.8 Interest paid and other expenses

In terms of the provisions of the **BAS-1 "Presentation of Financial Statements"** interest and other expenses are recognized on accrual basis.



**2.9 Allocation of common expenses****Annexure-G**

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationary, etc. are not allocated in the current year due to insignificant amount.

**2.10 General**

- These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 82.7000 (closing rate as at December 31, 2017) and BDT 80.6263 (average rate which represents at the year end).
- Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

	2017		2016	
	USD	BDT	USD	BDT
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh	-	-	-	-
Outside Bangladesh	8,788,565	726,814,309	502,953	39,583,506
	<b>8,788,565</b>	<b>726,814,309</b>	<b>502,953</b>	<b>39,583,506</b>
<b>4 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts etc.</b>				
Term Loan	14,475,298	1,197,107,180	5,183,552	407,956,926
Usance Payable at Sight (UPAS)	90,721,312	7,502,652,467	32,374,073	2,547,910,792
Placement to other OBU	4,067,042	336,344,373	-	-
	<b>109,263,652</b>	<b>9,036,104,020</b>	<b>37,557,625</b>	<b>2,955,867,717</b>
<b>ii) Bills purchased and discounted</b>				
<b>Payable Inside Bangladesh</b>				
Inland bills purchased	2,327,313	192,468,757	2,145,685	168,870,136
Foreign bills purchased	111,092	9,187,308	12,000	944,426
	<b>2,438,405</b>	<b>201,656,065</b>	<b>2,157,685</b>	<b>169,814,562</b>
<b>Payable Outside Bangladesh</b>	-	-	-	-
	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>
<b>4.01 Loans and Advances to Industries</b>				
Agro-based and agro-processing industry	14,222,890	1,176,232,964	-	-
Power & Energy	15,711,308	1,299,325,142	8,305,879	653,690,963
RMG & Textile FDBP	28,491,116	2,356,215,327	4,675,901	368,003,720
Agribusiness	-	-	3,800,231	299,086,510
Building Materials & Equipment	2,573,906	212,861,990	1,936,333	152,393,667
Ceramic	1,385,776	114,603,655	66,192	5,209,456
Dairy	-	-	876,089	68,950,098
Electronics Manufacturing & Equipment	4,190,395	346,545,632	666,951	52,490,499
Iron, Steel & Other Base Metals	20,044,513	1,657,681,253	456,200	35,903,915
Medical	-	-	382,281	30,086,316
Poultry & Eggs	-	-	1,887,128	148,521,102
Paper, Paper Products & Printing	-	-	1,305,466	102,743,017
CEMENT	176,549	14,600,602	-	-
Pharmaceuticals	1,881,173	155,573,010	437,800	34,455,823
Plastic & Rubber	6,494,459	537,091,736	5,108,138	402,021,735
Chemical & Chemical Products	2,295,503	189,838,115	1,245,348	98,011,588
Hospitals and clinics	2,334,562	193,068,286	-	-
Engineering, Metal & Metal Products	6,308,675	521,727,386	7,720,228	607,598,964
Service Industries	-	-	202,984	15,975,287
Others	5,591,233	462,394,987	642,163	50,539,619
	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>

## Annexure-G

	2017		2016	
	USD	BDT	USD	BDT
<b>4.02 Classification of Loans and Advances including bill discounted</b>				
<b>Unclassified (UC):</b>				
Standard	111,702,057	9,237,760,086	39,715,310	3,125,682,279
Special Mention Account (SMA)	-	-	-	-
<b>Sub total</b>	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>
<b>Classified:</b>				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Bad & Loss	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>
<b>4.03 Geographical Location wise Loans and Advances</b>				
<b>Inside Bangladesh</b>				
<b>Urban</b>				
Dhaka Division	69,794,702	5,772,021,836	23,211,370	1,826,785,892
Chittagong Division	32,738,035	2,707,435,526	6,588,653	518,541,486
Rajshahi Division	-	-	-	-
Sylhet Division	2,315,343	191,478,862	1,936,333	152,393,667
Khulna Division	6,853,977	566,823,862	7,978,954	627,961,233
Barishal Division	-	-	-	-
	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,279</b>
<b>Rural</b>				
Dhaka Division	-	-	-	-
Chittagong Division	-	-	-	-
Rajshahi Division	-	-	-	-
Sylhet Division	-	-	-	-
Khulna Division	-	-	-	-
Barishal Division	-	-	-	-
Outside Bangladesh	-	-	-	-
	<b>111,702,057</b>	<b>9,237,760,086</b>	<b>39,715,310</b>	<b>3,125,682,271</b>
<b>5 Other Assets</b>				
Adjusting A/C Debit	216,525	17,906,592	-	-
	<b>216,525</b>	<b>17,906,592</b>	<b>-</b>	<b>-</b>
<b>6 Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh	32,027,528	2,648,676,566	7,443,489	585,818,996
Outside Bangladesh	86,397,229	7,145,050,804	32,331,122	2,544,530,462
	<b>118,424,757</b>	<b>9,793,727,370</b>	<b>39,774,612</b>	<b>3,130,349,458</b>
<b>In Bangladesh:</b>				
<b>Borrowing from Bank:</b>				
Bangladesh Bank	4,669,638	386,179,063	4,985,435	392,364,702
Other Bank	27,357,890	2,262,497,503	2,458,054	193,454,294
	<b>32,027,528</b>	<b>2,648,676,566</b>	<b>7,443,489</b>	<b>585,818,996</b>
<b>Outside Bangladesh</b>	86,397,229	7,145,050,804	32,331,122	2,544,530,462
	<b>118,424,757</b>	<b>9,793,727,370</b>	<b>39,774,612</b>	<b>3,130,349,458</b>

## Annexure-G

	2017		2016	
	USD	BDT	USD	BDT
<b>7 Other liabilities</b>				
Provision for Expenses	-	-	272	21,368
Sundry Deposit	7,607	629,099	-	-
Due to Head Office	1,500,640	120,991,065	443,380	34,790,056
Interest Payable on Borrowing	774,142	64,021,576	-	-
Foreign currency translation gain	-	3,111,878	-	104,904
	<b>2,282,390</b>	<b>188,753,617</b>	<b>443,651</b>	<b>34,916,327</b>
<b>8 Contingent Liabilities &amp; Commitments</b>				
Letter of Guarantee	50,000	4,135,000	-	-
	<b>50,000</b>	<b>4,135,000</b>	-	-
<b>9 Interest income</b>				
Interest on term loan	415,362	33,489,125	201,638	15,821,659
Interest on UPAS	4,009,924	323,305,318	760,954	59,708,714
Interest on Placement to other OBU	67,042	5,405,348	-	-
Inland Documentary bills purchased	220,746	17,797,909	215,134	16,880,588
Foreign Documentary bills purchased	5,574	449,396	7,045	552,825
<b>Total Interest on loans and advances</b>	<b>4,718,648</b>	<b>380,447,095</b>	<b>1,184,771</b>	<b>92,963,786</b>
<b>10 Interest on deposits, borrowings, etc.</b>				
Interest paid on deposits	3,253,238	262,296,516	-	-
Interest paid on borrowings	81,602	6,579,267	748,617	58,740,695
	<b>3,334,840</b>	<b>268,875,783</b>	<b>748,617</b>	<b>58,740,695</b>
<b>11 Commission</b>				
Commission on Letter of Guarantee	250	20,157	-	-
	<b>250</b>	<b>20,157</b>	-	-
<b>12 Other Income</b>				
Rebate & Others	154,150	12,428,544	65,780	5,161,467
	<b>154,150</b>	<b>12,428,544</b>	<b>65,780</b>	<b>5,161,467</b>
<b>13 Other Expenses</b>				
Bank Charge	37,568	3,028,949	58,554	4,594,503
	<b>37,568</b>	<b>3,028,949</b>	<b>58,554</b>	<b>4,594,503</b>

A member of



**Partners:**  
S.M. Shafique FCA  
Md. Abu Sina FCA  
Md. Anisur Rahman FCA  
Faruk Ahmed ACA  
Sheikh Zahidul Islam FCA

**KHAN WAHAB SHAFIQUE RAHMAN & CO.**  
CHARTERED ACCOUNTANTS



Rupali Bima Bhaban (5<sup>th</sup> & 6<sup>th</sup> Floor),  
7, Rajuk Avenue,  
Motijheel, Dhaka-1000  
Tel : 9565136, 9551663, 9551821  
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Web : www.kwsrbd.com

## MTB SECURITIES LIMITED AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of MTB Securities Limited (the company) which comprise the statement of financial position as at 31<sup>st</sup> December 2017 and the related 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 a summary of significant accounting policies and other relevant explanatory notes thereon.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BASs), Bangladesh Financial Reporting Standards (BFRSs), and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


### Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of MTB Securities Limited as at 31 December 2017 and the result of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

### We also report that;

- (a) 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;
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) The statement of financial position and statement of profit or loss and others comprehensive income along with the annexed notes dealt with by this report are in agreement with the books of accounts; and
- (d) The expenditure incurred was for the purpose of the company's business.

February 04, 2018  
Dhaka

  
**Khan Wahab Shafique Rahman & Co.**  
 Chartered Accountants

**Branch Office:**  
Sabbir Chamber (3<sup>rd</sup> Floor),  
60, Agrabad C/A, Chittagong.  
Telephone: 2520056,



In Practice since 1968

## MTB SECURITIES LIMITED

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

Particulars	Notes	Amount in BDT	
		Dec 31, 2017	Dec 31, 2016
<b>SOURCES OF FUNDS</b>			
<b>A. Shareholders' equity</b>		<b>3,332,071,512</b>	<b>3,306,327,260</b>
Share capital	3	3,250,000,000	3,250,000,000
Retained earnings	4	82,071,512	56,327,260
<b>B. Loan from MTB</b>	5	<b>200,000,000</b>	<b>345,000,000</b>
<b>Total sources of funds (A+B)</b>		<b>3,532,071,512</b>	<b>3,651,327,260</b>
<b>APPLICATION OF FUNDS</b>			
<b>C. Investment and advances</b>		<b>419,261,304</b>	<b>345,705,846</b>
Membership at cost	6	8,000,000	8,000,000
Investment in securities	7	382,400,880	308,845,422
Investment in DSE	8	28,860,424	28,860,424
<b>D. Current assets</b>		<b>3,805,809,828</b>	<b>4,229,422,278</b>
Advances and prepayments	9	47,493,394	56,241,359
Margin loan to clients	10	2,766,452,177	3,654,054,026
Accounts receivable	11	38,917,407	42,925,451
Advance Income Tax (AIT)	12	58,771,987	35,681,960
Cash & cash equivalents	13	894,174,863	440,519,482
<b>E. Current liabilities</b>		<b>768,781,867</b>	<b>1,013,511,004</b>
Accounts payable	14	379,329,418	485,357,410
Provision for expenses	15	18,293,105	21,093,114
Provision for income tax	16	39,864,523	68,717,853
Deffered tax liability	17	4,514,310	4,100,994
Provision for margin loan	18	280,920,087	393,381,209
Provision for investment in securities	19	17,000,000	12,000,000
Investment suspense's accounts	20	28,860,424	28,860,424
<b>F. Net current asset (D-E)</b>		<b>3,037,027,961</b>	<b>3,215,911,274</b>
<b>G. Property, plant &amp; equipment</b>	21	<b>75,782,247</b>	<b>89,710,140</b>
<b>Total application of funds (C+F+G)</b>		<b>3,532,071,512</b>	<b>3,651,327,260</b>

The annexed notes form an integral part of these financial statements.



M.A. Rouf, JP  
Chairman



Anis A. Khan  
Vice Chairman



Md. Nazrul Islam Mazumder  
Chief Executive Officer

Signed as per our annexed report of the same date

## MTB SECURITIES LIMITED

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
<b>Operating Income</b>		<b>445,904,904</b>	<b>329,043,510</b>
Brokerage commission	22	255,409,576	176,385,166
Interest income	23	126,853,097	109,948,362
Income from investment	24	51,390,151	30,063,602
Margin account maintenance	25	1,674,000	1,772,500
Depository participant	26	10,578,080	10,873,880
<b>Less: Operating expenses</b>		<b>33,073,915</b>	<b>26,219,832</b>
Laga charge		16,894,546	11,357,907
CDBL charge	27	16,179,369	14,861,925
<b>Net operating income</b>		<b>412,830,989</b>	<b>302,823,678</b>
Add: Other income	28	495,902	355,770
<b>Total income</b>		<b>413,326,891</b>	<b>303,179,448</b>
Less: Office & administrative expenses	29	137,169,323	134,714,494
Less: Financial expenses	30	100,000,000	-
<b>Profit before provision</b>		<b>176,157,568</b>	<b>168,464,954</b>
Less: Provision for margin loan	31	145,000,000	66,000,000
Less: Provision for investment in securities	32	5,000,000	-
<b>Net profit before income tax</b>		<b>26,157,568</b>	<b>102,464,954</b>
Less: Income tax expenses	33	413,316	56,629,824
<b>Net profit after tax</b>		<b>25,744,252</b>	<b>45,835,130</b>
<b>Earnings Per Share (EPS)</b>	34	<b>0.08</b>	<b>0.14</b>

The annexed notes form an integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



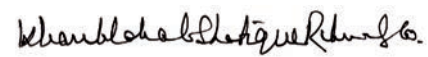
**Anis A. Khan**  
Vice Chairman



**Md. Nazrul Islam Mazumder**  
Chief Executive Officer

Signed as per our annexed report of the same date

February 04, 2018  
Dhaka



**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

## MTB SECURITIES LIMITED

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

Particulars	Amount in BDT	
	2017	2016
<b>Cash flow from operating activities:</b>		
Net profit during the year (after tax)	25,744,252	45,835,130
<b>Add : Amount considered as non cash items :</b>		
Increase/(decrease) in provision for expenses	(2,800,009)	(4,024,218)
Increase in provision for margin loan	(112,461,122)	65,649,030
Increase in provision for investment in securities	5,000,000	-
Depreciation	7,323,979	9,273,484
Loss on sale of fixed assets	2,164,562	86,288
Increase/(decrease) in provision for income tax	(28,853,330)	10,539,771
Increase/(decrease) in deferred tax liability	413,316	4,100,994
<b>Sub total of non cash items</b>	<b>(129,212,603)</b>	<b>85,625,349</b>
<b>Changes in working capital components</b>		
Increase/(decrease) in accounts payable	(106,027,992)	176,613,458
(Increase)/decrease in accounts receivable	4,008,044	(14,260,195)
(Increase)/decrease in advance income tax	(23,090,027)	308,073
(Increase)/decrease in advance & prepayment	8,747,965	979,008
	(116,362,010)	163,640,344
<b>A) Net cash inflow from operating activities</b>	<b>(219,830,362)</b>	<b>295,100,823</b>
<b>Cash flow from investing activities:</b>		
(Increase)/decrease in Investment in securities	(73,555,458)	(71,563,497)
(Increase)/decrease in purchase of premises & fixed asset	(1,288,237)	(2,304,760)
(Increase)/decrease in margin loan to clients	887,601,849	62,922,348
Cash sale of fixed asset	5,727,589	4,885,785
<b>B) Net cash outflow from investing activities</b>	<b>818,485,743</b>	<b>(6,060,124)</b>
<b>Cash flow from financing activities :</b>		
Cash in Paid up Capital	-	730,000,000
Decrease in short term borrowing	(145,000,000)	(865,000,000)
Dividend paid	-	-
<b>C) Net cash outflow from financing activities</b>	<b>(145,000,000)</b>	<b>(135,000,000)</b>
<b>D) Net cash increase / (decrease) (A+B+C)</b>	<b>453,655,381</b>	<b>154,040,699</b>
<b>E) Opening cash and cash equivalents</b>	<b>440,519,482</b>	<b>286,478,783</b>
<b>F) Closing cash and cash equivalents (D+E)</b>	<b>894,174,863</b>	<b>440,519,482</b>

The annexed notes form an integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



**Anis A. Khan**  
Vice Chairman



**Md. Nazrul Islam Mazumder**  
Chief Executive Officer

## MTB SECURITIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2017

Particulars	Amount in BDT		
	Paid-up capital	Retained Earnings	Total
<b>Balance as on January 01, 2017</b>	<b>3,250,000,000</b>	<b>56,327,260</b>	<b>3,306,327,260</b>
Net profit for the year after tax	-	25,744,252	25,744,252
<b>Balance as on December 31, 2017</b>	<b>3,250,000,000</b>	<b>82,071,512</b>	<b>3,332,071,512</b>
<b>Balance as on December 31, 2016</b>	<b>3,250,000,000</b>	<b>56,327,260</b>	<b>3,306,327,260</b>



**M.A. Rouf, JP**  
Chairman



**Anis A. Khan**  
Vice Chairman



**Md. Nazrul Islam Mazumder**  
Chief Executive Officer



## MTB SECURITIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2017

#### 1.00 Company and its activities

##### 1.01 Legal status of the company

MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82868/10 and converted into public Ltd. company in the year 2015 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

##### 1.02 Nature of business

The main object of MTB Securities Limited is to act as a TREC holder of stock exchange, the depository participant of the Central Depository System (CDS) and to carry on business of broker, or dealers in stocks, securities, bonds, debentures etc. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks, and fixed income securities

#### 2.00 Significant accounting policies

##### 2.01 Basis of preparation of financial statements

The Financial Statement of MTB Securities Limited includes the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and notes to the Financial Statements and disclosures. These Financial Statement have been prepared under the historical cost convention on a going concern basis in accordance with Generally Accepted Accounting Principles (GAAP), and the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS), The Companies Act 1994, Securities and Exchange Rules, 1987 and other Laws and Rules applicable to the company.

##### 2.02 Statement of cash flows

Cash flow statement is prepared in accordance with the Bangladesh Accounting Standard (BAS) No 7: "Statement of Cash Flows" and the cash flows from operating activities have been presented under indirect method.

##### 2.03 Property and equipment

Depreciation of fixed asset is charged using reducing balance method as per BAS- 16 "Property, Plant and Equipment". The rates of depreciation used to write off the amount of assets are as follows:

Category of assets	Rate of depreciation
Furniture	10%
Office equipment	20%
Furniture and fixtures	10%
Premises	5%

##### 2.04 Revenue recognition

Revenue which comprises of brokerage commission, interest income and other income are recognized in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue Recognition".

##### 2.05 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2017.

##### 2.06 Provision for expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embedding economic benefits will be required to settle the present obligations and reliable estimate of the amount can be measured.

##### 2.07 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company

##### 2.08 Reporting period

The financial statement covers for the period from January 01, 2017 to December 31, 2017.

##### 2.09 General

The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>3.00</b>	<b>Share capital</b>		
<b>3.01</b>	<b>Authorized capital</b>		
	500,000,000 ordinary shares of Taka 10 each.	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>3.02</b>	<b>Issued, subscribed and paid-up capital</b>		
	325,000,000 ordinary shares of Taka 10 each fully paid.	<b>3,250,000,000</b>	<b>3,250,000,000</b>
<b>3.03</b>	<b>Paid-up capital:</b>		
	Opening Balance	3,250,000,000	1,270,000,000
	Cash consideration	-	730,000,000
	Loan converted into Paid up capital	-	1,250,000,000
		<b>3,250,000,000</b>	<b>3,250,000,000</b>

**3.04 Shareholding Position of the Company**

Share Holders	Number of Share	Percentage	Percentage
Mutual Trust Bank Limited	324,987,300	99.996%	99.996%
Mr. M. A. Rouf, JP	6,700		
Mr. Md. Hashem Chowdhury	1,000		
Mr. Md. Zakir Hussain	1,000		
Mr. Syed Rafiqul Hossain	1,000	0.004%	0.004%
Mr. Goutam Prosad Das	1,000		
Mr. Swapan Kumar Biswas	1,000		
Mr. Md. Nazrul Islam Mazumder	1,000		
<b>Total</b>	<b>325,000,000</b>	<b>100.00%</b>	<b>100.00%</b>

**4.00 Retained earnings**

Opening balance	56,327,260	10,492,130
Net profit during the year	25,744,252	45,835,130
	<b>82,071,512</b>	<b>56,327,260</b>

**5.00 Loan from MTB**

This represents amount received from Mutual Trust Bank (MTB) Limited for margin loan paid to customers and other operating purpose for the MTB Securities Limited

Opening balance	345,000,000	2,460,000,000
Loan converted into Paid up capital	-	(1,250,000,000)
Cash Paid during the year	(145,000,000)	(865,000,000)
	<b>200,000,000</b>	<b>345,000,000</b>

**6.00 Membership at cost**

Dhaka Stock Exchange Limited (DSE)	8,000,000	8,000,000
	<b>8,000,000</b>	<b>8,000,000</b>

Pursuant the Exchanges Demutualization Act 2013, Dhaka Stock Exchange has issued ordinary shares and Trading Right Entitlement Certificate (TREC) license to MTB Securities Limited. The valuation of TREC is yet to be decided. Later if the valuation of TREC is Decided, "Membership at cost" will be adjusted accordingly against " Investment Suspense Accounts" or any other manner as permitted under registrations.

**7.00 Investment in securities**

Investment in securities represent the cost price of securities which have been invested by the company in the capital market.

Quoted share (Annexure-C)	352,424,880	268,869,422
Unquoted share (Placement share)	29,976,000	39,976,000
	<b>382,400,880</b>	<b>308,845,422</b>

**8.00 Investment in DSE**

Dhaka Stock Exchange Limited (DSE)

	Amount in BDT	
	December 31, 2017	December 31, 2016
	28,860,424	28,860,424
	<b>28,860,424</b>	<b>28,860,424</b>

As per the provisions of the Exchanges Demutualization Act 2013 and in accordance with the BSEC approved Demutualization scheme, MTB Securities Limited received the following ordinary shares:

Shares issued by	No. of Shares	Amount (BDT)
Dhaka Stock Exchange Limited (DSE)	7,215,106	72,151,060

Out of this 7,215,106 shares, 40% shares i.e. 2,886,042 shares has been transferred by Exchanges to the company's BO account. Remaining 60% shares i.e. 4,329,064 shares will remain in blocked account for disposal in due course.

**Valuation of 40% shares:**

40% shares which are transferred in the BO account will be held by the Company as the company does not have the sale right of this shares. The shares will be stated at face value. The shares are transferred to the Investment Suspense Account in the absence of any clear guideline in this regards. In future, when the clear guidelines and policies are available, Investment Suspense's Account will be adjusted for appropriate accounting treatment.

**Valuation of 60% shares:**

As per the scheme, 60% shares which will be transferred to the blocked amount will be off- loaded in the following manner:

- (i) 25% shares will be sold to the strategic investors by the Exchange.
- (ii) Except shares allotted in favor of strategic investors , shares held in blocked account shall be sold to general public/institutional investors.
- (iii) The DSE will distribute all the sale proceeds of share held in blocked account to the initial shareholders pro-rata basis periodically as determined by the Exchanges.

**9.00 Advances and prepayments**

It represents advance for office rent, advance to employees and other advances for the MTB Securities Limited.

Office Rent	23,969,129	31,633,758
Advance to Employees	2,358,302	3,291,638
Others	21,165,963	21,315,963
	<b>47,493,394</b>	<b>56,241,359</b>

**10.00 Margin loan to clients**

This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan during the year 2017.

Opening Balance	3,654,054,026	3,716,976,374
Addition during the year	49,339,543	21,366,101
Interest during the year	115,086,509	103,614,296
Adjustment during the year	(1,052,027,901)	(187,902,745)
	<b>2,766,452,177</b>	<b>3,654,054,026</b>

**11.00 Accounts receivable**

Receivable from Dhaka Stock Exchange (DSE)-Broker (Note 11.1)	26,612,099	39,703,545
Receivable from Dhaka Stock Exchange (DSE)-Dealer (Note 11.2)	9,315,799	530,646
Other receivable	2,989,509	2,691,260
	<b>38,917,407</b>	<b>42,925,451</b>

**11.01 Receivable from Dhaka Stock Exchange (DSE)-Broker**

This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Broker.

**11.02 Receivable from Dhaka Stock Exchange (DSE)-Dealer**

This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Dealer.

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>12.00</b>	<b>Advance income tax</b>		
	Opening balance	35,681,960	35,990,033
	Addition during the year ( Note 12.01)	51,943,357	41,680,986
	Adjusted during the year	(28,853,330)	(41,989,059)
		<b>58,771,987</b>	<b>35,681,960</b>
<b>12.01</b>	<b>Addition during the year</b>		
	Brokerage commission	33,817,380	22,953,558
	Bank interest	1,176,659	633,407
	Dividend income	2,532,120	1,443,021
	Gain on Investment	22,508	1,151,000
	Advance tax	14,394,690	15,500,000
		<b>51,943,357</b>	<b>41,680,986</b>
<b>13.00</b>	<b>Cash and cash equivalents</b>		
	<b>FDR</b>		
	LankaBangla Finance Ltd	200,000,000	-
	Union Capital Limited	100,000,000	-
	Hajj Finance Company Ltd	100,000,000	-
		<b>400,000,000</b>	<b>-</b>
	<b>SND</b>		
		<b>A/C No.</b>	
	Mutual Trust Bank Ltd	0002-0320000724	81,886
	Mutual Trust Bank Ltd	0002-0320001438	150,611
	Mutual Trust Bank Ltd	0002-0320001081	440,803
	Mutual Trust Bank Ltd	0087-0320000296	389,102,413
	Mutual Trust Bank Ltd	0002-0320002080	108,419
	Mutual Trust Bank Ltd	0087-0320000278	1,702,464
	Mutual Trust Bank Ltd	0002-0320001634	741,210
	Mutual Trust Bank Ltd	0087-0320000287	52,276,077
	IFIC Bank limited	1090358680041	25,646,519
	Standard Chartered	01114647901	17,499,418
	Standard Chartered	02114647901	56,939
			<b>487,806,759</b>
			<b>427,220,120</b>
	Cash in hand (Cheque in hand)	6,368,104	13,299,362
		<b>894,174,863</b>	<b>440,519,482</b>
<b>14.00</b>	<b>Accounts Payable</b>		
	It represents money deposited by client for trading purpose .The details are as follows:		
	Payable to clients (Note 14.1)	352,403,594	447,897,040
	Payable to Dhaka Stock Exchange (DSE) (Note 14.2)	1,666,826	4,711,872
	Payable to Dhaka Stock Exchange (DSE) -dealer (Note 14.2)	-	433,079
	Others payable (Note 14.3)	25,258,998	32,315,419
		<b>379,329,418</b>	<b>485,357,410</b>
<b>14.01</b>	<b>Payable to clients</b>		
	This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.		

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>14.02</b>	<b>Payable to Dhaka Stock Exchange (DSE)</b>		
	This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.		
<b>14.03</b>	<b>Others payable</b>		
	This balance represents cheques issued to various client but not yet cleared and various suppliers payable.		
<b>15.00</b>	<b>Provision for expenses</b>		
	The details are as follows:		
	Salary & Allowances	9,000,000	7,800,000
	Office rent	313,138	-
	Other Rent	1,500,000	855,025
	Advertisement	210,567	150,567
	Audit Fee	57,500	57,500
	Repair & Maintenance	229,075	131,075
	Marketing & Business Development cost	550,817	550,817
	Entertainment	275,150	178,000
	Security Service Bill	917,598	976,676
	CDBL Charge	550,000	1,393,410
	Utility bill	2,082,522	1,578,589
	Cleaning of Office Premises	320,076	306,665
	Software Maintenance	294,700	372,350
	Travelling Expenses	-	10,000
	Office Maintenance	471,647	286,397
	Others Expenses	1,520,315	6,446,043
		<b>18,293,105</b>	<b>21,093,114</b>
<b>16.00</b>	<b>Provision for income tax</b>		
	Opening balance	68,717,853	58,178,082
	Addition during the year (Note: 16.1)	-	52,528,830
	Payment during the year	(28,853,330)	(41,989,059)
		<b>39,864,523</b>	<b>68,717,853</b>
<b>16.01</b>	<b>Addition during the year</b>		
	Current tax expenses (Note: 33)	-	52,528,830
		-	<b>52,528,830</b>
<b>17.00</b>	<b>Deferred Tax Liability</b>		
	Deferred tax is calculated on the difference between tax base of asset & liability and carrying amount of asset & liability on the financial statement as per IAS 12 (Income Taxes).		
	Opening Balance	4,100,994	-
	Deferred tax expenses during the year (Note: 33)	413,316	4,100,994
		<b>4,514,310</b>	<b>4,100,994</b>
<b>18.00</b>	<b>Provision for margin loan</b>		
	Opening balance	393,381,209	327,732,179
	Addition during the year (Note: 31)	145,000,000	66,000,000
	Adjustment during the year	(257,461,122)	(350,970)
		<b>280,920,087</b>	<b>393,381,209</b>

This provision is made as per BSEC guideline and to reduce the risk of investment .

		Amount in BDT	
		December 31, 2017	December 31, 2016
<b>19.00</b>	<b>Provision for investment in securities</b>		
	Opening balance	12,000,000	12,000,000
	Addition during the year (Note: 32)	5,000,000	-
		<b>17,000,000</b>	<b>12,000,000</b>
	<b>This provision is made as per BSEC guideline and to reduce the risk of investment .</b>		
<b>20.00</b>	<b>Investment Suspense Account</b>		
	Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
		<b>28,860,424</b>	<b>28,860,424</b>
<b>21.00</b>	<b>Property, plant &amp; equipment</b>		
	<b>Cost:</b>		
	Furniture	1,752,235	1,654,855
	Office equipment	29,513,906	30,246,662
	Fixture & fittings	45,838,105	59,495,343
	Premises	46,365,000	46,365,000
	<b>Total cost value of the asset</b>	<b>123,469,246</b>	<b>137,761,860</b>
	Accumulated depreciation	47,686,999	48,051,720
	<b>Total carrying amount</b>	<b>75,782,247</b>	<b>89,710,140</b>
	<b>The detail has shown in Annexure - A.</b>		
<b>22.00</b>	<b>Brokerage commission</b>		
	This amount is charged on daily turnover during the year as per rate decided by the management of the company.		
<b>23.00</b>	<b>Interest Income</b>		
	Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank .		
	Interest on margin loan	115,086,509	103,614,296
	Interest on bank deposit with MTB	10,031,124	6,326,558
	Interest on bank deposit with other Bank	1,735,464	7,508
		<b>126,853,097</b>	<b>109,948,362</b>
<b>24.00</b>	<b>Income From Investment</b>		
	Gain/ (loss) on sale of securities	38,729,551	22,848,496
	Dividend Income	12,660,600	7,215,106
		<b>51,390,151</b>	<b>30,063,602</b>
<b>25.00</b>	<b>Margin account maintenance</b>		
	It represents service charges on margin account, which were received from the customer during the year.		
<b>26.00</b>	<b>Depository participant</b>		
	This amount represents BO maintenance, demate charge and CDS charges. The detail is as follows:		
	BO maintenance fee	9,962,200	10,081,000
	Dematerialization charge	12,884	4,871
	CDS charge	602,996	788,009
		<b>10,578,080</b>	<b>10,873,880</b>
<b>27.00</b>	<b>CDBL charge</b>		
	This amount represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.		

	Amount in BDT	
	December 31, 2017	December 31, 2016
<b>28.00 Other income</b>		
Other income represents Cheque return charge & IPO application fee charged on the customer.		
Other Income	495,902	355,770
	<b>495,902</b>	<b>355,770</b>
<b>29.00 Office &amp; administrative expenses</b>		
Salary & Allowances	74,454,836	71,895,379
Office rent	26,993,115	29,914,802
Insurance expenses	341,962	299,463
Postage, telephone & telegraph	137,236	101,448
Table/Petty stationary	581,451	404,536
Computer stationary	404,704	327,379
Advertisement -Company's Own	339,278	138,653
Directors' fees	823,400	692,683
Audit fee	57,500	57,500
Depreciation	7,323,979	9,273,484
Repair & Maintenance	471,629	408,500
Maintenance of office premises	562,053	344,655
Car expenses	2,230,951	871,870
Securities service	2,831,844	3,442,600
Office cleaning	2,323,676	2,373,880
Utility bill	10,751,004	9,893,236
Conveyance	235,485	190,968
Entertainment -Refreshment/Party Diner	1,782,454	1,329,361
Periodical, Magazine, News paper	54,154	50,135
Bank charge	204,773	-
Training expenses	268,920	254,688
Traveling expenses	124,027	39,246
Software maintenance	277,650	100,000
Business Development Expenses	306,882	650,817
Registration charge fees & renewal	1,121,798	1,572,923
Loss on sale of fixed asset	2,164,562	86,288
	<b>137,169,323</b>	<b>134,714,494</b>
<b>30.00 Financial expenses</b>		
Financial expenses represent interest expense on Loan from Mutual trust Bank (MTB)		
<b>31.00 Provision for margin loan made during the year</b>		
This provision is made as per BSEC guideline and to reduce the risk of investment .		
Provision for margin loan	145,000,000	66,000,000
	<b>145,000,000</b>	<b>66,000,000</b>
<b>32.00 Provision for investment in securities made during the year</b>		
This provision is made as per BSEC guideline and to reduce the risk of investment .		
Provision for investment in securities	5,000,000	-
	<b>5,000,000</b>	<b>-</b>

**33.00 Income tax expenses made during the year**

Current tax expenses \*  
Deferred tax expenses during the year

Amount in BDT	
December 31, 2017	December 31, 2016
-	52,528,830
413,316	4,100,994
<b>413,316</b>	<b>56,629,824</b>

The details of deferred tax has shown in Annexure - B.

\*Provision for current tax expenses has been calculated considering margin loan written off amount of Tk. 257,461,122 which is admissible expenses as per income tax regulation {Section 29 (xvi)}. So, no current tax expenses recognized during this year.

**34.00 Earnings Per Share (EPS)**

Net profit after tax  
Number of ordinary shares outstanding

25,744,252	45,835,130
325,000,000	325,000,000
<b>0.08</b>	<b>0.14</b>

**Earnings Per Share (EPS)**

**35.00 Related party transactions**

Name of the party	Nature of transactions	BDT
Mutual Trust Bank Limited	Loan from MTB	200,000,000

**36.00 Number of employees**

The number of employees engaged for the whole year or part there of, who received a total remuneration of Taka 36,000 or above, were 67 persons.



**MTB SECURITIES LIMITED**  
**FIXED ASSET SCHEDULE**

As at December 31, 2017

Annexure-A

Amount in BDT

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the year	Disposal during the year	Balance as on 31.12.2017		Balance as on 01.01.2017	Charge for the year	Disposal for the year	Balance as on 31.12.2017	
Furniture	1,654,855	235,716	138,336	1,752,235	10%	574,007	112,142	87,423	598,726	1,153,509
Fixture & fittings	59,495,343	140,000	13,797,238	45,838,105	10%	19,075,097	3,342,574	6,341,555	16,076,116	29,761,989
Office equipment	30,246,662	912,521	1,645,277	29,513,906	20%	20,050,486	1,968,619	1,259,722	20,759,383	8,754,523
Premises	46,365,000	-	-	46,365,000	5%	8,352,130	1,900,644	-	10,252,774	36,112,226
<b>Balance as on December 31, 2017</b>	<b>137,761,860</b>	<b>1,288,237</b>	<b>15,580,851</b>	<b>123,469,246</b>		<b>48,051,720</b>	<b>7,323,979</b>	<b>7,688,700</b>	<b>47,686,999</b>	<b>75,782,247</b>
<b>Balance as on December 31, 2016</b>	<b>143,172,990</b>	<b>2,304,760</b>	<b>7,715,890</b>	<b>137,761,860</b>		<b>41,522,053</b>	<b>9,273,484</b>	<b>2,743,817</b>	<b>48,051,720</b>	<b>89,710,140</b>

## MTB SECURITIES LIMITED

### CALCULATION OF DEFERRED TAX

For the period from January 01, 2017 to December 31, 2017

Annexure-B

#### Deferred Tax Liabilities

##### Taxable Temporary Difference:

Carrying Value of Depreciable Fixed Assets

TAX Base Value

##### Taxable Temporary Difference

##### Net Taxable temporary differences

##### Applicable TAX Rate

##### Deferred TAX (Assets)/Liabilities

##### Deferred Tax Expenses is arrived at as follows:

Closing Deferred TAX Liabilities

Opening Deferred TAX Assets

##### Deferred Tax (Income)/Expenses for the Year

Amount in BDT	
December 31, 2017	December 31, 2016
75,782,247	89,710,140
(62,884,216)	(77,993,013)
<b>12,898,031</b>	<b>11,717,127</b>
<b>12,898,031</b>	<b>11,717,127</b>
<b>35.00%</b>	<b>35.00%</b>
<b>4,514,311</b>	<b>4,100,994</b>
4,514,311	4,100,994
(4,100,994)	-
<b>413,316</b>	<b>4,100,994</b>

## MTB SECURITIES LIMITED

### STATEMENT OF INVESTMENT IN SECURITIES

Annexure-C

As at December 31, 2017

Amount in BDT

Name of the Company	Quantity	Cost Value	Market Value
Aamra technologies	97,500	3,791,775	3,246,750
ALLTEX	280,000	5,854,800	3,304,000
Aman Feed Limited	3,500	254,625	222,600
Apex Tannery Ltd	23,182	3,628,678	3,444,845
APEXFOODS	30,000	4,610,700	4,236,000
ARAMITCEM	30,000	1,000,500	909,000
Asia Pacific Ins. Co	40,000	2,962,800	1,008,000
BD Submarine Cable	240,000	29,652,000	24,744,000
BSRM Steel Limited	51,393	4,563,184	4,034,351
Central Pharma Ltd	1,320,000	36,709,200	24,684,000
First Finance Ltd.	100,000	2,004,000	1,160,000
GBB Power Limited	382,200	8,993,166	7,185,360
Heidelberg Cement	28,001	13,662,248	11,897,625
Marico Bangladesh	2,610	3,144,946	2,886,921
Meghna Cement	200,000	24,646,000	20,340,000
Meghna Petroleum Ltd.	400,000	86,276,000	75,560,000
MJL Bangladesh Ltd.	144,000	17,781,120	15,710,400
Nahee Aluminium CPL	1,141	9,505	83,749
Nurani Dyeing & Sweater Limited	1,516	-	28,349
Orion Pharma Limited	200,000	10,530,000	9,740,000
Padma Oil Co. Ltd	100,000	27,357,000	23,900,000
Pragati Life Ins.	81,900	10,924,641	9,303,840
Pubali Bank Ltd.	90,720	3,677,789	2,757,888
Quasem Drycells Ltd.	108,500	8,826,475	8,408,750
R. N. Spinning Mills	146,400	2,996,808	2,415,600
Shepherd Industries Limited	565	-	16,103
Summit Alliance Port	71,000	3,437,820	2,435,300
Tallu Spinning Mills	300,000	9,132,000	2,910,000
Titas Gas T&D Co. Ltd.	290,000	15,889,100	12,818,000
Western Marine	280,000	10,108,000	8,204,000
<b>Total</b>		<b>352,424,880</b>	<b>287,595,431</b>



**Partners:**  
S.M. Shafique FCA  
Md. Abu Sina FCA  
Md. Anisur Rahman FCA  
Faruk Ahmed ACA  
Sheikh Zahidul Islam FCA

**KHAN WAHAB SHAFIQUE RAHMAN & CO.**  
CHARTERED ACCOUNTANTS



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Web : www.kwsrbd.com

## MTB CAPITAL LIMITED AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of MTB Capital Limited (the company) which comprise the statement of financial position as at 31<sup>st</sup> December 2017 and the related 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 a summary of significant accounting policies and other relevant explanatory notes thereon.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BASs), Bangladesh Financial Reporting Standards (BFRSs), and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of MTB Capital Limited as at 31<sup>st</sup> December 2017 and the result of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

### We also report that;

- 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;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- The statement of financial position and statement of profit or loss and others comprehensive income along with the annexed notes dealt with by this report are in agreement with the books of accounts; and
- The expenditure incurred was for the purpose of the company's business.

February 04, 2018  
Dhaka

*Khan Wahab Shafique Rahman & Co.*  
**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants



**Branch Office:**  
Sabbir Chamber (3<sup>rd</sup> Floor),  
60, Agrabad C/A, Chittagong.  
Telephone: 2520056,

**In Practice since 1968**

## MTB CAPITAL LIMITED

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' equity</b>			
Share capital	4	280,900,000	265,000,000
Retained earnings	5	39,702,369	17,668,192
<b>Total shareholders' equity</b>		<b>320,602,369</b>	<b>282,668,192</b>
Short term loan	6	-	75,000,000
<b>Total sources of funds</b>		<b>320,602,369</b>	<b>357,668,192</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investment and advances</b>			
Investment in securities	7	108,161,146	173,513,252
Advances	8	1,875,205	26,132
<b>Current assets</b>		<b>281,358,532</b>	<b>275,079,464</b>
Margin loan to clients	9	221,038,805	212,160,322
Accounts receivable	10	19,078,835	28,825,966
Advance income tax	11	24,745,302	11,242,321
Cash & cash equivalents	12	16,495,590	22,850,856
<b>Current liabilities</b>		<b>76,463,316</b>	<b>97,526,265</b>
Accounts payable	13	13,023,392	45,139,721
Provision for expenses	14	1,162,681	1,200,000
Provision for diminution in value of investments	15	12,500,000	11,541,973
Provision for margin loan	16	12,500,000	7,965,028
Provision for current tax	17	37,097,663	31,473,457
Deferred tax liability	18	179,580	206,087
<b>Net current asset</b>		<b>204,895,216</b>	<b>177,553,200</b>
Property, plant & equipment	19	5,670,802	6,575,609
<b>Total application of funds</b>		<b>320,602,369</b>	<b>357,668,192</b>

The annexed notes form an integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



**Anis A. Khan**  
Vice Chairman



**Khairul Basher A.T. Mohammed**  
Chief Executive Officer

Signed as per our annexed report of the same date

**MTB CAPITAL LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
<b>Operating income</b>			
Interest income	20	40,924,378	27,630,841
Income from investment	21	19,472,487	6,215,123
Underwriting commission	22	175,000	331,250
Issue management fee	23	3,500,000	4,675,000
Settlement fee and documentation charge	24	10,905,116	7,180,520
Portfolio management fee	25	16,353,824	9,222,190
<b>Income from operation</b>		<b>91,330,805</b>	<b>55,254,924</b>
Add: Other income	26	841,151	657,487
<b>Total income</b>		<b>92,171,956</b>	<b>55,912,411</b>
Less: Office & administrative expenses	27	19,292,274	18,551,208
Less: Interest expense		6,873,767	3,594,521
<b>Profit before provision and tax</b>		<b>66,005,915</b>	<b>33,766,682</b>
Less: Provision for diminution in value of investments	28	958,027	-
Less: Provision for margin loan	29	4,534,972	5,100,000
<b>Net profit before tax</b>		<b>60,512,916</b>	<b>28,666,682</b>
<b>Less: Income tax expenses</b>	30	<b>22,578,739</b>	<b>11,924,961</b>
Current tax expenses		22,605,246	11,718,874
Deferred tax (income)/expenses		(26,507)	206,087
<b>Net profit after tax</b>		<b>37,934,177</b>	<b>16,741,721</b>
<b>Earnings Per Share (EPS)</b>	31	<b>13.50</b>	<b>5.96</b>

The annexed notes form an integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



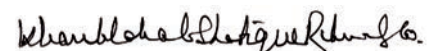
**Anis A. Khan**  
Vice Chairman



**Khairul Basher A.T. Mohammed**  
Chief Executive Officer

Signed as per our annexed report of the same date

February 04, 2018  
Dhaka



**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

## MTB CAPITAL LIMITED

### STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

Particulars	Amount in BDT	
	2017	2016
Net profit during the year (after tax)	37,934,177	16,741,721
<b>Add : Amount consider as non cash items :</b>		
Increase in provision for diminution in value of investments	958,027	-
Increase in provision for margin loan	4,534,972	5,100,000
Increase/(decrease) in provision for expenses	(37,319)	-
Depreciation	955,615	1,124,480
Increase/(decrease) in provision for income tax	5,624,207	11,718,875
Increase/(decrease) in deferred tax liability	(26,507)	206,087
<b>Sub total of non cash items</b>	<b>12,008,995</b>	<b>18,149,441</b>
<b>Changes in working capital components</b>		
Increase/(decrease) in accounts payable	(32,116,329)	25,953,790
(Increase)/decrease in accounts receivable	9,747,132	(14,414,060)
(Increase)/decrease in advance income tax	(13,502,982)	(905,697)
(Increase)/decrease in advance & prepayment	(1,849,073)	300,000
<b>A) Net cash flow from operating activities</b>	<b>12,221,920</b>	<b>45,825,196</b>
<b>Cash flow from investing activities:</b>		
(Increase)/decrease in Investment in securities	65,352,105	(13,828,492)
(Increase)/decrease in purchase of premises & fixed asset	(50,808)	(148,250)
(Increase)/decrease in margin loan to clients	(8,878,483)	(97,085,079)
<b>B) Net cash flow from investing activities</b>	<b>56,422,814</b>	<b>(111,061,820)</b>
<b>Cash flow from financing activities :</b>		
Short term borrowing	(75,000,000)	75,000,000
<b>C) Net cash flow from financing activities</b>	<b>(75,000,000)</b>	<b>75,000,000</b>
<b>D) Net cash increase / (decrease) (A+B+C)</b>	<b>(6,355,266)</b>	<b>9,763,376</b>
<b>E) Opening cash and cash equivalents</b>	22,850,856	13,087,480
<b>F) Closing cash and cash equivalents</b>	<b>16,495,590</b>	<b>22,850,856</b>

The annexed notes form an integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



**Anis A. Khan**  
Vice Chairman



**Khairul Basher A.T. Mohammed**  
Chief Executive Officer

## MTB CAPITAL LIMITED

# STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2017

Particulars	Amount in BDT		
	Paid-up capital	Retained earnings	Total
Balance as at January 01, 2017	265,000,000	17,668,192	282,668,192
Net profit for the year after tax	-	37,934,177	37,934,177
Stock dividend	15,900,000	(15,900,000)	-
<b>Balance as at December 31, 2017</b>	<b>280,900,000</b>	<b>39,702,369</b>	<b>320,602,369</b>
<b>Balance as at December 31, 2016</b>	<b>265,000,000</b>	<b>17,668,192</b>	<b>282,668,192</b>

The annexed notes are integral part of these financial statements.



**M.A. Rouf, JP**  
Chairman



**Anis A. Khan**  
Vice Chairman



**Khairul Basher A.T. Mohammed**  
Chief Executive Officer



## MTB CAPITAL LIMITED

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 1.00 Legal status of the company

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited, was incorporated in Bangladesh as a private limited company. MTBCL obtained registration certificate No. MB-55/2010 under the Bangladesh Securities and Exchange Commission Act, 1993 on December 06, 2010 as a full fledged merchant bank and obtained registration No. C-80040 from the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, Bangladesh on October 08, 2009 under the Companies Act, 1994. The company has commenced its operation on April 18, 2011.

The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh.

### 2.00 Nature of business

The main activities of the company are issue management, underwriting, portfolio management whether discretionary or non-discretionary, corporate advisory services to the clients including advisory services on merger and amalgamation, capital restructuring, etc.

### 3.00 Significant accounting policies

#### 3.01 Basis of preparation of financial statements

The financial statements of the company are made up to 31 December 2017 and prepared under the historical cost convention except investment in securities as a going concern and in accordance with the Companies Act 1994, International Financing Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange Limited listing Regulations, Income Tax Ordinance, 1984 and other laws and rules applicable in Bangladesh.

#### 3.02 Statement of cash flows

Statement of cash flows has been prepared in accordance with the Bangladesh Accounting Standard (BAS) - 7 "Statement of Cash Flows".

#### 3.03 Property, plant and equipment

##### 3.03.1 Recognition and measurement:

Property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of asset and bringing to the location and conditioned necessary for it to be capable of operating in the intended manner.

##### 3.03.2 Depreciation

Depreciation is charged using reducing balance method as per Bangladesh Accounting Standards (BASs)-16 "Property plant & equipment". The rates of depreciation used are as follows:

Category of Assets	Rate of Depreciation
Furniture & fixture	10%
Office equipment	20%
Interior decoration	10%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss and other Comprehensive Income.

#### 3.04 Revenue recognition

The accounting policies adopted for the recognition of revenue are as follows:

##### 3.04.1 Interest income

Interest on margin loan to investors is recognized as revenue on an accrual basis and interest receivable on such loan is capitalized with original loan on quarterly basis.

**3.04.2 Dividend income**

Dividend income on investment in securities has been recognized when the shareholders right to receive payment is established.

**3.04.3 Capital gain / (loss) on sale of securities**

Capital gain/(loss) on sale of securities is accounted for based on difference between average sale proceeds of securities and cost of securities sold.

**3.04.4 Fees and commission income**

Fees and commission income includes portfolio management fees, settlement charges, issue management fees, underwriting commissions and any other such fees and commissions.

**3.05 Cash and bank balance**

Cash and bank balance includes cash in hand and cash at bank, which are held and are available for use by the company without any restriction.

**3.06 Investment in securities**

Investment in securities is recognized at the end of the period at cost price of investment made by the company.

**3.07 Reporting in the period**

These financial statements cover one year from 1st January 2017 to 31 December 2017.

**3.08 General**

- i). Comparative information have been disclosed for all numerical information of the financial statements and also the narrative and descriptive information so as to clarify the current year position in with that to preceding year.

**Re-arrangement**

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

- ii). The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

**4.00 Authorized capital**

50,00,000 ordinary shares of Tk. 100 each.

**Issued, subscribed and paid-up capital:**

2,809,000 ordinary shares of Tk. 100 each

**Shareholding position:**

Particulars	No. of Shares	Amount	Percentage
Mutual Trust Bank Limited.	2,808,888	280,888,800	99.996%
Mr. M. A. Rouf, JP	112	11,200	0.004%
<b>Total</b>	<b>2,809,000</b>	<b>280,900,000</b>	<b>100%</b>

**5.00 Retained earnings**

Opening balance

Add: Net profit after tax during the year

Less: Stock dividend

**Closing balance****6.00 Short term loan**

United Finance Limited

Amount in BDT	
2017	2016
<b>500,000,000</b>	<b>500,000,000</b>
<b>280,900,000</b>	<b>265,000,000</b>

17,668,192	15,926,471
37,934,177	16,741,721
(15,900,000)	(15,000,000)
<b>39,702,369</b>	<b>17,668,192</b>
-	75,000,000
<b>-</b>	<b>75,000,000</b>

		Amount in BDT	
		2017	2016
<b>7.00</b>	<b>Investment in Securities</b>		
	Investment in securities represent the cost price of securities which have been invested by the company in the capital market.		
	Quoted shares (Annexure - C)	105,161,146	170,513,252
	Unquoted shares	3,000,000	3,000,000
		<b>108,161,146</b>	<b>173,513,252</b>
<b>8.00</b>	<b>Advances and prepayment</b>		
	Advance to employees	1,875,205	26,132
		<b>1,875,205</b>	<b>26,132</b>
<b>9.00</b>	<b>Margin loans to clients</b>		
	Margin loan to investors - Non- Discretionary Account (NDA)	219,818,070	211,893,145
	Margin loan to investors - Discretionary Account (DA)	1,220,735	267,177
		<b>221,038,805</b>	<b>212,160,322</b>
<b>10.00</b>	<b>Accounts receivable</b>		
	Underwriting commission	175,000	331,250
	Issue management fee	1,064,131	3,925,000
	Dividend receivable	1,914,051	2,448,594
	Management fee	62,244	1,945
	Unicap Company Ltd	4,014,863	3,582,836
	Square Securities Management Ltd	-	791,624
	MTB Securities Ltd	8,043,876	3,748,417
	City Brokerage Ltd	867,822	252,554
	CSML Securities	35,948	3,513,551
	Rental income	72,000	95,750
	Interest receivable	-	34,447
	Cheque in transit	85,000	-
	IPO	2,743,900	10,100,000
		<b>19,078,835</b>	<b>28,825,966</b>
<b>11.00</b>	<b>Advance income tax</b>		
	Opening balance	11,242,321	10,336,624
	Adjustment during the year	(8,001,017)	-
	Addition during the year	21,503,999	905,697
	<b>Closing balance</b>	<b>24,745,302</b>	<b>11,242,321</b>
<b>12.00</b>	<b>Cash &amp; cash equivalents</b>		
	This is made up as under:		
	Cash in hand	4,414	257
	<b>Cash at Bank (Mutual Trust Bank)</b>		
	MTB-0012-0210010492 (DA)	-	213
	MTB-0012-0210010572 (CD)	678	678
	MTB Tower 0087-0210000164 (CD)	-	1,526
	MTB Tower 0087-0210000208 (Own Portfolio)	95	878,329
	MTB Tower 0087-0320000045 (SND)	11,288,828	7,865
	MTB Tower 0087-0320000054 (IPO)	24,841	16,131
	MTB Tower 0087-0320000214 (NDA)	2,045,181	18,143,792
	MTB Tower 0087-0320000205 (DA)	1,154,653	1,167,429
	MTB Tower 0087-0320000223 (GA)	1,976,900	2,632,741
	MTB 0012-0320001598 (IPO)	-	1,896
		16,491,176	22,850,599
	<b>Cash and cash equivalents</b>	<b>16,495,590</b>	<b>22,850,856</b>

		Amount in BDT	
		2017	2016
<b>13.00</b>	<b>Accounts payable</b>		
	LeadSoft BD Ltd.	414,556	450,901
	Audit fees payable	50,000	50,000
	Payable to brokers	9,977,179	27,616,902
	Client deposits	1,280,803	15,066,747
	Accrued interest	-	885,000
	VAT payable	1,275,618	1,057,719
	Source tax payable	25,235	12,450
		<b>13,023,392</b>	<b>45,139,721</b>
<b>14.00</b>	<b>Provision for expenses</b>		
	<b>Incentive bonus:</b>		
	Opening balance	1,200,000	1,200,000
	Paid during the year	(637,319)	(803,561)
	Addition during the year	600,000	803,561
	<b>Closing balance</b>	<b>1,162,681</b>	<b>1,200,000</b>
<b>15.00</b>	<b>Provision for diminution in value of investments</b>		
	Opening balance	11,541,973	11,541,973
	Addition during the year (Note-28.00)	958,027	-
	<b>Closing balance</b>	<b>12,500,000</b>	<b>11,541,973</b>
<b>16.00</b>	<b>Provision for margin loan</b>		
	Opening balance	7,965,028	2,865,028
	Addition during the year (Note-29.00)	4,534,972	5,100,000
	<b>Closing balance</b>	<b>12,500,000</b>	<b>7,965,028</b>
<b>17.00</b>	<b>Provision for current tax</b>		
	Opening balance	31,473,457	19,754,582
	Adjustment during the year	(16,981,039)	-
	Addition during the year (Note-30.01)	22,605,246	11,718,874
	<b>Closing balance</b>	<b>37,097,663</b>	<b>31,473,457</b>
<b>18.00</b>	<b>Deferred tax liability</b>		
	Opening balance	206,087	-
	Deferred tax during the year (Note-30.02)	(26,507)	206,087
	<b>Closing balance</b>	<b>179,580</b>	<b>206,087</b>
<b>19.00</b>	<b>Property, plant &amp; equipment</b>		
	Opening balance	6,575,609	7,551,839
	Addition during the year	50,808	148,250
	<b>Total cost</b>	<b>6,626,417</b>	<b>7,700,089</b>
	Less: Depreciation charged during the year	955,615	1,124,480
	<b>Written down value</b>	<b>5,670,802</b>	<b>6,575,609</b>
	Detail is shown in Annexure - A		
<b>20.00</b>	<b>Interest income</b>		
	Interest on margin loan - Non- Discretionary Account (NDA)	40,804,395	27,173,861
	Interest on margin loan - Discretionary Account (DA)	89,995	16,865
	Interest on bank accounts	29,987	440,115
		<b>40,924,378</b>	<b>27,630,841</b>

		Amount in BDT	
		2017	2016
<b>21.00</b>	<b>Income from investment</b>		
	Dividend income	4,155,312	4,745,592
	Capital gain on sale of securities	15,317,175	1,469,532
		<b>19,472,487</b>	<b>6,215,123</b>
<b>22.00</b>	<b>Underwriting commission</b>		
	Pacific Denims Limited	-	281,250
	Oimex Electrode Limited	175,000	-
	IDLC Finance Limited	-	50,000
		<b>175,000</b>	<b>331,250</b>
<b>23.00</b>	<b>Issue management fee</b>		
	Zaheen Spinning Limited	500,000	1,000,000
	R. A. Spinning Mills Ltd	-	150,000
	Sigma Capital Management Ltd	-	200,000
	Star Ceramics Limited	-	500,000
	Electro Battery Co. Limited	-	2,025,000
	R.K. Fashion Limited	-	500,000
	Sikder Apparel Hosiery Ltd	-	300,000
	Coppertech Industries Limited	500,000	-
	Unique Infoway Limited	500,000	-
	Oimex Electrode Limited	2,000,000	-
		<b>3,500,000</b>	<b>4,675,000</b>
<b>24.00</b>	<b>Settlement fee &amp; documentation charge</b>		
	Settlement fee	10,887,416	7,162,020
	Documentation charge	17,700	18,500
		<b>10,905,116</b>	<b>7,180,520</b>
<b>25.00</b>	<b>Portfolio management fee</b>		
	Non-discretionary account	15,394,424	8,939,230
	Discretionary account	959,400	282,960
		<b>16,353,824</b>	<b>9,222,190</b>
<b>26.00</b>	<b>Other income</b>		
	IPO charge	650	140
	Annual BO account charge	107,100	141,800
	BO account closing fee	1,401	9,957
	Share transfer fee	-	1,000
	Rental income	732,000	504,590
		<b>841,151</b>	<b>657,487</b>
<b>27.00</b>	<b>Office &amp; administrative expenses</b>		
	Salary and remuneration	9,656,626	10,840,421
	Office rent expense	3,624,578	3,140,184
	Postage, telephone, fax, stamp	89,604	81,487
	Printing & stationery	196,988	96,917
	Advertising expenese	57,500	-
	Directors' fee	741,000	562,750

	Amount in BDT	
	2017	2016
Auditors' fee	63,250	63,250
Depreciation	955,615	1,124,480
Repairs and maintenance	261,252	211,689
Car expense	957,772	714,491
CDBL charge	1,023,717	579,517
Entertainment	378,621	375,026
Cleaning service charge	346,707	341,799
Fee & registration	308,667	179,010
Bank charges	149,019	65,264
Conveyance	85,380	45,750
Internet expense	36,800	34,000
Staff training	25,300	5,250
Travelling expense	218,002	7,387
Business promotion expense	50,000	-
Professional fee	33,333	55,000
Office maintenance	30	2,810
Books & newspaper	8,713	12,826
Holiday working bill	7,800	3,900
Domain and hosting charge	-	8,000
IPO expense	16,000	-
	<b>19,292,274</b>	<b>18,551,208</b>
<b>28.00 Provision for diminution in value of investments made during the year</b>	<b>958,027</b>	<b>-</b>
This provision is made as per BSEC guideline and to reduce the risk of investment.		
<b>29.00 Provision for margin loan made during the year</b>	<b>4,534,972</b>	<b>5,100,000</b>
This provision is made as per BSEC guideline and to reduce the risk of investment.		
<b>30.00 Income tax expenses made during the year</b>		
Current tax (Note-30.01)	22,605,246	11,718,874
Deferred tax (Note-30.02)	(26,507)	206,087
	<b>22,578,739</b>	<b>11,924,961</b>
Income tax expenses is calculated as per guideline of Income Tax Ordinance and Rules.		
<b>30.01 Current tax made during the year</b>	<b>22,605,246</b>	<b>11,718,874</b>
<b>30.02 Deferred tax made during the year</b>	<b>(26,507)</b>	<b>206,087</b>
	<b>(26,507)</b>	<b>206,087</b>
Details have been shown in Annexure-B		
<b>31.00 Earnings Per Share (EPS)</b>		
Net profit after tax	37,934,177	16,741,721
Number of ordinary shares outstanding	2,809,000	2,809,000
<b>Earnings Per Share (EPS)</b>	<b>13.50</b>	<b>5.96</b>
<b>32.00 Number of employees</b>		
The number of employees engaged for the whole year or part there of, who received a total remuneration of Taka 36,000 or above were 12 persons.		
<b>33.00 Events after the balance sheet date</b>		
Subsequent to the balance sheet date, the Board of Directors recommended 10% stock dividend.		

## Annexure - A

## MTB CAPITAL LIMITED

### SCHEDULE OF FIXED ASSETS

As at December 31, 2017

Category of Assets	Cost			Rate (%)	Depreciation		Written down value	
	Opening balance	Addition during the year	Total		Opening balance	Charged during the year		Accumulated depreciation
Furniture & fixture	1,348,194	-	1,348,194	10%	172,500	117,569	290,070	1,058,124
Office equipment	8,415,744	50,808	8,466,552	20%	5,504,904	589,138	6,094,042	2,372,510
Interior decoration	2,765,639	-	2,765,639	10%	276,564	248,907	525,471	2,240,168
<b>Total 2017</b>	<b>12,529,577</b>	<b>50,808</b>	<b>12,580,385</b>		<b>5,953,968</b>	<b>955,615</b>	<b>6,909,583</b>	<b>5,670,802</b>
<b>Total 2016</b>	<b>12,381,327</b>	<b>148,250</b>	<b>12,529,577</b>		<b>4,829,488</b>	<b>1,124,480</b>	<b>5,953,968</b>	<b>6,575,609</b>

Amount in BDT

## MTB CAPITAL LTD.

### CALCULATION OF DEFERRED TAX

For the year ended December 31, 2017

Annexure - B

Deferred tax expense/(income)	Amount in BDT
	2017
Carrying amount of property, plant & equipment	5,670,802
Less: Tax base value of property, plant & equipment	5,191,923
<b>Taxable temporary difference</b>	<b>478,878</b>
Applicable tax rate	37.5%
<b>Deferred tax Liability</b>	<b>179,580</b>
Less: Opening balance	206,087
<b>Deferred tax expense/(income)</b>	<b>(26,507)</b>

## INVESTMENT IN QUOTED SECURITIES

As at December 31 2017

Annexure - C

Name of the company	No. of shares	Total cost	Market rate per share	Amount in BDT	
				Market value	Difference
BD Shipping Corporation	8,180	422,113	46.70	382,006	(40,107)
BD Submarine Cable Co. Ltd.	11,000	1,719,200	103.10	1,134,100	(585,100)
Familytex(BD) Limited	101,507	2,430,078	7.60	771,451	(1,658,628)
Pragati Life Insurance	81,900	14,407,059	113.60	9,303,840	(5,103,219)
RD Food Products Ltd.	14,825	291,542	17.40	257,950	(33,593)
ACI Formulations Limited	27,243	5,685,399	173.60	4,729,385	(956,015)
Central Pharmaceuticals Ltd.	444,600	13,018,392	18.70	8,314,020	(4,704,372)
Confidence Cement Limited	5	608	152.50	732	124
Doreen Power Gen. and Sys. Ltd	700	86,609	114.20	79,940	(6,669)
Far Chemical Ind. Ltd.	113,850	3,590,467	19.50	2,220,075	(1,370,392)
Meghna Petroleum Ltd.	55,100	13,539,849	37.10	10,408,390	(3,131,459)
Hwa Well Textile BD Ltd.	25,100	1,306,625	188.90	931,210	(375,415)
National Tea	1,000	695,233	613.90	613,900	(81,333)
Olympic Accessories Limited	60,068	1,400,234	20.40	1,225,381	(174,853)
Padma Oil	70,100	23,943,183	239.00	16,753,900	(7,189,283)
Rupali Life Insurance	13,172	817,397	47.30	623,036	(194,361)
Saif Powertec Ltd	4,001	68,341	33.20	63,036	(5,305)
Takaful Islami Insurance	88,227	2,568,815	24.80	2,188,030	(380,786)
Titas Gas T & D Co. Ltd.	215,360	18,729,349	44.20	9,518,912	(9,210,437)
Ifad Autos Ltd.	3,800	440,652	126.00	478,800	38,148
<b>Total</b>		<b>105,161,146</b>		<b>69,998,093</b>	<b>(35,163,054)</b>



## MTB EXCHANGE (UK) LIMITED

### DIRECTORS' REPORT

For The Year Ended December 31, 2017

The directors present their report and accounts for the year ended December 31, 2017

#### STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report of the directors has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006.

This report was approved by the board on February 11, 2018



**ANISUDDIN AHMED KHAN**  
Director

## MTB EXCHANGE (UK) LIMITED

### ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF MTB EXCHANGE (UK) LTD, FOR THE YEAR ENDED DECEMBER 31, 2017

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of MTB EXCHANGE (UK) LTD for the year ended December 31, 2017 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

As a practicing member of the Chartered Institute of Management Accountants (CIMA), we are subject to its ethical and other professional requirements which are detailed on their website.

This report is made solely to the Board of Directors of MTB EXCHANGE (UK) LTD, as a body, in accordance with the terms of our engagement letter dated. Our work has been undertaken solely to prepare for your approval the accounts of MTB EXCHANGE (UK) LTD and state those matters that we have agreed to state to the Board of Directors of MTB EXCHANGE (UK) LTD, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) as detailed on their website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MTB EXCHANGE (UK) LTD and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that MTB EXCHANGE (UK) LTD has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profitability of MTB EXCHANGE (UK) LTD. You consider that MTB EXCHANGE (UK) LTD is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of MTB EXCHANGE (UK) LTD. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



**Jahan & Co.**

Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD

## MTB EXCHANGE (UK) LIMITED

### PROFIT AND LOSS ACCOUNT

For the Year Ended December 31, 2017

Particulars	Notes	2017 £	2016 £
<b>TURNOVER</b>		122,437	103,075
<b>GROSS PROFIT</b>		122,437	103,075
Distribution costs and selling expenses		(3,985)	(5,104)
Administrative expenses		(143,531)	(148,700)
Other operating income		30,000	24,500
<b>OPERATING PROFIT /(LOSS)</b>		4,921	(26,229)
<b>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	4,921	(26,229)
Tax on profit on ordinary activities	5	(754)	-
<b>PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		4,167	(26,229)

## MTB EXCHANGE (UK) LIMITED

### BALANCE SHEET

As at December 31, 2017

Particulars	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible Assets	6	19,441	24,144
<b>CURRENT ASSETS</b>			
Debtors	7	9,417	8,750
Cash at bank and in hand		49,325	22,863
		58,742	31,613
<b>Creditors: Amounts falling due within one year</b>	8	345,919	327,660
<b>NET CURRENT LIABILITIES</b>		(287,177)	(296,047)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(267,736)</b>	<b>(271,903)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	230,000	230,000
Profit and loss account	10	(497,736)	(501,903)
<b>SHAREHOLDERS' FUNDS</b>		<b>(267,736)</b>	<b>(271,903)</b>

For the year ending December 31, 2017 the company was entitled to exemption under section 477 of the Companies Act, 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act, 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provision applicable to companies subject to the small companies' regime.

Approved by the Board on February 11, 2018 and signed on their behalf by



**ANISUDDIN AHMED KHAN**  
Director



**MD. ANISUR RAHMAN**  
Chief Executive Officer & Manager

## MTB EXCHANGE (UK) LIMITED

### NOTES TO THE ACCOUNTS

For the year ended December 31, 2017

#### 1. ACCOUNTING POLICIES

##### 1a. Basis of Accounting

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with FRS102 section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006

##### 1b. Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and Machinery	reducing balance 20%
Fixtures and Fittings	reducing balance 20%

##### 1c. Taxation

Corporation tax payable is provided on taxable profits at the current rates

Provision is made for deferred taxation in so far as a liability or asset has arisen as a result of transactions that had occurred by the balance sheet date and have given rise to an obligation to pay more tax in the future, or the right to pay less tax in the future. An asset has not been recognized to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognized have not been discounted.

##### 1d. Pension Costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### 1e. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### 2. OPERATING PROFIT

Operating Profit is stated after charging:

Depreciation

Auditors' remuneration

	2017 £	2016 £
	4,859	6,035
	-	2,400
	<b>4,859</b>	<b>8,435</b>
	7	6
	189	-
	189	-
	754	-
	754	-

#### 3. EMPLOYEES

Average number of employees

#### 4. PENSION CONTRIBUTIONS

Pension contributions

#### 5. TAX ON ORDINARY ACTIVITIES

Corporation tax

	Plant and Machinery £	Fixtures and Fittings £	TOTAL £
<b>6. TANGIBLE FIXED ASSETS</b>			
<b>Cost</b>			
At January 1, 2017	14,100	56,723	70,823
Additions	105	52	157
<b>At December 31, 2017</b>	<b>14,205</b>	<b>56,775</b>	<b>70,980</b>
<b>Depreciation</b>			
At January 1, 2017	10,057	36,622	46,679
For the year	830	4,030	4,860
<b>At December 31, 2017</b>	<b>10,887</b>	<b>40,652</b>	<b>51,539</b>
<b>Net Book Amounts</b>			
At December 31, 2017	3,318	16,123	19,441
At December 31, 2016	4,043	20,101	24,144
<b>7. DEBTORS</b>			
<b>Amounts falling due within one year</b>			
Other debtors	667	-	-
	667	-	-
<b>Amounts falling due over more than one year</b>			
Long term debtor	8,750	8,750	8,750
	8,750	8,750	8,750
	<b>9,417</b>	<b>8,750</b>	<b>8,750</b>
<b>8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
UK corporation tax	754	-	-
Payable to MTB	338,580	324,510	324,510
Payable to BRAC Saajan	5810	-	-
Pension schemes	25	-	-
Accruals	750	3,150	3,150
	<b>345,919</b>	<b>327,660</b>	<b>327,660</b>
<b>9. SHARE CAPITAL</b>			
<b>Allotted, issued and fully paid:</b>			
230000 Ordinary shares of £ 1 each	230,000	230,000	230,000
	<b>230,000</b>	<b>230,000</b>	<b>230,000</b>
<b>10. PROFIT AND LOSS RESERVE</b>			
Opening balance	(501,903)	(475,674)	(475,674)
Profit/ (Loss) for the year	4,167	(26,229)	(26,229)
	<b>(497,736)</b>	<b>(501,903)</b>	<b>(501,903)</b>
<b>11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>			
Opening shareholders' funds	(271,903)	(245,674)	(245,674)
Profit/(Loss) for the year	4,167	(26,229)	(26,229)
Closing shareholders' funds	<b>(267,736)</b>	<b>(271,903)</b>	<b>(271,903)</b>
<b>10. CONTROLLING PARTY</b>			
The company being 100% Subsidiary of Mutual Trust Bank Ltd, Bangladesh is under common control from the parent company.			