মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2018

Independent Auditor's Report
To the shareholders of
Mutual Trust Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of Mutual Trust Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Mutual Trust Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheet as at 31 December 2018, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank (the "financial statements") give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and of its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.01 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, and the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and separate financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code),the rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled other ethical responsibilities in accordance with IESBA code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye- Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year 2018. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our response to the risk
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end of 2018 the Group reported total gross loans and advances of BDT 166 billion (2017: BDT 146 billion) and the Bank reported total gross loans and advances of BDT 163 billion (2017: BDT 143 billion) whereas at the year end of 2018 the Group reported total provision for loans and advances of BDT 5.53 billion (2017: BDT 4.71 billion) and the Bank reported total provision for loans and advances of BDT 5.20 billion (2017: BDT 4.41 billion). We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and subsequent amendments; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identify loss events, including early warning and default warning indicators; • Reviewed quarterly classification ledger of loans and advances (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the Group and the Bank's general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 2.14.03 and 12.01 to the financial statements	

Risk	Our response to the risk
Valuation of investment in government T-bill and T-bond	
The classification and measurement of government T-Bill and T-Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end of 2018 the Group reported total investment in government T-bill and T-bond of BDT 24 billion (2017: BDT 23 billion) and the Bank reported total investment in government T-bill and T-bond of BDT 24 billion (2017: BDT 23 billion).	We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, governance model, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no 2.14.02 to the financial statements	

Risk	Our response to the risk
Measurement of deferred tax assets	
At year end of 2018 the Group reported total deferred tax assets (DTA) of BDT 957 million (2017: BDT 717 million) and deferred tax income of BDT 241 million (2017: BDT 901 million) and the Bank reported total deferred tax assets of BDT 962 million (2017: BDT 721 million) and deferred tax income of BDT 241 million (2017: BDT 901 million). Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Groupand the Bank's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's. Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.
See note no 9.02 & 35.01 and 9.a.3.2.1 & 35.a.1 to the financial statements	

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs as explained in note 2.0, the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, and the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulationsand comply with and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group and the Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Bank Companies Act, 1991, and the rules and regulations issued by Bangladesh Bank and the Securities and Exchange Rules 1987, 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 and the Bank 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 Mutual Trust Bank Limited's subsidiaries namely,MTB Securities Limited, MTB Capital Limited have been audited by KHAN WAHAB SHAFIQUE RAHMAN & CO., Chartered Accountants and MTB EXCHANGE (UK) LTD. has 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 and the Bank so far as it appeared from our examination of those books;

(v) the consolidated and the separate balance sheet and consolidated and the separate profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;the financial statements of the Bank conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

(vi) the expenditures incurred and payments made were for the purpose of the Group's and the Bank's business for the year;

(vii) the consolidated and the separate financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,600 person hours; and

(xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated Dhaka
29 April 2019

A.Qasem & Co.
Chartered Accountants

Consolidated Balance Sheet
As at 31 December 2018

	Notes	Amount in BDT 2018	2017
PROPERTY AND ASSETS			
Cash	3.00	12,301,086,194	13,077,123,517
In hand (Including foreign currency)		2,520,607,136	2,191,164,252
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		9,780,479,058	10,885,959,265
Balance with Other banks and financial institutions	4.00	3,176,565,149	2,798,256,664
In Bangladesh		861,661,189	1,030,004,295
Outside Bangladesh		2,314,903,960	1,768,252,369
Money at call on short notice	5.a	1,580,000,000	4,690,000,000
Investments	6.00	27,388,395,082	25,105,802,134
Government		24,421,226,713	22,703,494,533
Others		2,967,168,369	2,402,307,601
Loans and Advances	7.00	166,145,119,129	145,606,993,782
Loans, Cash Credits, Overdrafts etc.		163,394,332,234	143,429,214,788
Bills purchased & discounted		2,750,786,895	2,177,778,994
Fixed assets including premises, furniture and fixtures	8.00	3,128,176,263	3,211,265,364
Other assets	9.00	8,725,556,034	7,264,492,733
Non-banking assets		-	-
Total Property and Assets		222,444,897,850	201,753,934,194
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other banks, financial institutions and agents	10.00	19,640,823,048	16,417,678,099
Deposits and other accounts	11.00	166,160,290,425	151,776,694,600
Current Deposits & Other Accounts		14,090,900,316	14,652,729,608
Bills Payable		1,703,433,803	2,100,804,374
Savings Bank Deposits		28,239,575,869	27,479,479,774
Special Notice Deposits		12,863,186,737	11,721,963,726
Fixed Deposits		77,043,035,120	67,113,942,085
Deposit Products		32,220,158,580	28,707,775,033
Other Liabilities	12.00	15,964,827,954	13,797,474,740
Subordinated Debts	13.a	7,400,000,000	8,000,000,000
Total Liabilities		209,165,941,427	189,991,847,439
Capital/Shareholders' Equity			
Paid-up Capital	14.a	5,733,630,380	5,096,560,340
Statutory Reserve	15.a	4,096,004,358	3,622,224,031
Revaluation Reserve on Investment in Securities		480,328,680	696,384,694
Foreign Currency Translation gain/(loss)		6,143,266	7,667,134
General Reserve	16.a	786,777,324	616,777,324
Retained Earnings	17.00	2,175,943,964	1,722,348,545
Total Shareholders' Equity		13,278,827,972	11,761,962,068
Minority Interest	17.01	128,451	124,686
Total Liabilities and Shareholders' Equity		222,444,897,850	201,753,934,194
Net Asset Value (NAV) per share		23.16	20.51

	Notes	Amount in BDT 2018	2017
Off-Balance Sheet Items			
Contingent Liabilities	18.a		
Acceptances and endorsements		28,001,688,309	22,516,719,682
Letters of guarantee		19,295,388,283	11,602,039,974
Irrevocable letters of credit		16,622,625,028	16,740,167,351
Bills for collection		1,712,416,910	2,443,518,092
Other contingent liabilities		-	-
Total Off Balance Sheet Items		65,632,118,530	53,302,445,099
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		-	-
Other Memorandum Items			
Value of Travellers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		65,632,118,530	53,302,445,099

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Signed as per our annexed report of the same date

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

Consolidated Profit and Loss Account
For the year ended 31 December 2018

Particulars	Notes	Amount in BDT 2018	2017
Interest Income	20.00	15,687,277,155	12,160,542,962
Less: Interest Paid on Deposits and Borrowings etc.	21.00	10,436,062,969	7,852,867,671
Net Interest Income		5,251,214,186	4,307,675,291
Investment Income	22.00	2,343,167,734	2,127,213,334
Commission, Exchange and Brokerage	23.00	1,682,805,559	1,578,009,117
Other Operating Income	24.00	551,932,140	474,165,978
		4,577,905,433	4,179,388,429
Total Operating Income		9,829,119,619	8,487,063,720
Less: Operating Expenses:			
Salary and Allowances	25.00	2,711,522,726	2,402,684,185
Rent, Tax, Insurance and Electricity etc.	26.00	696,453,008	664,468,164
Legal Expenses	27.00	3,369,120	3,535,580
Postage, Stamps and Telecommunication etc.	28.00	14,635,616	11,333,596
Stationery, Printing and Advertisements etc.	29.00	124,717,809	108,968,276
Managing Director's Remuneration	25.a.1	19,235,333	18,275,334
Directors' Fees	30.00	3,340,700	3,441,200
Auditors' Fees	31.00	1,838,605	1,776,066
Depreciation and Repair of Bank's Properties	32.00	464,482,047	429,753,440
Other Expenses	33.00	905,196,708	927,108,227
Total Operating Expenses		4,944,791,672	4,571,344,068
Profit Before Provision		4,884,327,947	3,915,719,652
Less: Provision for Loans, Investment & Other	34.00		
Specific Provision for Loans & Advances		2,223,526,000	444,645,646
General Provision for Loans & Advances		591,000	908,809,835
Provision for Off Balance Sheet Items		5,342,050	137,300,000
Provision for Margin Loan & Investment in Shares		103,000,000	155,492,999
Provision for Other Asset		10,000,000	10,000,000
Total Provision		2,342,459,050	1,656,248,480
Profit Before Tax		2,541,868,897	2,259,471,172
Less: Income Tax Expenses		807,419,347	279,133,367
Current Tax Expenses	35.00	1,047,932,817	1,180,006,962
Deferred Tax Expenses/(Income)	35.01	(240,513,470)	(900,873,595)
Net Profit After Tax		1,734,449,551	1,980,337,805
Shareholders' of the Bank		1,734,445,786	1,980,335,258
Minority Interest		3,764	2,547
		1,734,449,551	1,980,337,805
Retained Surplus Brought Forward		1,722,348,545	841,239,233
		3,456,794,331	2,821,574,491
Appropriations:			
Bonus Share Issued during the year		637,070,040	664,768,740
Transferred to Statutory Reserve		473,780,327	434,457,206
Transferred to General Reserve		170,000,000	-
		1,280,850,367	1,099,225,946
Retained Surplus, Carried Forward		2,175,943,964	1,722,348,545
Earnings Per Share (EPS) (2017 Restated)	36.00	3.03	3.45

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Signed as per our annexed report of the same date

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

Consolidated Statement of Changes in Equity
As at 31 December 2018

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at 01 January 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bonus share issued	[illegible]					[illegible]			
Currency translation differences				[illegible]			[illegible]		[illegible]
Transferred to reserves									
Revaluation reserve during the period			[illegible]				[illegible]		[illegible]
Net profit for the year after tax						[illegible]	[illegible]	[illegible]	[illegible]
Appropriations made during the year		[illegible]			[illegible]	[illegible]			
Balance as at 31 December 2018	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at 31 December 2017	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

Consolidated Statement of Cash Flow
For the year ended 31 December 2018

	Notes	Amount in BDT 2018	2017
A) Cash Flows from Operating Activities:			
Interest Received		17,846,615,061	13,897,831,077
Interest Paid on Deposits and Borrowings etc.		(9,890,149,671)	(7,757,573,822)
Dividend Income		83,522,850	172,759,484
Fees & Commission Income		1,682,805,559	1,578,009,117
Recoveries of Loans previously written off		964,000	1,238,700
Cash Paid to Employees as Salaries and Allowances		(2,730,758,059)	(2,420,959,519)
Cash Paid to Suppliers		(124,717,809)	(108,968,276)
Advance Income Tax Paid		(1,012,393,682)	(1,056,691,254)
Cash Received from Other Operational Income	37.00	738,049,425	522,867,485
Cash Paid for Other Operational Expenses	38.00	(1,745,034,697)	(1,697,728,337)
Cash Flows from Operating Activities before Changes in Net Current Assets :		4,848,902,977	3,130,784,655
Loans & Advances		(20,560,108,373)	(31,224,446,230)
Other Assets		(512,496,899)	(535,691,099)
Bank Deposits		750,050,000	10,149,625,000
Customers' Deposits		13,074,550,980	10,372,306,013
Borrowing from Other Banks, Financial Institutions & Agents		3,223,144,950	7,711,218,649
Other Liabilities		(970,407,636)	424,478,679
		(4,995,266,978)	(3,102,508,988)
Net Cash Flows from Operating Activities		(146,364,001)	28,275,667
B) Cash Flows from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(1,933,719,494)	(3,111,093,401)
Investments in Shares & Bonds		(564,860,768)	(87,667,236)
Purchase of Premises & Fixed Asset (net)		(261,192,005)	(413,982,057)
Net Cash Flows from Investing Activities		(2,759,772,268)	(3,612,742,694)
C) Cash Flows from Financing Activities:			
Subordinated debt		(600,000,000)	3,750,000,000
Dividend Paid		-	-
Net Cash Flows from Financing Activities		(600,000,000)	3,750,000,000
D) Net Increase in Cash and Cash Equivalents		(3,506,136,269)	165,532,973
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		(1,523,869)	(1,235,880)
F) Opening Cash and Cash Equivalents		20,567,156,381	20,402,859,288
Closing Cash and Cash Equivalents (D+E+F)		17,059,496,243	20,567,156,381
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,520,607,136	2,191,164,252
Balance with Bangladesh Bank and its Agent Bank		9,780,479,058	10,885,959,265
Balance with Other Banks & Financial Institutions		3,176,565,149	2,798,256,664
Money at Call and Short Notice		1,580,000,000	4,690,000,000
Prize Bond		1,844,900	1,776,200
		17,059,496,243	20,567,156,381
Net Operating Cash Flows Per Share		(0.26)	0.05

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

Consolidated Liquidity Statement
As at 31 December 2018

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	3,450,958,194	-	-	-	8,850,128,000	12,301,086,194
Balance with Other banks and financial institutions	1,973,060,158	815,932,671	359,539,714	28,032,607	-	3,176,565,149
Money at Call & Short notice	1,580,000,000	-	-	-	-	1,580,000,000
Investments	1,711,825,432	921,939,980	4,633,609,587	11,856,070,002	8,264,950,081	27,388,395,082
Loans and Advances	17,761,266,955	39,449,339,444	59,096,629,736	39,471,364,091	10,366,518,902	166,145,119,129
Premises and Fixed Assets	-	-	-	-	3,128,176,263	3,128,176,263
Other Assets	1,080,098,506	248,056,084	1,422,581,369	5,964,235,648	10,584,426	8,725,556,034
Non-Banking Assets	-	-	-	-	-	-
Total Assets	27,557,209,245	41,435,268,179	65,512,360,406	57,319,702,348	30,620,357,672	222,444,897,850
LIABILITIES :						
Borrowing from other banks, financial institutions and agents	2,193,653,968	3,329,859,718	9,396,406,674	3,970,818,517	750,084,172	19,640,823,048
Deposit and other accounts	24,043,211,381	35,900,812,473	55,004,340,893	44,790,036,760	6,421,888,917	166,160,290,425
Provision & other liabilities	45,088,187	371,324,416	2,391,871,748	7,442,258,074	5,714,285,529	15,964,827,954
Subordinated Debts	-	-	600,000,000	5,400,000,000	1,400,000,000	7,400,000,000
Total Liabilities	26,281,953,536	39,601,996,607	67,392,619,316	61,603,113,351	14,286,258,618	209,165,941,427
Net Liquidities	1,275,255,709	1,833,271,572	(1,880,258,910)	(4,283,411,002)	16,334,099,054	13,278,956,423

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Balance Sheet
As at 31 December 2018

	Notes	Amount in BDT 2018	2017
PROPERTY AND ASSETS			
Cash	3.a	12,293,419,939	13,065,276,389
In Hand (Including Foreign Currency)		2,512,940,881	2,179,317,124
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		9,780,479,058	10,885,959,265
Balance with Other banks and financial institutions	4.a	2,963,786,778	2,355,053,788
In Bangladesh		648,882,818	586,801,419
Outside Bangladesh		2,314,903,960	1,768,252,369
Money at Call on short notice	5.a	1,580,000,000	4,690,000,000
Investments	6.a	26,589,503,566	24,578,379,684
Government		24,421,226,713	22,703,494,533
Others		2,168,276,853	1,874,885,151
Loans and Advances	7.a	163,281,709,826	142,819,502,800
Loans, Cash Credits, Overdrafts etc.		160,530,922,931	140,641,723,806
Bills purchased & discounted		2,750,786,895	2,177,778,994
Fixed Asset including Premises, Furniture & Fixtures	8.a	3,049,683,712	3,127,669,387
Other Assets	9.a	12,069,478,300	10,641,640,356
Non-Banking Assets		-	-
Total Property and Assets		221,827,582,120	201,277,522,404
Liabilities and Capital			
Liabilities			
Borrowing from other Banks, Financial Institutions & Agents	10.a	19,640,823,048	16,417,678,099
Deposits and Other Accounts	11.a	166,700,989,966	152,237,789,659
Current Deposits & Other Accounts		14,092,056,274	14,652,730,381
Bills Payable		1,703,433,803	2,100,804,374
Savings Bank Deposits		28,239,575,869	27,479,479,774
Special Notice Deposits		13,302,730,320	12,183,058,012
Fixed Deposits		77,143,035,120	67,113,942,085
Deposit Products		32,220,158,580	28,707,775,033
Other Liabilities	12.a	15,054,620,612	12,954,514,527
Subordinated Debts	13.a	7,400,000,000	8,000,000,000
Total Liabilities		208,796,433,627	189,609,982,285
Capital/Shareholders' Equity			
Paid-up Capital	14.a	5,733,630,380	5,096,560,340
Statutory Reserve	15.a	4,096,004,358	3,622,224,031
Revaluation Reserve on Investment in Securities		480,328,680	696,384,694
Foreign Currency Translation gain/(loss)		375,279	3,111,876
General Reserve	16.a	786,777,324	616,777,324
Retained Earnings	17.a	1,934,032,472	1,632,481,854
Total Shareholders' Equity		13,031,148,494	11,667,540,119
Total Liabilities and Shareholders' Equity		221,827,582,120	201,277,522,404
Net Asset Value (NAV) per share		22.73	20.35
Off-Balance Sheet Items	18.a		
Contingent Liabilities			
Acceptances and endorsements		28,001,688,309	22,516,719,682
Letter of guarantee		19,295,388,283	11,602,039,974
Irrevocable letters of credit		16,622,625,028	16,740,167,351
Bills for collection		1,712,416,910	2,443,518,092
Other contingent liabilities		-	-
Total Off- Balance Sheet Items		65,632,118,530	53,302,445,099
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		-	-
Other Memorandum Items			
Value of Travellers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		65,632,118,530	53,302,445,099

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Signed as per our annexed report of the same date

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

Profit and Loss Account
For the year ended 31 December 2018

Particulars	Notes	Amount in BDT 2018	2017
Interest Income	20.a	15,542,079,435	12,102,826,598
Less: Interest Paid on Deposits and Borrowings etc.	21.a	10,451,237,159	7,856,055,015
Net Interest Income		5,090,842,276	4,246,771,583
Investment Income	22.a	2,239,089,134	2,056,350,696
Commission, Exchange and Brokerage	23.a	1,548,324,674	1,342,690,897
Other Operating Income	24.a	512,611,672	426,679,745
		4,300,025,480	3,825,721,338
Total Operating Income		9,390,867,756	8,072,492,921
Less: Operating Expenses:			
Salary and Allowances	25.a	2,621,504,314	2,314,039,862
Rent, Taxes, Insurance and Electricity etc.	26.a	659,362,862	624,713,881
Legal Expenses	27.a	3,369,120	3,535,580
Postage, Stamps and Telecommunication etc.	28.a	13,658,948	10,285,798
Stationery, Printing and Advertisements etc.	29.a	123,118,858	107,113,138
Managing Director's Remuneration	25.a.1	19,235,333	18,275,334
Directors' Fees	30.a	1,996,400	1,876,800
Auditors' Fees	31.a	1,334,000	1,341,500
Depreciation and Repair of Bank's Properties	32.a	455,800,221	420,129,234
Other Expenses	33.a	883,127,014	898,140,284
Total Operating Expenses		4,782,507,070	4,399,451,411
Profit Before Provision		4,608,360,686	3,673,041,510
Less: Provision for Loans,Investment & Other	34.a		
Specific Provision for Loans & Advances		2,223,526,000	444,645,646
General Provision for Loans & Advances		591,000	908,809,835
Provision for Off Balance Sheet Items		5,342,050	137,300,000
Provision for Investment in Shares		-	-
Provision for Other Asset		10,000,000	10,000,000
Total Provision		2,239,459,050	1,500,755,481
Profit Before Tax		2,368,901,636	2,172,286,029
Less: Income Tax Expenses		786,500,651	256,062,440
Current Tax Expenses	35.a	1,027,312,331	1,157,322,844
Deferred Tax Expenses/(Income)	35.a.1	(240,811,680)	(901,260,404)
Net Profit After Tax		1,582,400,985	1,916,223,589
Retained Surplus Brought Forward		1,632,481,854	815,484,211
		3,214,882,840	2,731,707,800
Appropriations:			
Bonus Shares Issued during the year		637,070,040	664,768,740
Transferred to Statutory Reserve		473,780,327	434,457,206
Transferred to General Reserve		170,000,000	-
		1,280,850,367	1,099,225,946
Retained Surplus, Carried Forward		1,934,032,472	1,632,481,854
Earnings Per Share (EPS) (2017 Restated)	36.a	2.76	3.34

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

Managing Director & CEO — Director — Vice Chairman — Chairman

Signed as per our annexed report of the same date

Dated, Dhaka
29 April 2019

A. Qasem & Co.
Chartered Accountants

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Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2018

Statement of Changes in Equity
As at 31 December 2018

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total
Balance as at 01 January 2018	**5,096,560,340**	**3,622,224,031**	**696,384,694**	**3,111,876**	**616,777,324**	**1,632,481,854**	**11,667,540,119**
Bonus Share Issued during the year	637,070,040	-	-	-	-	(637,070,040)	-
Currency translation differences	-	-	-	(2,736,597)	-	-	(2,736,597)
Revaluation Reserve transferred during the year	-	-	(216,056,014)	-	-	-	(216,056,014)
Net Profit for the year after tax	-	-	-	-	-	1,582,400,985	1,582,400,985
Appropriation made during the year	-	473,780,327	-	-	170,000,000	(643,780,327)	-
Balance as at 31 December 2018	**5,733,630,380**	**4,096,004,358**	**480,328,680**	**375,279**	**786,777,324**	**1,934,032,472**	**13,031,148,494**
Balance as at 31 December 2017	**5,096,560,340**	**3,622,224,031**	**696,384,694**	**3,111,876**	**616,777,324**	**1,632,481,854**	**11,667,540,119**

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

Managing Director & CEO | Director | Vice Chairman | Chairman

Dated, Dhaka
29 April 2019

A.Qasem & Co.
Chartered Accountants

Statement of Cash Flow
For the year ended 31 December 2018

	Notes	Amount in BDT 2018	2017
A) Cash Flows From Operating Activities:			
Interest Received		17,701,417,341	13,840,114,713
Interest Paid on Deposits, Borrowings etc.		(9,905,323,861)	(7,751,879,794)
Dividend Income		60,799,645	155,943,572
Fees & Commission Income		1,548,324,674	1,342,690,897
Recoveries of Loans previously written off		964,000	1,238,700
Cash Paid to Employees as Salaries and Allowances		(2,640,739,647)	(2,332,315,196)
Cash Paid to Suppliers		(123,118,858)	(107,113,138)
Advance Income Tax Paid		(962,335,238)	(983,243,898)
Cash Received from Other Operational Income	37.a	617,373,561	421,334,526
Cash Paid for Other Operational Expenses	38.a	(1,682,487,722)	(1,627,287,680)
Cash Flow from Operating Activities before Changes in Net Current Assets:		**4,614,873,894**	**2,959,482,702**
Loans & Advances		(20,484,190,051)	(31,958,169,596)
Other Assets		(474,147,705)	128,425,385
Bank Deposits		750,050,000	10,149,625,000
Customers' Deposits		13,154,155,463	10,512,123,733
Borrowing from Other Banks, Financial Institutions & Agents		3,223,144,950	7,786,218,649
Other Liabilities		(968,918,350)	131,743,187
		(4,799,905,694)	**(3,250,033,642)**
Net Cash Flows from Operating Activities		**(185,031,800)**	**(290,550,940)**
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(1,933,719,494)	(3,111,093,401)
Investments in Shares & Bonds		(293,391,702)	(79,463,883)
Purchase of Fixed Assets (Net)		(258,175,167)	(418,353,175)
Net Cash Flow from Investing Activities		**(2,485,286,364)**	**(3,608,910,459)**
C) Cash Flow from Financing Activities:			
Subordinated debts		(600,000,000)	3,750,000,000
Dividend Paid		-	-
Net Cash Flow from Financing Activities		**(600,000,000)**	**3,750,000,000**
D) Net Increase in Cash and Cash Equivalents		**(3,270,318,163)**	**(149,461,399)**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		**(2,736,597)**	**3,006,974**
F) Opening Cash and Cash Equivalents		20,112,106,377	20,258,560,803
Closing Cash and Cash Equivalents (D+E+F)		**16,839,051,617**	**20,112,106,377**
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,512,940,881	2,179,317,124
Balance with Bangladesh Bank and its Agent Bank		9,780,479,058	10,885,959,265
Balance with Other Banks & Financial Institutions		2,963,786,778	2,355,053,788
Money at Call and Short Notice		1,580,000,000	4,690,000,000
Prize Bond		1,844,900	1,776,200
		16,839,051,617	**20,112,106,377**
Net Operating Cash Flows Per Share		**(0.32)**	**(0.51)**

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

Managing Director & CEO | Director | Vice Chairman | Chairman

Dated, Dhaka
29 April 2019

A.Qasem & Co.
Chartered Accountants

Liquidity Statement
As at 31 December 2018

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS:						
Cash	[illegible]	-	-	-	[illegible]	[illegible]
Balance with Other banks and financial institutions	1,939,718,028	760,354,123	235,667,029	28,0[illegible]	-	2,963,786,778
Money at Call & Short notice	1,580,000,000				-	1,580,000,000
Investments	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loans and Advances	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Premises and Fixed Assets	[illegible]	[illegible]	264,042,762	[illegible]	[illegible]	[illegible]
Other Assets	[illegible]	240,235,004	[illegible]	[illegible]	3,638,980,223	[illegible]
Non Banking Assets						
Total Assets	27,282,983,086	40,959,747,698	64,719,308,841	57,617,468,004	31,248,514,400	221,827,682,120
LIABILITIES:						
Borrowing from Other Banks, Financial Institutions & Agents	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deposit and Other Accounts	24,044,367,332	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provision & Other Liabilities	[illegible]	[illegible]	[illegible]	7,442,256,074	[illegible]	[illegible]
Subordinated Debts	-	-	[illegible]	[illegible]	[illegible]	[illegible]
Total Liabilities	26,283,105,494	35,661,317,507	66,962,634,465	61,603,113,350	14,286,158,618	208,796,433,627
Net Liquidities	999,453,502	5,298,430,189	(3,243,325,723)	(3,985,665,345)	16,962,355,782	13,031,148,494

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

Managing Director & CEO | Director | Vice Chairman | Chairman

Notes to the Financial Statements
For the year ended December 31, 2018

Corporate Profile and Significant Accounting Policies

1.00 The bank and its activities

1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTBL) 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 24 October 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 114 (One hundred fourteen) Branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 100 (Hundred) Agent Banking Centre, 02(Two)Air Lounge and 02 (Two) Booth located at HazratShahjalal 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, lending 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 # BRPD (P-3)744(105)/2009-4470, dated 03 December 2009. The Bank commenced operation of this unit from 07 December 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)

MTB Securities Limited was incorporated in Bangladesh as a private limited company on 01 March 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 23 September 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.

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 # BRPD(M)204/25/2010-289, dated 19 August 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 14 June 2010 under the Companies Acts 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 remittance and 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) vides its certificate No.MB-55/2010, dated 06 December 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on 17 April 2011. Separate financial statements has been drawn up in the reports.

MTBCL offers the following services to the market:

a. Discretionary and Non-Discretionary Portfolio Management services to both the retail and institutional investors under different product lines.
b. Issue Management services to medium and large corporate houses to manage their Initial Public Offering (IPO), secondary offering, debt issuance and rights issuance.
c. 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 separate financial statements of the Bank and its subsidiaries as at and for the year ended31 December2018 have been prepared under the historical cost convention and in accordance with the "First Schedule" (section-38) of the Bank Companies Act, 1991 (amended in 2013 & 2018), International Accounting Standards (IAS) and InternationalFinancial Reporting Standards (IFRS) approved by the institute of Chartered Accountants of Bangladesh (ICAB) asthe financial reporting council is yet to issue any financial reporting standards, 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 IFRS in order to comply with the rules and regulation of Bangladesh Bank which are disclosed below:

2.01.01 Investment in shares and securities

IFRS: As per requirements of "IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular # 14, dated 25 June 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; otherwise investments are recognized at cost. 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

IFRS: As per requirement of IFRS 9: Financial Instruments, where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to Department of Offsite Supervision (DOS) Circular # 05, dated 26 May 2008 and subsequent clarification in DOS Circular # 05, dated 28 January2009 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- bond, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bill/T-bond. T-bill/T-bond 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

IFRS: As per IFRS 9: Financial Instruments, an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular # 14, dated 23 September 2012, BRPD Circular # 19, dated 27 December2012, BRPDCircular # 05, dated 29 May 2013, BRPD Circular #16, dated 18 November 2014, BRPD Circular # 08, dated 02 August 2015, BRPD Circular # 15, dated 27 September 2017 and BRPD Circular # 01, dated 20 February 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 # 10, dated 18 September2007 and BRPD Circular # 01, dated 03 January 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.

2.01.04 Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9: Financial Instruments and interest income is recognized by using the effective interest rate method to thegross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

Bangladesh Bank: As per BRPD circular # 14, dated 23 September 2012, once a loan is classified as impaired, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

2.01.05 Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither include other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

2.01.06 Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments. As such full disclosure and presentation requirements of "IFRS7: Financial Instrument- Disclosures" and "IAS32: Financial Instruments-Presentation" cannot be made in the accounts.

2.01.07 Repo and reverse repo transactions

IFRS: As per IFRS 9: Financial Instruments,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), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

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.

2.01.08 Financial guarantees

IFRS: As per IFRS 9: Financial Instruments,financial guarantees are contracts that require the issuer 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 original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction cost that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular # 14, dated 25 June 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.

2.01.09 Cash and cash equivalents

IFRS: Cash and cash equivalents items should be reported as cash item as per "IAS 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.

2.01.10 Non-banking assets

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

Bangladesh Bank: As per BRPD circular # 14, dated 25 June2003, there should exist a face item named non-banking assets.

2.01.11 Cash flow statement

IFRS: Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular # 14, dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

2.01.12 Balance with Bangladesh Bank: (CRR)

IFRS: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per "IAS 7: Statement of Cash Flows.

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

2.01.13 Presentation of intangible assets

IFRS: Intangible assets must be identified and recognized, and the disclosure must be given as per "IAS 38: Intangible Assets".

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular # 14, dated 25 June 2003.

2.01.14 Off-balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular # 14, dated 25 June 2003, off balance sheet items (e,g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.01.15 Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular # 14, dated 25 June2003, 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 International Accounting Standards (IAS) and InternationalFinancial Reporting Standards (IFRS)]

2.02 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries, as mentioned in note No.2.01 has been consolidated in accordance with IAS 27: Separate Financial Statements and IFRS10: 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 subsidiaries 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 subsidiariesare shown in the consolidated statement of financial position. The consolidated financial statements are prepared to a common financial year ended 31 December2018.

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	106.2342	83.9000
For income & expenses	Average price	111.1681	83.5101

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 IAS 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 International Accounting Standards (IAS) and InternationalFinancial Reporting Standards (IFRS) 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 IAS 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 IAS 7: Statement of Cash Flowsand under the guideline of Bangladesh Bank BRPD Circular # 14, dated 25 June2003. 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 withIAS 1: Presentation of Financial Statementsand 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 payments/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 accredited, 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 # 05, dated 26 May2008 & subsequent amendment DOS Circular #05, dated 28 January2009 and DOS Circular # 21, dated 27 October2009. 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 # 14, 19, 5, 16, 8, 15, 01 & 07 dated 23 September 2012, 27 December 2012, 29 May 2013, 18 November 2014, 02 August 2015, 27 September 2017, 20 February 2018 & 21 June 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 # 14, dated 23 September 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/MBs/ SDs	All other Credit
			Other than HF, LP	HF	LP			
UC	Standard	1%	5%	1%	2%	0.25%	2%	1%
	SMA	0%	5%	1%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	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

a. 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.
b. 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

a. Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.:
   i. Payable in Bangladesh; and
   ii. Payable outside Bangladesh.
b. 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 equipment

a) Recognition

The cost of an item of property, plant and equipment's (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 equipment's have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per IAS-16: Property, plant and equipment. 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	Rate of Depreciation
Land	N/A	N/A
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%
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 IAS 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 # 14, dated 25 June 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 "IAS-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

Borrowings 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

Depositsand 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 Otherliability

Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance,1984, IAS-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 IAS 19, "Employee Benefits". 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 30 April 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' Hospitalization and Group Life Policy

The Bank, as an adherence to the best practice in the banking industry and to strengthen its corporate culture, introduced the Group Life and Hospitalization policy for its employees and their dependents (spouse and kids) effective from 01 January 2019.

f) 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.

g) 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.

h) 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 annuallyand 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 IAS-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 #14, dated 23 September 2012 and BRPD Circular # 01, dated 03 January 2018.

2.18 Provision for Nostro Accounts

As per instructions contained in the circular Letter # FEPD (FEMO)/01/2005-677, dated 13 September 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 IFRS-15 Revenue from contracts with customers, as well as Bangladesh Bank guidelines.

2.19.01 Interest income

In terms of the provisions of the IFRS-15Revenue from contracts with customers, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

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 changed 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; and
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 Fees and commission income

- Commission charged to customers on letters of credit and letters of guarantee are credited toincome at the time of effecting the transactions.
- Fees and Commissions 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 Operating expenses

Expenses incurred by the bank are recognized on accrual basis. Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per the Value Added Tax Act, 1991.

2.19.08 Other comprehensive income

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

2.20 Earnings per share

Basic earnings per share

Basic earnings per share has been calculated in accordance with IAS- 33: Earnings per Share which has been shown on the face of 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 subsidiaries cover the period from 01 January to 31 December 2018.

2.22 Compliance report on International Accounting Standards (IAS) and InternationalFinancial Reporting Standards (IFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for approval of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as the financial reporting council is yet to issue any financial reporting standards. MutualTrust Bank Limited has applied all the applicable IAS and IFRS as approved by ICAB while preparing the financial statements. Details are given below:

Name of the International Accounting Standards (IAS)	IAS 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	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
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
Investment Property	40	N/A
Agriculture	41	N/A
International Financial Reporting Standards (IFRS)	**IFRS No.**	**Status**
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	N/A
Non-current 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	Applied*
Regulatory Deferral Accounts	14	N/A
Revenue from contracts with customers	15	Applied

* 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 IAS/IFRS as marked above and described in **note 2.01**. As such the bank has departed from those contradictory requirements of IAS/IFRS 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 date)
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) The Public Issue Rules, 2015
h) The Income-tax Ordinance, 1984
i) The Value Added Tax 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 IAS 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

As per IFRS- 8: Operating Segments the bank has five reportable business segment and the five business segments are comprised of Main operation (On shore- conventional banking), Off-shore Banking Unit, MTB Securities Ltd., MTB Capital Ltd. and MTB Exchange (UK) Ltd.

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 IAS- 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 in 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.

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Financial Statements 2018

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 Internal Audit (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.	Mrs. Khwaja Nargis Hossain	Vice Chairman	Member	MA in Islamic History from University of Dhaka
03.	Mr. Rashed Ahmed Chowdhury	Director (Former Chairman)	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
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 **29 April 2019**.

2.33 General

a) 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.

b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.

c) Figures of previous year have been rearranged whenever necessary to conform to current period's presentation.

d) No Asset has been set off against any Liability except MTB General Account.

Notes to the Financial Statements
For the year ended 31 December 2018

Amount in BDT

	2018	2017
3.00 Consolidated cash		
i. Cash in hand (Including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.1)	2,512,940,881	2,179,317,124
MTB Securities Limited	3,566,655	6,368,104
MTB Capital Limited	3,316	4,414
MTB Exchange (UK) Limited	4,096,285	5,474,610
	2,520,607,136	**2,191,164,253**
ii. Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.2)	9,780,479,058	10,885,959,265
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	9,780,479,058	**10,885,959,265**
	12,301,086,194	**13,077,123,517**
3.a Cash		
In hand (Including foreign currency) (Note 3.a.1)	2,512,940,881	2,179,317,124
With Bangladesh Bank and its agent Bank(s) (Including foreign currency) (Note 3.a.2)	9,780,479,058	10,885,959,265
	12,293,419,939	**13,065,276,389**
3.a.1 In hand (Including foreign currency)		
Local Currency	2,482,543,141	2,163,641,045
Foreign Currency	30,397,740	15,676,079
	2,512,940,881	**2,179,317,124**
3.a.2 Balance with Bangladesh Bank and its agent Bank(s)		
With Bangladesh Bank		
Local Currency	9,240,704,167	10,484,435,034
Foreign Currency	200,898,371	251,477,799
With Sonali Bank (As an agent of Bangladesh Bank-Local Currency)	338,876,521	150,046,432
	9,780,479,058	**10,885,959,265**

Bangladesh Bank Adjustment Account represents outstanding transactions (net) originated, but not yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at 31 December 2018 is given below:

Period of Unreconciliation	Number of unresponded entries		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	70	9	59,240,868	22,975,524
3 months to Less than 6 months	52	1	39,612,676	7
6 months to Less than 12 months	26	2	28,203,574	110,395
12 months and more	-	-	-	-
Total	**148**	**12**	**127,057,119**	**23,085,925**

All unadjusted entries are subsequently adjusted on a 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 the Section 33 of the Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank DOS circular # 01, dated 19 January 2014 and MPD circular # 01, dated 23 April 2018.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS circular # 01, dated 19 January 2014 and MPD circular # 01, dated 23 April 2018; bank has to maintain CRR 5.00% on daily basis and 5.50% 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 MTBL as at 31 December 2018 are as follows:

i. Daily Bank's CRR Maintenance

	2018 Ratio in %	2018 BDT in Million	2017 Ratio in %	2017 BDT in Million
Required Reserve (5.00% of ATDTL)	5.00%	8,045.57	6.00%	8,660.01
Actual Reserve Maintained	5.68%	9,136.73	7.22%	10,426.33
Surplus	**0.68%**	**1,091.16**	**1.22%**	**1,766.32**

ii. Bi-weekly Bank's CRR Maintenance

	2018 Ratio in %	2018 BDT in Million	2017 Ratio in %	2017 BDT in Million
Required Reserve (5.50% of ATDTL)	5.50%	8,850.13	6.50%	9,381.68
Actual Reserve Maintained (Average)*	5.59%	8,996.40	6.72%	9,696.38
Surplus	**0.09%**	**146.27**	**0.22%**	**314.70**

* Last bi-weely average of December 2018

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Companies Act, 1991 & MPD circular # 02, dated 10 December 2013 issued by Bangladesh Bank with effect from 01 February 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 31 December 2018 are as follows:

	2018 Ratio in %	2018 BDT in Million	2017 Ratio in %	2017 BDT in Million
Required Reserve (13% of ATDTL)	13.00%	20,918.48	13.00%	18,763.36
Actual Reserve Maintained	17.13%	27,559.65	18.07%	26,077.51
Surplus	**4.13%**	**6,641.17**	**5.07%**	**7,314.15**

i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)	2018	2017
Cash in Hand	2,512.94	2,179.32
Excess Cash Reserve*	286.60	1,044.65
Balance with Agent Bank (Sonali Bank Ltd.)	338.88	150.05
Held to Maturity (HTM) Securities	20,109.51	16,263.41
Held for Trading (HFT) Securities	4,309.87	6,438.30
Other eligible securities	1.85	1.78
	27,559.65	**26,077.51**

*As per Bangladesh Bank DOS circular # 01, dated 19 January 2014; Cash Reserve (if any) in excess of 5.5% of ATDTL calculated on bi -weely average basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

	2018	2017
4.00 Consolidated Balance with other banks and financial institutions		
In Bangladesh		
Mutual Trust Bank Limited (Note-4.a.1)	648,882,818	586,801,419
MTB Securities Limited	735,327,501	887,806,759
MTB Capital Limited	18,150,411	16,491,176
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(540,699,541)	(461,095,059)
	861,661,189	**1,030,004,295**
Outside Bangladesh		
Mutual Trust Bank Limited (Note-4.a.2)	2,314,903,960	1,768,252,369
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,314,903,960	**1,768,252,369**
	3,176,565,149	**2,798,256,664**
4.a Balance with other banks and financial institutions		
In Bangladesh (Note-4.a.1)	648,882,818	586,801,419
Outside Bangladesh (Note- 4.a.2)	2,314,903,960	1,768,252,369
	2,963,786,778	**2,355,053,788**
4.a.1 In Bangladesh		
Fixed Deposit Receipt (FDR)		
Meridian Finance Limited	50,000,000	50,000,000
International Leasing & Financial Services Limited	-	200,000,000
BD Finance & Investment Company Limited	50,000,000	100,000,000
Union Capital Limited	100,000,000	-
Bay Leasing & Investment Limited	100,000,000	-
IPDC Limited	100,000,000	-
Special Notice Deposit (SND)		
Dutch Bangla Bank Limited	67,404	66,132
BASIC Bank Limited	11,844	14,099,907
Sonali Bank Limited	10,191,991	8,976
Agrani Bank Limited	6,769,702	14,463,105
Janata Bank Limited	10,448,844	6,543,571
Standard Chartered Bank	79,046,098	58,939,662
State Bank of India	-	-
Current Deposit (CD)		
bkash Limited	29,032,004	24,168
Arab Bangladesh Bank Limited	200,000	200,000
Southeast Bank Limited	1,197,841	511,637
Islami Bank Bangladesh Limited	13,130	9,432
Janata Bank Limited	32,177	112,021
Agrani Bank Limited	111,871,784	141,822,809
	648,882,818	**586,801,419**
4.a.2 Outside Bangladesh (NOSTRO Accounts)		
In current account		
Mashreq Bank Psc, New York	517,622,372	52,345,475
Standard Chartered Bank, New York	82,187,926	426,412,919
Habib American Bank, New York	181,519,504	110,048,836
ICICI Bank Ltd., Hong Kong	3,123,086	19,410,576
Commerz Bank AG, Germany	44,586,987	10,573,988
KB Kookmin Bnak, South Koria	37,166,899	6,298,714
Standard Chartered Bank, Singapore	3,439,664	950,745
Standard Chartered Bank, Colombo	4,254,223	5,792,242
Mashreq Bank Psc, London	24,037,784	3,593,850
Standard Chartered Bank, London	84,450,986	2,786,077
Sonali Bank (UK) Ltd., London	-	654,799
Habib American Bank, Zurich	4,679,372	2,329,581
Standard Chartered Bank, Tokyo	5,408,649	2,552,407
UBAF, Tokyo	2,044,022	1,045,114
Mashreq Bank Psc, London	5,260,343	266,274
Standard Chartered Bank, Germany	2,347,155	746,587
Sonali Bank Ltd., Kolkata	11,871,432	12,805,414
ICICI Bank Ltd., Mumbai	588,774	607,168
Unicredit Bank AG, Germany	374,614	1,811,388
Commerze Bank AG, Germany	26,309,047	33,657,782
Standard Chartered Bank, Mumbai	20,181,751	575,960
Standard Chartered Bank, Kolkata	41,990,479	41,389,900
Standard Chartered Bank, Karachi	8,298,417	5,242,484
United Bank of India, Kolkata	15,613,811	10,803,342
United Bank of India, Kolkata	403,590	416,199
Mashreq Bank Psc, Mumbai	49,954,929	7,136,944
AB Bank Ltd., Mumbai	3,799,575	52,535,622
ICICI Bank Ltd., Mumbai	7,809,184	31,408,674
HDFC Bank Ltd., Mumbai	40,051,377	23,651,275
Himalayan Bank Ltd., Kathmundu	9,186,211	9,054,823
Bank Al Bilad KSA (SAR)	11,322,967	-
Nepal Bangladesh Bank Ltd.	11,072,627	10,914,258
Commerz Bank AG, Germany (AUD)	12,055,773	-
Habib Metropoliton Bank Ltd., Karachi	4,047,559	15,036,887
Axis Bank Ltd., Mumbai	20,484,459	4,439,023
Mashreq Bank Psc, UAE	316,445,588	106,110,127
	1,613,991,137	**1,013,405,453**
ICICI Bank Ltd., Mumbai - Term Deposit	28,032,607	28,032,607
	1,642,023,744	**1,041,438,060**
Offshore Banking Unit	672,880,217	726,814,309
	2,314,903,960	**1,768,252,369**

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

	2018	2017
4.a.3 Maturity grouping of Balance with other banks and financial institutions		
On Demand	1,939,713,028	1,187,309,749
Less than three months	760,354,120	888,388,916
More than three months but less than one year	235,687,023	271,123,028
More than one year but less than five years	28,032,607	8,232,095
More than five years	-	-
	2,963,786,778	**2,355,053,788**
5.a Money at Call on short notice		
Call Money		
With Banking Companies (Note 5.a.1)	120,000,000	3,760,000,000
With Non-Banking Financial Institutions (Note 5.a.2)	1,460,000,000	930,000,000
	1,580,000,000	**4,690,000,000**
5.a.1 Call Money with Banking Companies		
National Bank Limited	120,000,000	-
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
	120,000,000	**3,760,000,000**
5.a.2 Call Money with Non-Banking Financial Institutions		
Bangladesh Finance and Investment Company Limited	150,000,000	100,000,000
Fareast Finance and Investment Limited	-	140,000,000
International Leasing and Financial Services Limited	-	200,000,000
Phoenix Finance and Investments Limited	120,000,000	150,000,000
Industrial and Infrastructure Development Finance Company Limited	170,000,000	100,000,000
Lanka Bangla Finance Limited	240,000,000	240,000,000
National Finance Limited	90,000,000	-
Delta Brac Housing Finance corporation Limited	150,000,000	-
IDLC Finance Limited	200,000,000	-
Union Capital Ltd.	200,000,000	-
GSP Finance Company Bangladesh Limited	140,000,000	-
	1,460,000,000	**930,000,000**
6.00 Consolidated Investments		
Government Investment		
Mutual Trust Bank Limited (Note-6.a.1)	24,421,226,713	22,703,494,533
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	24,421,226,713	**22,703,494,533**
Other Investments		
Mutual Trust Bank Limited (Note-6.a.2)	2,168,276,853	1,874,885,151
MTB Securities Limited	642,146,376	419,261,304
MTB Capital Limited	156,745,140	108,161,146
MTB Exchange (UK) Limited	-	-
	2,967,168,369	**2,402,307,601**
	27,388,395,082	**25,105,802,134**
6.a Investments		
Government (Note 6.a.1)	24,421,226,713	22,703,494,533
Others (Note 6.a.2)	2,168,276,853	1,874,885,151
	26,589,503,566	**24,578,379,684**
6.a.1 Government (Investment in Govt. securities)		
Treasury Bills (Note 6.a.1.1)	2,116,299,392	1,955,044,655
Treasury Bonds (Note 6.a.1.2)	22,303,082,421	20,746,673,678
Prize Bonds	1,844,900	1,776,200
	24,421,226,713	**22,703,494,533**
6.a.1.1 Treasury Bills (At present value)		
Un-encumbered		
28 days	-	-
91 days	-	596,025,705
182 days	497,327,950	1,359,018,950
364 days	1,618,971,443	-
Sub-total	**2,116,299,392**	**1,955,044,655**
Encumbered		
91 days	-	-
182 days	-	-
364 days	-	-
Sub-total	**-**	**-**
	2,116,299,392	**1,955,044,655**
6.a.1.2 Treasury Bonds		
Un-encumbered		
2 Years	5,554,604,210	2,241,764,351
5 Years	1,334,618,232	1,801,253,418
10 Years	7,878,003,603	9,657,244,065
15 Years	4,781,146,470	4,799,493,532
20 Years	2,754,709,906	2,246,918,311
Sub-total	**22,303,082,421**	**20,746,673,678**
Encumbered		
2 Years	-	-
5 Years	-	-
10 Years	-	-
15 Years	-	-
20 Years	-	-
Sub-total	**-**	**-**
	22,303,082,421	**20,746,673,678**
6.a.2 Others (Investment in other securities)		
Shares and Mutual Fund in quoted companies		
Shares in Quoted companies	137,160,611	136,840,327
Mutual Fund in Quoted companies	403,136,051	403,381,073
(Details are shown in Annexure-B)	**540,296,663**	**540,221,401**
Shares in unquoted companies (At face value)		
Industrial & Infrastructure Development Finance Company Limited	71,770,260	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
	192,380,190	**163,063,750**
Funds:		
MTB Unit Fund	217,600,000	217,600,000
	217,600,000	**217,600,000**
Bonds :		
Uttara Finance & Investment Limited -Zero Coupon Bond (Note 6.a.2.1)	20,000,000	40,000,000
AB Bank Subordinated Bond (Note 6.a.2.2)	48,000,000	64,000,000
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	250,000,000
Jamuna Bank Subordinated Bond	150,000,000	150,000,000
NBL Subordinated Bond	250,000,000	250,000,000
AIBL Second Mudaraba Bond	100,000,000	-
IPDC Subordinated Bond	200,000,000	-
	1,218,000,000	**954,000,000**
	2,168,276,853	**1,874,885,151**
6.a.2.1 Uttara Finance & Investment Limited- Zero Coupon Bond		
Principal	40,000,000	60,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.18	(20,000,000)	(20,000,000)
Redeemable Value	**20,000,000**	**40,000,000**
6.a.2.2 AB Bank Subordinated Bond		
Principal	64,000,000	80,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.18	(16,000,000)	(16,000,000)
Redeemable Value	**48,000,000**	**64,000,000**

6.a.3 There are no Assets pledged as security for liabilities as at 31 December 2018 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at 31 December 2018

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

(a) ii. There was no Reverse Repo as at 31 December 2018.

(b) Disclosure regarding overall transaction of Repo for the year 2018

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	319,772,160	3,004,473,415	509,930,620
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	-	504,307,382	1,381,664

	2018	2017
6.a.4 Maturity grouping of Investment as follows		
On Demand	1,591,991,704	1,524,578,279
Less than three months	642,327,950	797,400,639
More than three months but less than one year	4,314,052,981	4,497,950,359
More than one year but less than five years	11,776,180,850	7,720,604,208
More than five years	8,264,950,081	10,037,846,198
	26,589,503,566	**24,578,379,684**
7.00 Consolidated loans, advances and leases		
Mutual Trust Bank Limited (Note-7.a)	160,530,922,931	140,641,723,806
MTB Securities Limited	2,648,201,456	2,766,452,177
MTB Capital Limited	215,207,848	221,038,805
MTB Exchange (UK) Limited	-	-
	163,394,332,234	**143,629,214,788**
Less: Inter-company loan (MTB Securities Limited)	-	(200,000,000)
	163,394,332,234	**143,429,214,788**
Consolidated bills purchased and discounted		
Mutual Trust Bank Limited (Note-7.a)	2,750,786,895	2,177,778,994
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,750,786,895	**2,177,778,994**
	166,145,119,129	**145,606,993,782**
7.01 Significant concentration wise grouping of Consolidated Loans & advances		
a) Directors		
Credit Cards (Note - 43)	**484,772**	**1,663,876**
b) Chief Executive & other Senior Executives	**734,221,107**	**632,707,007**
i) Managing Director	-	-
ii) Other Senior Executives	734,221,107	632,707,007
c) Advances to Industries		
Agriculture	1,339,427,204	3,545,368,157
RMG	25,005,760,090	19,016,650,232
Textile	15,409,389,754	13,446,170,835
Ship Building	2,251,728,826	2,106,337,996
Ship Breaking	3,514,693,745	3,673,620,349
Other Manufacturing industry	37,717,741,967	22,918,180,821
SME loans	16,520,278,142	19,576,939,152
Construction	10,038,926,212	1,242,960,734
Power & Gas	2,426,914,555	2,216,057,968
Transport, Storage and Communication	923,341,929	1,270,278,523
Trade Service	14,258,595,262	33,143,233,198
Commercial real estate financing	5,019,345,677	4,561,338,770
Residential real estate financing	856,736,890	685,504,287
Consumer credit	10,250,163,328	7,446,554,413
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	2,863,409,303	2,987,490,982
NBFIs	3,568,557,256	4,027,289,724
Others	13,445,403,108	3,108,646,758
	165,410,413,250	**144,972,622,899**
	166,145,119,129	**145,606,993,782**
7.02 Classification of Consolidated Loans and Advances		
Consolidated Unclassified Loans and Advances (UC)		
Standard	153,226,820,129	135,901,052,782
Special Mention Account (SMA)	3,966,898,255	3,437,584,000
Sub total	**157,193,718,384**	**139,338,636,782**
Consolidated Classified Loans & Advances		
Substandard	534,891,945	166,108,000
Doubtful	360,656,648	133,943,000
Bad & Loss	8,055,852,152	5,968,306,000
Sub total	**8,951,400,745**	**6,268,357,000**
	166,145,119,129	**145,606,993,782**
7.03 Consolidated list of Asset pledged as collateral		
Collateral of movable/immovable assets	93,780,245,715	85,124,049,125
Commodities and Export documents	11,109,948,489	14,330,952,146
Fixed deposit receipts	7,772,003,772	7,527,115,338
Other securities	35,333,602,299	26,968,545,853
Personal guarantees	18,149,318,854	11,656,331,320
	166,145,119,129	**145,606,993,782**
7.04 Maturity grouping of Consolidated Loans and Advances		
On Demand	17,761,266,955	15,281,244,353
Not more than three months	39,449,339,444	35,656,989,191
More than three months but less than one year	59,096,629,736	48,606,866,548
More than one year but less than five years	39,471,364,091	36,900,160,812
More than five years	10,366,518,902	9,161,732,878
	166,145,119,129	**145,606,993,782**
7.a Loans and Advances		
In Bangladesh		
Loans (Note-7.a.1)	115,216,371,197	100,138,685,309
Cash Credits	27,105,036,490	26,045,442,610
Packing Credits	440,652,236	435,280,155
Overdrafts	17,768,863,007	14,022,315,733
	160,530,922,931	**140,641,723,806**
Bills Purchased and Discounted (Note-7.a.1.2)	2,750,786,895	2,177,778,994
	163,281,709,826	**142,819,502,800**
Outside Bangladesh	-	-
	163,281,709,826	**142,819,502,800**
7.a.1 Loans		
Term Loan	44,660,186,039	38,044,472,369
Small and Medium Enterprise Financing	17,896,468,908	18,019,404,459
Consumer Financing	147,486,834	213,394,897
Retail Financing	7,735,469,920	5,337,753,758
General Loans	5,314,937,477	4,200,638,761
Demand Loan	3,298,630,175	3,509,299,124
Payment Against Documents (PAD)	1,182,366,920	459,938,418
Trust Receipts	10,897,188,806	9,563,977,177
Lease Finance (Note-7.a.3)	313,529,800	433,457,049
Export Development Fund Loan	6,463,903,950	5,925,194,797
House Building Loan	5,309,183,720	4,562,343,472
Staff/Employee Loan	734,221,107	632,707,007
Loan to MTB Securities Limited	-	200,000,000
	103,953,573,656	**91,102,581,288**
Offshore Banking Unit	11,262,797,541	9,036,104,020
	115,216,371,197	**100,138,685,309**
7.a.1.2 Bill Purchased and Discounted		
Payable in Bangladesh	2,131,340,699	1,829,861,118
Payable outside Bangladesh	388,228,955	146,261,810
	2,519,569,654	**1,976,122,929**
Offshore Banking Unit	231,217,241	201,656,065
	2,750,786,895	**2,177,778,994**
7.a.2 Net Loans & Advances		
Gross Loans & Advances (Note- 7.a)	**163,281,709,826**	**142,819,502,800**
Less:		
Interest Suspense (Note- 12.a.5)	1,433,525,546	1,062,187,946
Provision for Loans & Advances (Note -12.a.1)	5,200,397,350	4,414,765,000
Net Loans & Advances	**156,647,786,929**	**137,342,549,854**
7.a.3 Gross Lease Rent Receivable		
Within 1 year	893,807	96,149,980
Within 5 years	380,493,239	441,933,362
After 5 years	-	-
	381,387,046	**538,083,342**
Less: Unearned Lease Rent	67,857,246	104,626,293
	313,529,800	**433,457,049**
7.a.4 Residual Maturity grouping of Loans and Advances		
On Demand	17,618,096,490	15,281,244,353
Not more than three months	39,250,266,700	35,656,989,191
More than three months but less than one year	58,667,118,340	48,606,866,548
More than one year but less than five years	38,439,170,835	36,900,160,812
More than five years	9,307,057,460	6,374,241,896
	163,281,709,826	**142,819,502,800**
7.a.5 Significant concentration wise grouping of Loans & Advances		
a) Directors		
Credit Cards (Note - 43)	**484,772**	**1,663,876**
b) Chief Executive & other Senior Executives	**734,221,107**	**632,707,007**
i) Managing Director	-	-
ii) Other Senior Executives	734,221,107	632,707,007
c) Advances to Industries		
Agriculture	1,339,427,204	3,545,368,157
RMG	25,005,760,090	19,016,650,232
Textile	15,409,389,754	13,446,170,835
Ship Building	2,251,728,826	2,106,337,996
Ship Breaking	3,514,693,745	3,673,620,349
Other Manufacturing industry	37,717,741,967	22,918,180,821
SME loans	16,520,278,142	19,576,939,152
Construction	10,038,926,212	1,242,960,734
Power, Gas	2,426,914,555	2,216,057,968
Transport, Storage and Communication	923,341,929	1,270,278,523
Trade Service	14,258,595,262	33,143,233,198
Commercial real estate financing	5,019,345,677	4,561,338,770
Residential real estate financing	856,736,890	685,504,287
Consumer credit	10,250,163,328	7,446,554,413
Capital Market (Loan provided for brokerage/merchant banking, to stock dealer/any kind of capital market activities)	-	200,000,000
NBFIs	3,568,557,256	4,027,289,725
Others	13,445,403,108	3,108,646,758
	162,547,003,947	**142,185,131,917**
	163,281,709,826	**142,819,502,800**

7.a.6 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 20,800.01 million as at 31 December 2018 (BDT 18,846.47 million in 2017)

	2018	2017
Number of Clients	34	43
Outstanding Advances (BDT in Million)	77,956	71,301

Client wise details are given below

Name of the clients	Sanction limit	Outstanding Funded	Outstanding Non - Funded	Total	Classification Status
MSA Group	3,530.00	2,101.70	942.30	3,044.00	UC
City Group	6,050.00	1,498.70	2,220.30	3,719.00	UC
City Seed Crushing Industries Ltd. & its allied concerns	6,100.00	1,498.70	1,631.30	3,130.00	UC
Ctg. Denim & its allied concerns	4,235.90	252.10	1,702.80	1,954.90	UC
Bengal Group	2,635.50	1,332.00	466.40	1,798.40	UC
Walton	2,500.00	297.40	485.50	782.90	UC
Meghna Group	6,529.40	33.60	6,149.40	6,183.00	UC
Karnafuly Ship Builders Ltd. & its allied concerns	6,745.50	1,270.50	2,027.40	3,297.90	UC
Energypac Engineering Ltd.	3,250.00	905.20	1,796.70	2,701.90	UC
Confidence Group	2,200.00	869.10	1,054.80	1,923.90	UC
BBS Cables Ltd. & its allied concerns	2,100.00	1,000.70	283.80	1,284.50	UC
ASR Group	2,340.00	1,625.80	202.80	1,828.60	UC
Rahmat Group	2,435.90	1,621.50	344.60	1,966.10	UC
Dekko Group	3,306.20	1,585.20	200.30	1,785.50	UC
AJI Group	2,852.00	987.70	1,329.20	2,316.90	UC
Ahsan Composite Ltd. & its allied concerns	2,097.00	367.30	573.70	941.00	UC
EON Group	3,115.00	2,144.50	585.90	2,730.40	UC
Oxford Shirt Limited & its allied concerns	2,860.00	1,883.40	404.20	2,287.60	UC
Summit Corporation Limited & its allied concerns	10,400.00	253.80	3,850.90	4,104.70	UC
PRAN - RFL	4,200.00	1,167.00	1,772.20	2,939.20	UC
Bashundhara Food & Beverage induatries Ltd. its allied concerns	5,990.00	1,095.30	2,320.30	3,415.60	UC
Epyllion Fabrics Limited & its allied concerns	2,645.00	1,498.90	438.80	1,937.70	UC
SQ Celsius Limited & its allied concerns	4,224.00	2,264.60	674.60	2,939.20	UC
Pride Group	2,080.00	772.40	537.50	1,309.90	UC
Arkay Knit Dyeing Mills Ltd.	3,640.20	572.20	1,125.90	1,698.10	UC
BRB Cable industries Ltd.	2,550.00	422.20	1,094.20	1,516.40	UC
Abul Khair Group	3,740.00	1,303.40	624.40	1,927.80	UC
Kabir Steel Ltd. & its allied concerns	2,750.00	730.30	1,707.40	2,437.70	UC
Saad Musa Group	2,800.00	1,767.70	708.60	2,476.30	UC
Modern Poly industries Ltd. & its allied concerns	2,200.00	-	1,044.50	1,044.50	UC
Asadi Group	2,200.00	-	839.40	839.40	UC
Sheema Automatic Re-Rolling Mills Ltd. & its allied concerns	2,801.00	1,419.70	1,026.10	2,445.80	UC
KDS Group	3,420.00	772.60	883.80	1,656.40	UC
Jahangir & Others Ltd.	2,800.00	1,590.40	-	1,590.40	UC
Total	**123,322.60**	**36,905.60**	**41,050.00**	**77,955.60**	

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7.a.6.1 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. where both the companies are sister concern of Jamuna Group, have been restructured vide Bangladesh Bank approval dated 02 September 2015 for a period of 12 years (including 12 months moratorium period) as per BRPD circular # 04, dated 29 January 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 31 August 2015 for a period of 12 years (including 09 months moratorium period) as per BRPD circular # 04, dated 29 January 2015 on "Large Loan Restructuring".

7.a.7 Classification of Loans and Advances

Unclassified (UC)		
Standard	150,363,410,826	133,113,561,800
Special Mention Account (SMA)	3,966,898,255	3,437,584,000
Sub total	**154,330,309,081**	**136,551,145,800**
Classified		
Substandard	534,891,945	166,108,000
Doubtful	360,656,648	133,943,000
Bad & Loss	8,055,852,152	5,968,306,000
Sub total	**8,951,400,745**	**6,268,357,000**
	163,281,709,826	**142,819,502,800**

7.a.8 Details of Required Provision for Loans and Advances

Amount in BDT

Particulars	Base for Provision	Rate	Provision Required	Provision Maintained
Unclassified (UC):				
Standard	149,629,189,719	0.25%,1%, 2% & 5%	1,839,668,571	1,839,668,852
Standard- **Offshore Banking Unit**			114,940,148	114,940,148
Special Mention Account (SMA)	3,966,898,255	0% & 5%	62,406,303	62,407,000
Sub total	**153,596,087,974**		**2,017,015,022**	**2,017,016,000**
Classified:				
Substandard	336,981,925	5% & 20%	67,396,385	67,397,000
Doubtful	144,262,659	5% & 50%	56,613,377	56,614,000
Bad loan	4,576,764,566	100%	4,576,764,565	3,059,370,350
Sub total	**5,058,009,150**		**4,700,774,327**	**3,183,381,350**
Total	**158,654,097,124**		**6,717,789,350**	**5,200,397,350**
Excess/(short) Provision as at 31 December 2018*				**(1,517,392,000)**

As per Bangladesh Bank letter (reference # DBI-1/119/2019-419, dated 28 April 2019) the provision of Tk.151.73 crore deferred which is equivalent to the shortfall amount. The deferred provision will be maintained in next 3 years i, e. 2019, 2020 & 2021 equily as per the said letter of Bangladesh Bank.

7.a.9 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures	594,641,692	589,226,564
Total Provision maintained (Note -12.a.2)	594,642,050	589,300,000
Excess/(Short) Provision	**358**	**73,436**

7.a.10 Geographical Location wise Loans and Advances

Inside Bangladesh		
Urban		
Dhaka Division	120,532,571,834	101,049,391,578
Chattogram Division	26,857,543,307	25,754,190,653
Sylhet Division	1,129,484,479	1,075,366,732
Mymensingh Division	637,549,237	691,921,411
Rajshahi Division	4,523,031,184	4,716,804,055
Khulna Division	1,612,715,735	1,632,445,333
Rangpur Division	2,768,876,084	2,898,119,496
Barisal Division	216,880,869	436,166,243
	158,278,652,730	**138,254,405,500**
Rural		
Dhaka Division	2,787,702,271	2,665,640,514
Chattogram Division	1,657,638,866	1,548,763,979
Sylhet Division	82,226,224	131,360,048
Mymensingh Division	157,038,046	122,006,566
Rajshahi Division	-	-
Khulna Division	-	-
Rangpur Division	318,451,691	97,326,193
Barisal Division	-	-
	5,003,057,097	**4,565,097,300**
Outside Bangladesh	-	-
	163,281,709,826	**142,819,502,799**

7.a.11 Sector-wise Loans (Including Bill Purchased and Discounted)

Public sector	-	-
Co-Operative sector	-	-
Private sector	163,281,709,826	142,819,502,800
	163,281,709,826	**142,819,502,800**

7.a.12 Particulars of Loans and Advances

I) Debts considered good in respect of which the bank company is fully secured.	126,990,601,791	111,928,071,080
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	1,560,281,628	1,052,521,606
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	25,779,425,662	23,570,553,114
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.	734,221,107	632,707,007
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.	-	-
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.	734,221,107	632,707,007
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;	-	-
X) Amount of classified loan on which interest has not been charged, should be mentioned as follows		
a. i) (Decrease)/Increase in provision;	2,229,459,050	1,490,755,481
ii) amount of loan written off;	1,572,021,531	116,190,000
iii) amount realized against loan previously written off.	964,000	1,238,700
b. Amount of provision kept against loan classified as ' bad/loss' on the date of preparing the balance sheet;	3,059,370,350	2,339,774,193
c. Interest creditable to the interest suspense A/c.	1,433,525,546	1,062,187,946
XI) Cumulative amount of loans written off;		
Opening Balance	1,595,850,000	1,479,660,000
Amount Written off during the year	1,572,021,531	116,190,000
Balance of Written off Loans & Advances	**3,167,871,531**	**1,595,850,000**
XII) The amount of written off loan for which law suit has been filed.	3,167,871,531	1,595,850,000

7.a.13 Maturity grouping of Bill Purchased and Discounted

Payable within one month	812,307,370	603,703,516
More than one month but less than three months	1,447,739,143	1,169,265,574
More than three months but less than six months	490,740,382	404,809,904
More than or equal to six months	-	-
	2,750,786,895	**2,177,778,994**

7.a.14 List of Asset pledged as collaterals

Collateral of movable/immovable assets	93,780,245,715	85,124,049,125
Commodities and Export documents	11,109,948,489	14,330,952,146
Fixed deposit receipts	7,772,003,772	7,527,115,338
Other securities	32,470,192,996	26,968,545,853
Personal guarantee	18,149,318,854	11,656,331,320
	163,281,709,826	**145,606,993,782**

8.00 Consolidated fixed assets including premises, furniture and fixtures

Mutual Trust Bank Limited (Note-8.a)	3,049,683,712	3,127,669,387
MTB Securities Limited	71,839,795	75,782,247
MTB Capital Limited	4,889,249	5,670,802
MTB Exchange (UK) Limited	1,763,506	2,142,929
Consolidated net book value at the end of the year	**3,128,176,263**	**3,211,265,364**

Details are shown in Annexure- C

8.a Fixed Asset including Premises, Furniture & Fixtures

Cost		
Land	104,253,000	104,253,000
Immovable Property	1,455,740,795	1,455,740,795
Furniture & Fixtures	1,414,493,141	1,346,987,053
Office Equipments	1,853,124,095	1,725,443,429
Motor Vehicles	178,164,087	171,730,597
Books & Periodicals	-	423,974
Intangible Assets	204,627,340	199,696,090
Total Cost	**5,210,402,458**	**5,004,274,938**
Less: Accumulated Depreciation	2,160,718,745	1,876,605,551
Book value at the end of the year	**3,049,683,712**	**3,127,669,387**

Details are shown in Annexure- C(i)

9.00 Consolidated other assets

Mutual Trust Bank Limited (Note-9.a)	12,069,478,300	10,641,640,357
Less: Investment in subsidiary	(3,528,395,800)	(3,528,395,800)
	8,541,082,500	**7,113,244,557**
MTB Securities Limited	166,619,192	145,182,788
MTB Capital Limited	53,699,049	45,699,342
MTB Exchange (UK) Limited	4,834,400	1,045,153
Less: Intragroup receivable & payable	(40,679,107)	(40,679,107)
	184,473,534	**151,248,176**
	8,725,556,034	**7,264,492,733**

9.01 Consolidated Advance Income Tax

Mutual Trust Bank Limited (Note-9.a.3.1)	5,923,556,541	5,146,850,703
MTB Securities Limited	87,580,057	58,771,987
MTB Capital Limited	29,677,469	24,745,303
MTB Exchange (UK) Limited	-	-
	6,040,814,067	**5,230,367,992**

9.02 Consolidated Deferred Tax Assets/ (Liabilities)

Mutual Trust Bank limited (Note-9.a.3.2)	962,138,373	721,326,693
MTB Securities Limited	(4,835,728)	(4,514,310)
MTB Capital Limited	(156,372)	(179,580)
MTB Exchange (UK) Limited	-	-
	957,146,273	**716,632,803**

9.a Other Asset

Classification of Other Asset		
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 Assset		
i) Stationery, Stamps, Printing materials in stock etc.	19,102,595	22,686,331
ii) Advance Rent and Advertisement	233,728,607	245,011,577
iii) Interest Accrued on Investment but not collected & other income receivable	27,506,740	24,171,624
iv) Security Deposit	10,584,426	10,590,161
v) Suspense Account (Note- 9.a.2)	481,872,970	218,501,990
vi) Others (Note- 9.a.3)	7,768,287,161	6,592,282,873
	12,069,478,300	**10,641,640,356**

9.a.1 Investment in Shares of Subsidiary Companies

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
	3,528,395,800	**3,528,395,800**

9.a.2 Suspense Account

Sundry Debtors	31,834,355	31,548,171
Advance against TA/DA	46,000	19,000
Legal Expenses	17,507,996	8,551,087
Sanchay Patra	428,446,690	174,414,235
Others	4,037,929	3,969,497
	481,872,970	**218,501,990**

9.a.3 Others

Advance Income Tax (Note-9.a.3.1)	5,923,556,541	5,146,850,703
Stock of Commemorative Coins	217,820	218,320
Deferred Tax Assets (Note-9.a.3.2)	962,138,373	721,326,693
Advance Against Interior Decoration	2,630,000	4,600,000
Advance to Employee	32,058,233	5,644,025
Advance to Suppliers/Parties	245,426,084	68,554,889
Placement to Off-Shore Banking Unit	1,437,065,928	1,616,516,543
Receivables from Off-Shore Banking Unit	80,753,871	124,102,942
Receivables from MTBUK	40,679,107	40,679,107
Interest Receivable on Treasury Bond	508,787,995	574,868,100
Interest Receivable on Call Money	1,088,889	2,136,111
Interest Receivable on Balance with Other Bank	9,463,264	9,498,333
	9,243,866,105	**8,314,995,767**
Offshore Banking Unit	42,240,855	17,906,592
Less: Inter transaction with Offshore Banking Unit	(1,517,819,799)	(1,740,619,486)
	7,768,287,161	**6,592,282,873**

9.a.3.1 Advance Income Tax

Opening Balance	5,146,850,703	4,163,606,805
Less: Adjustment made during the year:	(185,629,400)	-
Add: Payment during the year	962,335,238	983,243,898
	5,923,556,541	**5,146,850,703**

9.a.3.2 Deferred Tax Assets/ (Liabilities)

Opening Balance	721,326,693	(179,933,711)
Add: Deferred Tax Income/(Expense) during the year (Note-9.a.3.2.1)	240,811,680	901,260,404
	962,138,373	**721,326,693**

9.a.3.2.1 Computation of deferred tax

Fixed Assets		
Accounting written down value	3,010,159,375	3,069,836,937
Tax base written down value	2,392,480,352	2,533,379,475
Deductable/(Taxable) temporary difference	**(617,679,023)**	**(536,457,462)**
Effective Tax Rate	37.50%	40.00%
Deferred Tax Assets/(Liabilities)	**(231,629,634)**	**(214,582,985)**
Loan Loss Provision		
Provision made against classified loans	3,183,381,350	2,339,774,193
Less: Tax Base	-	-
Deductable/(Taxable) temporary difference	**3,183,381,350**	**2,339,774,193**
Effective Tax Rate	37.50%	40.00%
Deferred Tax Assets/(Liabilities) *	**1,193,768,006**	**935,909,677**
Closing Deferred Tax Assets/(Libilities)	962,138,373	721,326,693
Opening Deferred Tax Assets/(Libilities)	721,326,693	(179,933,711)
Deferred Tax Income/(Expense)	**240,811,680**	**901,260,404**

Retained earnings includes deferred tax income of BDT 1,193,768,006 which has been created with the specific provision of classified loan. As per Bangladesh Bank BRPD circular # 11, dated 12 December 2011 the tax income amount is not permissable to distribute as dividend.

9.a.4 Classification of Other Asset

Unclassified	12,056,914,300	10,636,496,356
Substanderd	-	-
Doubtful	667,000	-
Bad/Loss	11,897,000	5,144,000
	12,069,478,300	**10,641,640,356**

10.00 Consolidated borrowing from other banks, financial institutions and agents

Mutual Trust Bank Limited (Note-10.a)	19,640,823,048	16,417,678,099
MTB Securities Limited	-	200,000,000
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Borrowings	-	(200,000,000)
	19,640,823,048	**16,417,678,099**

10.a Borrowing from Other Banks, Financial Institutions & Agents

In Bangladesh		
Mutual Trust Bank Limited (Note 10.a.1)	9,088,572,939	8,240,467,272
Offshore Banking Unit	2,466,122,788	2,648,676,566
	11,554,695,728	**10,889,143,838**
Outside Bangladesh		
Mutual Trust Bank Limited	-	-
Offshore Banking Unit	9,523,193,249	7,145,050,804
	9,523,193,249	**7,145,050,804**
	21,077,888,977	**18,034,194,642**
Less: Inter transaction with Offshore Banking Unit	(1,437,065,928)	(1,616,516,543)
	19,640,823,048	**16,417,678,099**

10.a.1 In Bangladesh

Borrowing from other Banks	**251,700,000**	**246,900,000**
Foreign Currency Borrowing	**251,700,000**	**246,900,000**
Agrani Bank Limited	-	246,900,000
Southeast Bank Limited	251,700,000	-
Borrowing from Bangladesh Bank	**8,797,210,763**	**7,940,751,155**
SME Refinance	337,564,929	460,869,882
Investment Promotion and Financing Facility (IPFF)	1,052,557,850	1,162,193,184
Long Term Financing Facility (LTFF) under FSSP	1,031,613,283	405,194,044
Export Development Fund	6,375,474,701	5,912,494,045
Borrowing from Other Institutes	**39,662,177**	**52,816,117**
SME Foundation	39,662,177	52,816,117
	9,088,572,939	**8,240,467,272**

10.a.2 Security against Borrowing from Other Banks, Financial Institutions and Agents

Secured (Treasury Bill)	-	-
Unsecured	19,640,823,048	16,417,678,099
	19,640,823,048	**16,417,678,099**

10.a.3 Maturity Grouping of Borrowing from Other Banks, Financial Institutions & Agents

On Demand	405,825,985	2,187,104,634
Repayable within one month	1,787,827,983	1,002,565,000
More than one month but within six months	6,148,781,720	4,462,650,653
More than six months but within one year	6,577,484,672	1,002,665,059
More than one year but within five years	3,970,818,517	1,500,026,825
More than five year but within ten years	750,084,172	6,262,665,928
	19,640,823,048	**16,417,678,099**

11.00 Consolidated deposits and other accounts

Current deposits and other accounts		
Mutual Trust Bank limited (Note-11.a.1)	14,092,056,274	14,652,730,381
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(1,155,958)	(773)
	14,090,900,316	**14,652,729,608**
Bills payable		
Mutual Trust Bank limited (Note-11.a.1)	1,703,433,803	2,100,804,374
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,703,433,803	**2,100,804,374**
Savings deposit		
Mutual Trust Bank limited (Note-11.a.1)	28,239,575,869	27,479,479,774
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	28,239,575,869	**27,479,479,774**
Special Noticed Deposit		
Mutual Trust Bank limited (Note-11.a.1)	13,302,730,320	12,183,058,012
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(439,543,584)	(461,094,286)
	12,863,186,737	**11,721,963,726**
Fixed deposit		
Mutual Trust Bank limited (Note-11.a.1)	77,143,035,120	67,113,942,085
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(100,000,000)	-
	77,043,035,120	**67,113,942,085**
Deposit Products		
Mutual Trust Bank limited (Note-11.a.1)	32,220,158,580	28,707,775,033
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	32,220,158,580	**28,707,775,033**
	166,160,290,425	**151,776,694,600**

11.a Deposit and Other Accounts

From Customers (Note 11.a.1)	155,801,314,966	142,088,164,659
From Banks (Note 11.a.1)	10,899,675,000	10,149,625,000
	166,700,989,966	**152,237,789,659**

11.a.1 Deposit and Other Accounts

Current Deposit & Other Accounts		
Current Deposit	9,405,309,807	10,027,340,123
Foreign Currency Deposit	1,755,544,307	1,634,616,293
Non-Resident Taka account	117,224,680	49,720,618
Sundry Deposit	2,805,088,392	2,940,424,248
	14,083,167,186	14,652,101,282
Offshore Banking Unit	**8,889,088**	**629,099**
	14,092,056,274	**14,652,730,381**
Bills Payable		
Payment Order Issued	1,696,167,488	2,095,092,071
Pay Slip Issued	1,285,595	574,677
Demand Draft Payable	5,980,720	5,137,626
	1,703,433,803	**2,100,804,374**
Savings Deposit	**28,239,575,869**	**27,479,479,774**
Special Noticed Deposit	**13,302,730,320**	**12,183,058,012**
Fixed Deposit	**77,143,035,120**	**67,113,942,085**
From Customers	**66,243,360,120**	**56,964,317,085**
From Banks (Note 11.a)		
Sonali Bank Limited	999,975,000	1,799,975,000
Dutch Bangla Bank Limited	-	999,950,000
Pubali Bank Limited	-	799,925,000
Bank Asia Limited	999,975,000	-
Agrani Bank Limited	3,999,925,000	2,549,925,000
The Premier Bank Ltd.	399,975,000	-
South Bangla Agriculture & Commerce Bank Limited	499,975,000	-
Eastern Bank Limited	-	299,975,000
Southeast Bank Limited	-	399,975,000
Rupali Bank Limited	1,999,925,000	1,499,975,000
United Commercial Bank Limited	1,499,950,000	799,950,000
Bank Alfalah Limited	499,975,000	399,975,000
Trust Bank Limited	-	600,000,000
	10,899,675,000	**10,149,625,000**
Deposit-Products		
Brick by Brick	11,757,373,974	10,767,910,811
MTB Double Saver Plan	7,763,525,857	7,336,344,863
MTB Monthly Benefit Plan	4,861,043,710	4,101,145,064
MTB Millionaire Plan	4,264,335,236	3,668,919,988
MTB Kotipati	2,968,111,806	2,176,584,527
MTB Education Plan	290,585,029	248,138,955
MTB Triple Saver Plan	134,578,242	233,687,160
NRB Deposit Pension Scheme	153,974,246	155,238,263
Children Education Deposit Scheme	14,600,838	8,830,042
MTB Gift Cheque	10,005,054	8,250,285
Festival Savings Plan	796,965	1,492,240
Best invest Deposit	690,112	689,352
Save Everyday Deposit	521,245	521,545
MTB Quarterly Benefit Plan	16,268	16,268
Unique Savings Plan	-	5,670
	32,220,158,580	**28,707,775,033**
	166,700,989,966	**152,237,789,659**

11.a.2 Maturity grouping of Deposit and Other Accounts

On Demand	6,008,196,035	5,723,168,156
Repayable within one month	18,036,171,304	16,593,635,077
More than one month but within six months	42,852,694,438	35,573,026,339
More than six months but within one year	48,592,002,512	46,758,901,461
More than one year but within five years	44,790,036,760	41,820,944,230
More than five year but within ten years	5,438,353,077	4,899,345,278
More than ten years	983,535,840	868,769,118
	166,700,989,966	**152,237,789,659**

11.a.3 Demand & Time Deposit

a) Demand Deposit	**18,337,051,905**	**19,226,687,934**
Current Deposit	9,405,309,807	10,027,340,123
Savings Deposit (9%)	2,541,561,828	2,473,153,180
Foreign Currency Deposit (Non interest bearing)	1,755,544,307	1,634,616,293
Non Resident Taka Deposit	117,224,680	49,720,618
Sundry Deposit	2,813,977,479	2,941,053,347
Bills Payable	1,703,433,803	2,100,804,374
b) Time Deposit	**148,363,938,062**	**133,011,101,725**
Saving Deposit (91%)	25,698,014,041	25,006,326,595
Fixed Deposit	66,243,360,120	56,964,317,085
Deposit from Banks	10,899,675,000	10,149,625,000
Short Term Deposit	13,302,730,320	12,183,058,012
Deposit Under Scheme	32,220,158,580	28,707,775,033
Total Demand & Time Deposits	**166,700,989,966**	**152,237,789,659**

11.a.4 Sector wise Deposit

Government	614,272,138	502,266,000
Autonomus & Semi-Autonomous Bodies	796,831,000	361,671,000
Public Non- Financial Organisation	4,428,392,860	2,378,162,000
Other Public	791,303,000	601,498,000
Foreign Currency	1,755,544,307	1,634,616,293
Private	147,414,971,661	136,609,951,366
Deposit from Banks	10,899,675,000	10,149,625,000
	166,700,989,966	**152,237,789,659**

12.00 Consolidated other liabilities

Mutual Trust Bank limited (Note-12.a)	15,054,620,612	12,954,514,527
MTB Securities Limited	825,884,283	768,781,867
MTB Capital Limited	88,849,606	76,463,315
MTB Exchange (UK) Limited	36,152,561	38,394,138
Less: Intragroup receivable & payable	(40,679,107)	(40,679,107)
	15,964,827,954	**13,797,474,740**

12.01 Consolidated Provision for Loans and Advances

Mutual Trust Bank limited (Note-12.a.1)	5,200,397,350	4,414,765,000
MTB Securities Limited	318,463,876	280,920,087
MTB Capital Limited	15,000,000	12,500,000
MTB Exchange (UK) Limited	-	-
	5,533,861,226	**4,708,185,087**

12.02 Consolidated Provision for Current Income Tax*

Mutual Trust Bank limited (Note-12.a.6)	6,980,049,674	6,138,366,743
MTB Securities Limited	39,864,523	39,864,523
MTB Capital Limited	38,504,784	37,097,664
MTB Exchange (UK) Limited	-	-
	7,058,418,981	**6,215,328,929**

****Income tax provision has been made as per the Income-tax Ordinance, 1984 (as amended up to date).***

12.a Other Liabilities

Provision for Loans and Advances (Note-12.a.1)	5,200,397,350	4,414,765,000
Provision for Off Balance Sheet Items (Note-12.a.2)	594,642,050	589,300,000
Provision against Shares in quoted companies (Note- 12.a.3)	55,267,667	55,267,667
Provision for Other Assets (Note-12.a.4)	41,000,000	31,000,000
Provision for Income Tax (Note-12.a.6)	6,980,049,674	6,138,366,743
Provision for Good Borrower	14,301,000	14,301,000
Interest Suspense (Note- 12.a.5)	1,433,525,546	1,062,187,946
Incentive Bonus Payable	275,377,642	234,574,583
Contribution to MTB Foundation	15,000,000	15,000,000
Contribution to MTB Employees Welfare Fund	2,175	5,675
Contribution to MTB Employees Medical Assistance Fund	-	10,000,000
Accrued Expenses	30,088,187	27,850,330
Interest Payable on Subordinated debt	244,639,728	283,350,555
Interest Payable on Borrowing	39,460,725	13,831,444
Liabilities Under Finance Lease	692,009	692,009
	14,924,443,753	**12,890,492,952**
Offshore Banking Unit	**210,930,730**	**188,124,518**
Less: Inter transaction with Offshore Banking Unit	(80,753,871)	(124,102,942)
	15,054,620,612	**12,954,514,527**

12.a.1 Provision for Loans and Advances

For Unclassified		
Opening Balance	2,016,425,000	1,107,615,165
Add: Provision made during the year	591,000	908,809,835
	2,017,016,000	**2,016,425,000**
For Classified		
Opening Balance	2,398,340,000	2,050,919,363
Add: Provision made during the year	2,223,526,000	444,645,646
Add: Recoveries of amounts previously written off	964,000	1,238,700
Less: Adjustment for Loan written off during the year	(1,439,448,649)	(98,463,709)
	3,183,381,350	**2,398,340,000**
	5,200,397,350	**4,414,765,000**

12.a.2 Provision for Off Balance Sheet Items

Opening Balance	589,300,000	452,000,000
Add: Provision made during the year	5,342,050	137,300,000
	594,642,050	**589,300,000**

12.a.3 Provision against Shares in quoted companies

Opening Balance	55,267,667	55,267,667
Add: Provision made during the year	-	-
	55,267,667	**55,267,667**

12.a.4 Provision for Other Assets

Opening Balance	31,000,000	21,000,000
Add: Provision made during the year	10,000,000	10,000,000
	41,000,000	**31,000,000**

12.a.5 Interest suspense account

Opening Balance	1,062,187,946	905,633,141
Add: Addition during the year	874,620,633	501,528,857
Less, Adjustment made during the year	(503,283,033)	(344,974,052)
	1,433,525,546	**1,062,187,946**

12.a.6 Provision for Income Tax*

Opening Balance	6,138,366,743	4,981,043,899
Less: Adjustment made during the year:	(185,629,400)	-
Add: Provision made during the year	1,027,312,331	1,157,322,844
	6,980,049,674	**6,138,366,743**

****Income tax provision has been made as per the Income-tax Ordinance, 1984 (as amended up to date).***

13.a Subordinated Debts

12% Partially Convertible Subordinated Debt		
Opening Balance	-	1,250,000,000
Less: Payment during the year	-	(1,250,000,000)
	-	-
MTB 2nd Subordinated Debt		
Opening Balance	3,000,000,000	3,000,000,000
Less: Payment during the year	600,000,000	-
	2,400,000,000	3,000,000,000
MTB 3rd Subordinated Debt	5,000,000,000	5,000,000,000
	7,400,000,000	**8,000,000,000**

The Bank floated 12% partially Convertible Subordinated Debt through private placement for BDT 1,250 million, date of issue 10 October 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.

The Bank floated MTB 2nd Non-convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue 20 October 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 16 February 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 BDT 10 each	**10,000,000,000**	**10,000,000,000**

14.a.1.1 Issued, subscribed and Paid-up Capital

509,656,034 ordinary shares @ BDT 10 each	5,096,560,340	4,431,791,600
63,707,004 ordinary shares @ BDT 10 each issued as bonus	637,070,040	664,768,740
	5,733,630,380	**5,096,560,340**

The Board of Directors of the Bank approved in it's 226th meeting held on 19 September 2018 to issue 63,707,004 number of shares or 10% of the total outstanding shares, whichever is higher (on the date of issuance) in favor of Norfund - The Norwegian Investment Fund for Developing Countries at the rate of BDT 27.19 each including a premium of BDT 17.19 and the total value will be BDT 1,732,374,818. It is also been approved by the shareholders at the 16th Extraordinary General Meeting held on 1 November 2018. Clearance of Bangladesh Bank have also been received on 6 December 2018. Now bank's are waiting for the clearance of Bangladesh Securities & Exchange Commission (BSEC).

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
2017-Bonus	12.50%	63,707,004	637,070,040	5,733,630,380
Total		**573,363,038**	**5,733,630,380**	

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

	No. of shares	Value of shares BDT	31 December 2018 % of holding
Sponsors/Directors	217,982,863	2,179,828,630	38.02%
Institutions	132,489,532	1,324,895,320	23.11%
General	222,890,643	2,228,906,430	38.87%
Total	**573,363,038**	**5,733,630,380**	**100.00%**

14.a.1.4 Classification of Shareholders by holdings as at 31 December 2018

Holdings	No. of Shareholders	No. of Shares	Value of shares in BDT	Total Holdings %
Less than 499 shares	2,496	401,621	4,016,210	0.07%
500 to 5,000 shares	2,821	5,310,772	53,107,720	0.93%
5,001 to 10,000 shares	458	3,175,572	31,755,720	0.55%
10,001 to 20,000 shares	298	4,174,978	41,749,780	0.73%
20,001 to 30,000 shares	115	2,845,504	28,455,040	0.50%
30,001 to 40,000 shares	41	1,480,715	14,807,150	0.26%
40,001 to 50,000 shares	44	1,969,703	19,697,030	0.34%
50,001 to 100,000 shares	78	5,518,953	55,189,530	0.96%
100,001 to 1,000,000 shares	116	33,593,567	335,935,670	5.86%
Over 1,000,000 shares	66	514,891,653	5,148,916,530	89.80%
Total	**6,533**	**573,363,038**	**5,733,630,380**	**100.00%**

14.a.1.5 Name of Directors and their shareholdings as at 31 December 2018

Name	Designation	31 December 2018 No. of Shares held	BDT	Holding %
Mr. Md. Hedayetullah	Chairman	12,873,848	128,738,480	2.2453%
Mrs. Khwaja Nargis Hossain	Vice Chairman	12,767,604	127,676,040	2.2268%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	21,142,387	211,423,870	3.6874%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	19,112,060	191,120,600	3.3333%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	28,668,123	286,681,230	5.0000%
Mr. M. A. Rouf, JP	Director	12,768,429	127,684,290	2.2269%
Mr. Md. Abdul Malek	Director	12,866,833	128,668,330	2.2441%
Mr. Md. Wakiluddin	Director	12,777,724	127,777,240	2.2286%
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	14,334,015	143,340,150	2.5000%
Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director	39,978,973	399,789,730	6.9727%
Mr. Anwarul Amin	Independent Director	-	-	0.0000%
Dr. Sultan Hafeez Rahman	Independent Director	-	-	0.0000%
		187,289,996	**1,872,899,960**	**32.6652%**

14.a.1.6 Consolidated Capital to Risk-weighted Assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital)		
Paid-up Capital	5,733,630,380	5,096,560,340
Statutory Reserve	4,096,004,358	3,622,224,031
General Reserve	786,777,324	616,777,324
Minority Interest	128,451	124,686
Retained Earnings	2,175,943,964	1,722,348,545
	12,792,484,477	**11,058,034,926**
Regulatory Adjustments		
Goodwill and all other Intangible Assets	80,043,823	101,344,815
Deferred Tax Assets (95% of DTA as per BB Guideline)	1,134,079,606	889,114,193
Reciprocal Cross holdings in the CET-1 Capital of Banking, Financial and Insurance Entities	-	98,048
	1,214,123,429	**990,557,056**
Total Common Equity Tier -1 (Going-Concern Capital)	**11,578,361,048**	**10,067,477,870**
Additional Tier-1 Capital	-	-
Total Tier-1 Capital	**11,578,361,048**	**10,067,477,870**
Tier-2 Capital (Gone-Concern Capital)		
General Provision including Off Balance Sheet items (Maximum 1.25% of CRWA)	2,611,658,050	2,605,725,000
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	6,800,000,000	6,239,200,826
	9,671,796,183	**9,105,063,959**
Regulatory Adjustments		
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	208,110,506	156,082,880
Total Tier-2 Capital (Gone-Concern Capital)	**9,463,685,677**	**8,948,981,080**
A. Total Regulatory Capital (Tier-1+Tier-2)	**21,042,046,724**	**19,016,458,950**
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	124,703,905,312	104,821,694,921
Off Balance Sheet Exposure	21,805,515,608	18,490,970,895
	146,509,420,920	**123,312,665,816**
Market Risk	5,131,035,002	4,495,137,086
Operational Risk	12,003,976,744	10,416,690,392
Total Risk Weighted Assets	**163,644,432,666**	**138,224,493,294**
C. Required Capital on Risk Weighted Assets	**16,364,443,267**	**13,822,449,329**
D. Capital Surplus/(Shortfall) (A-C)	**4,677,603,458**	**5,194,009,620**

E. Capital Requirement

	2018 Required	2018 Held	2017 Required	2017 Held
Capital to Risk-weighted assets Ratios (CRAR)	**10%**	**12.86%**	**10%**	**13.76%**
Common Equity Tier-1	4.50%	7.08%	4.50%	7.28%
Tier- 1 Capital	5.50%	**7.08%**	5.50%	**7.28%**
Tier- 2 Capital	0%	5.78%	0%	6.47%

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 # 18, dated 21 December 2014.

14.a.1.7 Capital to Risk-weighted Assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital)		
Paid-up Capital	5,733,630,380	5,096,560,340
Statutory Reserve	4,096,004,358	3,622,224,031
General Reserve	786,777,324	616,777,324
Retained Earnings	1,934,032,472	1,632,481,854
	12,550,444,534	**10,968,043,549**
Regulatory Adjustments		
Goodwill and all other Intangible Assets	80,043,823	101,344,815
Deferred Tax Assets (95% of DTA as per BB Guideline)	1,134,079,606	889,114,193
Reciprocal Cross holdings in the CET-1 Capital of Banking, Financial and Insurance Entities	-	98,048
	1,214,123,429	**990,557,056**
Total Common Equity Tier -1 (Going-Concern Capital)	**11,336,321,106**	**9,977,486,493**
Additional Tier-1 Capital	-	-
Total Tier-1 Capital	**11,336,321,106**	**9,977,486,493**
Tier-2 Capital (Gone-Concern Capital)		
General Provision including Off Balance Sheet items (Maximum 1.25% of CRWA)	2,611,658,050	2,605,725,000
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	6,800,000,000	6,159,207,490
	9,671,796,183	**9,025,070,623**
Regulatory Adjustments		
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	208,110,506	156,082,880
Total Tier-2 Capital (Gone-Concern Capital)	**9,463,685,677**	**8,868,987,743**
A. Total Regulatory Capital (Tier-1+Tier-2)	**20,800,006,782**	**18,846,474,235**
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	125,033,706,066	104,533,265,967
Off Balance Sheet Exposure	21,805,515,608	18,490,970,895
	146,839,221,674	**123,024,236,862**
Market Risk	4,013,842,283	3,774,475,429
Operational Risk	11,443,587,821	9,798,391,582
Total Risk Weighted Assets	**162,296,651,778**	**136,597,103,873**
C. Required Capital on Risk Weighted Assets	**16,229,665,178**	**13,659,710,387**
D. Capital Surplus/(Shortfall) (A-C)	**4,570,341,604**	**5,186,763,848**

E. Capital Requirement

	2018 Required	2018 Held	2017 Required	2017 Held
Capital to Risk-weighted assets Ratios (CRAR)	**10%**	**12.82%**	**10%**	**13.80%**
Common Equity Tier-1	4.50%	6.98%	4.50%	7.30%
Tier- 1 Capital	5.50%	**6.98%**	5.50%	**7.30%**
Tier- 2 Capital	0%	5.83%	0%	6.49%

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 # 18, dated 21 December 2014.

15.a Statutory Reserve

Opening Balance	3,622,224,031	3,187,766,825
Add: Transferred during the year (20% of pretax profit)	473,780,327	434,457,206
	4,096,004,358	**3,622,224,031**

16.a General Reserve

Opening Balance	616,777,324	616,777,324
Add: Transferred from Retained Earnings	170,000,000	-
	786,777,324	**616,777,324**

17.00 Consolidated Retained Earnings

Opening Balance	1,722,348,545	841,239,233
Add: Consolidated Profit made during the year	1,734,445,786	1,980,335,258
Less: Bonus Share Issued during the year	(637,070,040)	(664,768,740)
Less: Bonus Share Issued by MTB Capital Limited	(28,088,880)	(15,899,364)
Less: Transferred to Statutory Reserve	(473,780,327)	(434,457,206)
Less: Transferred to General Reserve	(170,000,000)	-
	2,147,855,084	**1,706,449,181**
Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	28,088,880	15,899,364
	2,175,943,964	**1,722,348,545**

17.a Retained Earnings

Opening Balance	1,632,481,854	815,484,211
Add: Profit made during the year *	1,582,400,985	1,916,223,589
Less: Bonus Share Issued during the year	(637,070,040)	(664,768,740)
Less: Transferred to Statutory Reserve	(473,780,327)	(434,457,206)
Less: Transferred to General Reserve	(170,000,000)	-
	1,934,032,472	**1,632,481,854**

Retained earnings includes deferred tax income of BDT 1,193,768,006 which has been created with the specific provision of classified loan. As per Bangladesh Bank BRPD circular # 11, dated 12 December 2011 the tax income amount is not permissable to distribute as dividend.

17.01 Minority Interest

Opening balance	124,686	122,139
Add: Profit made during the year	3,764	2,547
	128,451	**124,686**

18.a Contingent Liabilities & Commitments

Acceptances and endorsements		
Accepted Bill (Inland)	3,771,718,487	3,294,386,560
Accepted Bill (Foreign)	34,428,937,606	26,724,985,589
	38,200,656,093	30,019,372,149
Less: Inter transaction with Off-shore Banking Unit	10,198,967,784	7,502,652,467
	28,001,688,309	**22,516,719,682**
Letter of Guarantee (Note 18.a.1)	19,218,500,645	11,597,904,974
Offshore Banking Unit	76,887,638	4,135,000
	19,295,388,283	**11,602,039,974**
Letter of Credit		
Letter of Credit (Cash)	2,791,398,183	4,226,884,309
Letter of Credit (Back to Back)	2,657,188,069	2,580,254,591
Letter of Credit (EDF)	230,784,280	299,350,966
Letter of Credit (Deferred)	9,864,455,861	8,822,272,760
Letter of Credit (Inland)	1,078,798,635	811,404,725
	16,622,625,028	**16,740,167,351**
Bills for collection		
Inland	1,186,305,817	1,318,541,928
Foreign	523,952,492	1,123,804,217
IFDBC (Back to Back)	1,109,000	1,109,000
Foreign Contract	1,049,601	62,947
	1,712,416,910	**2,443,518,092**
Other Contingent Liabilities	-	-
	-	-
Other Commitments		
Undrawn formal standby facilities, credit lines and other commitments	-	-
	65,632,118,530	**53,302,445,099**

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18.a.1 Letter of Guarantee

i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the bank is contingently liable in respect of guarantees given following		
Directors	-	-
Government	-	-
Bank and other Financial Institutions	114,135,198	49,616,688
Others	19,104,365,447	11,552,423,286
	19,218,500,645	**11,602,039,974**
Less: Margin	(725,423,287)	(1,212,841,544)
	18,493,077,358	**10,389,198,430**
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	18,493,077,358	**10,389,198,430**

18.a.1.1 Segregation of Commitment by Type

Documentary Credit and Short Term Business Related Transaction	16,622,625,028	16,740,167,351
Forward Asset Purchased and Forward Deposit	-	-
Endorsed formal standby facilities,Credit facilities and other commitments:		
Less than one year	47,297,076,592	34,118,759,655.77
One year and above	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	1,712,416,910	2,443,518,092
	65,632,118,530	**53,302,445,099**

19.00 Income Statement

Income		
Interest, Discount and Similar Income	17,615,607,035	14,008,578,941
Dividend income	60,799,645	155,943,572
Fees, Commission and Brokerage	764,934,272	721,380,636
Exchange Gain	783,390,402	621,310,261
Other Operating Income	617,373,561	421,334,526
	19,842,104,915	**15,928,547,936**
Expenses		
Interest, Fees and Commission	10,451,237,159	7,856,055,015
Administrative expenses	3,443,579,836	3,081,181,893
Other operating expenses	1,010,103,938	989,897,504
Depreciation on Banking Assets	328,823,296	328,372,014
	15,233,744,229	**12,255,506,426**
Operating profit	**4,608,360,686**	**3,673,041,510**

20.00 Consolidated Interest Income

Mutual Trust Bank Limited (Note-20.a)	15,542,079,435	12,102,826,598
MTB Securities Limited	127,652,385	126,853,097
MTB Capital Limited	32,719,525	40,924,378
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Income (Loans)	-	(100,000,000)
Less: Intragroup Interest Income (Bank balance)	(15,174,190)	(10,061,111)
	15,687,277,155	**12,160,542,962**

20.a Interest Income

Loans and Advances (Note-20.a.1)	15,415,636,030	11,743,866,029
Money at Call and Short Notice	33,977,777	62,548,028
Balance with Other Banks and Financial Institutions (Note-20.a.2)	70,851,091	287,356,016
Foreign Currency Lending	61,742,533	16,540,767
	15,582,207,432	**12,110,310,840**
Less: Inter transaction with Offshore Banking Unit	(40,127,997)	(7,484,242)
	15,542,079,435	**12,102,826,598**

20.a.1 Interest on Loans and Advances

Term Loan	3,382,063,788	2,902,297,886
Small and Medium Enterprise Financing	2,183,044,636	1,633,529,996
Retail/Consumer Financing	731,728,300	572,538,809
General Loans	590,009,852	336,767,846
Demand Loan	604,095,863	294,465,503
Payment Against Documents (PAD)	49,048,521	52,864,592
Trust Receipts	1,422,434,591	962,262,774
Lease Finance	45,887,150	40,020,062
Export Development Fund	102,987,454	57,957,350
House Building Loan	581,651,252	458,290,265
Cash Credit	2,931,778,078	2,288,467,350
Packing Credit	31,724,029	18,553,357
Secured Overdraft	1,946,613,376	1,416,611,505
Bills Purchased and Discounted	251,113,984	228,791,639
Interest on Loans from Subsidiaries	-	100,000,000
	14,854,180,875	**11,363,418,934**
Offshore Banking Unit	561,455,155	380,447,095
	15,415,636,030	**11,743,866,029**

20.a.2 Interest on Balance with other Bank and Financial Institution

Interest on balance with other banks in Bangladesh	70,851,091	287,356,016
Interest on balance held with outside Bangladesh	-	-
	70,851,091	**287,356,016**

21.00 Consolidated Interest Paid on Deposits & Borrowings etc.

Mutual Trust Bank Limited (Note-21.a)	10,451,237,159	7,856,055,015
MTB Securities Limited	-	100,000,000
MTB Capital Limited	-	6,873,767
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Expense (Borrowings)	-	(100,000,000)
Less: Intragroup Interest Expense (Deposits)	(15,174,190)	(10,061,111)
	10,436,062,969	**7,852,867,671**

21.a Interest on Deposit & Borrowing etc.

Interest on Deposit and Other Accounts (Note-21.a.1)	9,858,280,412	7,468,056,369
Interest on Borrowing from other Banks and Financial Institutions	142,260,539	126,607,105
	10,000,540,951	**7,594,663,474**
Offshore Banking Unit	490,824,205	268,875,783
Less: Inter transaction with Offshore Banking Unit	(40,127,997)	(7,484,242)
	10,451,237,159	**7,856,055,015**

21.a.1 Interest on Deposits and Other Accounts

Savings Deposits	886,423,605	683,848,521
Short Term Deposits	426,322,011	333,149,318
Fixed Deposits	4,976,706,273	2,963,195,204
Deposit-Products	2,808,981,944	2,716,316,993
Interest on Subordinated Debt	759,846,578	771,546,333
	9,858,280,412	**7,468,056,369**

22.00 Consolidated Income From Investments

Mutual Trust Bank Limited (Note-22.a)	2,239,089,134	2,056,350,696
MTB Securities Limited	80,744,916	51,390,151
MTB Capital Limited	23,333,684	19,472,487
MTB Exchange (UK) Limited	-	-
Dividend paid by MTB Securities & Capital	-	-
Interim Dividend paid by MTB Securities Limited	-	-
	2,343,167,734	**2,127,213,334**

22.a Investment Income

Interest on Treasury Bond	1,957,307,231	1,858,875,310
Interest on reverse REPO	55,266	879,127
Interest on other Investment	116,165,103	45,997,906
Discount on Treasury Bill	28,767,187	38,388,510
Capital Gain from Trading in Govt. Securities	462,637,401	225,045,738
Capital Gain/(Loss) on Investment in shares of quoted companies	75,268	49,150,813
Dividend on Investment in Shares	17,847,193	30,910,540
Dividend from Mutual and Unit Fund	42,952,451	125,033,032
	2,625,807,101	**2,374,280,976**
Loss from Government Securities	(53,154,886)	(52,234,556)
Loss on revaluation of Government Securities	(333,563,081)	(265,695,724)
	2,239,089,134	**2,056,350,696**

23.00 Consolidated Commission, Exchange and Brokerage

Mutual Trust Bank Limited (Note-23.a)	1,548,324,674	1,342,690,897
MTB Securities Limited	116,309,986	222,335,661
MTB Capital Limited	1,538,818	175,000
MTB Exchange (UK) Limited	16,632,082	12,807,559
	1,682,805,559	**1,578,009,117**

23.a Commission, Exchange and Brokerage

Commission (Note-23.a.1)	764,934,272	721,380,636
Exchange	783,390,402	621,310,261
Brokerage	-	-
	1,548,324,674	**1,342,690,897**

23.a.1 Commission

Commission on Letter of Guarantee	120,642,802	104,768,942
Commission on Letter of Credit	269,532,164	261,414,416
Commission on Acceptance of Bills	288,725,170	269,871,843
Commission on LC Advising	12,390,302	12,200,566
Commission on PO, DD & TT	4,318,659	4,394,548
Exchange houses commission	33,613,625	23,112,492
On-line service commission	12,549,088	14,323,953
Commission on IBC	420,580	433,701
Underwriting Commission regarding Treasury Bill/Bond	10,153,456	17,805,371
Commission on IPO collection	-	44,591
Commission on POS	10,907,282	12,210,121
Commission on RTGS	1,303,295	779,935
	764,556,422	**721,360,479**
Offshore Banking Unit	377,850	**20,157**
	764,934,272	**721,380,636**

24.00 Consolidated other operating income

Mutual Trust Bank Limited (Note-24.a)	512,611,672	426,679,745
MTB Securities Limited	11,943,742	12,747,982
MTB Capital Limited	25,041,683	31,600,091
MTB Exchange (UK) Limited	3,335,043	3,138,159
Less: Intragroup other operating income	(1,000,000)	-
	551,932,140	**474,165,978**

24.a Other Operating Income

Handling Charges	1,868,249	3,925,344
VISA Card	26,431,477	16,128,692
Service Charges	141,946,091	116,625,595
Telephone & SMS Charge Recoveries	10,767,503	4,257,442
SWIFT Charge Recoveries	23,981,170	29,126,832
SME Fees and Charges	380,213	766,996
Management fees	20,239,137	16,711,800
Early Settlement Fee	4,727,762	4,912,375
Loan Processing Fee	35,841,722	28,647,758
Partial Payment Fee	215,448	259,263
Charges against cards	139,199,919	101,462,726
NPSB Acquire Income	10,188,970	7,985,334
Locker Rent	4,440,779	4,051,361
Miscellaneous Earnings	79,453,362	79,389,683
	499,681,803	**414,251,201**
Offshore Banking Unit	12,929,869	12,428,544
	512,611,672	**426,679,745**

25.00 Consolidated salaries and allowances

Mutual Trust Bank Limited (Note-25.a)	2,621,504,314	2,314,039,862
MTB Securities Limited	74,110,832	74,454,836
MTB Capital Limited	11,074,769	9,656,626
MTB Exchange (UK) Limited	4,832,811	4,532,861
	2,711,522,726	**2,402,684,185**

25.a Salary & Allowances

Basic Pay	1,118,502,793	986,461,643
Allowances	772,214,821	720,255,608
Bonus	426,904,209	372,303,969
Gratuity	116,400,000	62,700,000
Leave Fare Assistance	89,206,147	84,177,889
Provident Fund	98,276,345	88,140,753
	2,621,504,314	**2,314,039,862**

25.a.1 Managing Director's Remuneration

Basic Pay	8,829,333	8,226,667
House Rent	1,980,000	1,980,000
House Maintenance	1,320,000	1,320,000
Entertainment	216,000	216,000
Festival Bonus	2,250,000	2,100,000
Incentive Bonus	1,000,000	1,000,000
Leave Fare Assistance	2,100,000	1,950,000
Security and personal wages	660,000	660,000
Provident Fund	880,000	822,667
	19,235,333	**18,275,334**

26.00 Consolidated Rent, Taxes, Insurance and Electricity etc.

Mutual Trust Bank Limited (Note-26.a)	659,362,862	624,713,881
MTB Securities Limited	27,365,030	30,457,378
MTB Capital Limited	3,631,437	3,624,578
MTB Exchange (UK) Limited	6,093,679	5,672,327
	696,453,008	**664,468,164**

26.a Rent, Taxes, Insurance and Utilities etc.

Rent	384,325,967	374,643,641
VAT on Rent	53,728,522	52,897,345
Rates & taxes	6,300,019	3,841,406
Insurance	107,204,490	95,852,033
Electricity & Utilities	107,803,864	97,479,456
	659,362,862	**624,713,881**

27.00 Consolidated Legal Expenses

Mutual Trust Bank Limited (Note-27.a)	3,369,120	3,535,580
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	3,369,120	**3,535,580**

27.a Legal Expenses

Legal Expense	3,369,120	3,535,580
	3,369,120	**3,535,580**

28.00 Consolidated Postage, Stamps & Telephone etc.

Mutual Trust Bank Limited (Note-28.a)	13,658,948	10,285,798
MTB Securities Limited	746,806	809,236
MTB Capital Limited	113,358	89,604
MTB Exchange (UK) Limited	116,504	148,958
	14,635,616	**11,333,596**

28.a Postage, Stamps & Telephone etc.

Postage/Courier Service	4,562,830	1,311,075
Telephone	9,096,118	8,974,723
	13,658,948	**10,285,798**

29.00 Consolidated Printing, Stationery and Advertisements etc.

Mutual Trust Bank Limited (Note-29.a)	123,118,858	107,113,138
MTB Securities Limited	1,071,163	1,325,433
MTB Capital Limited	279,660	254,488
MTB Exchange (UK) Limited	248,127	275,217
	124,717,809	**108,968,276**

29.a Printing, Stationery and Advertisement etc.

Printing Stationery	32,309,568	28,305,363
Security Stationery	3,826,916	8,373,777
Computer Stationery	13,883,920	15,978,162
Petty & Table Stationery	14,753,718	14,755,719
Publicity & Advertisement	58,344,737	39,700,117
	123,118,858	**107,113,138**

30.00 Consolidated Directors' Fees

Mutual Trust Bank Limited (Note-30.a)	1,996,400	1,876,800
MTB Securities Limited	669,300	823,400
MTB Capital Limited	675,000	741,000
MTB Exchange (UK) Limited	-	-
	3,340,700	**3,441,200**

30.a Directors' Fees

Meeting fee	1,996,400	1,876,800
	1,996,400	**1,876,800**

Bank has paid BDT 8,000 as Honarioum according to the BRPD circular letter # 11, dated 04 October 2015.

31.00 Consolidated Audit Fee

Mutual Trust Bank Limited (Note-31.a)	1,334,000	1,341,500
MTB Securities Limited	69,000	57,500
MTB Capital Limited	68,750	63,250
MTB Exchange (UK) Limited	366,855	313,816
	1,838,605	**1,776,066**

31.a Audit Fee

Annual Account	1,150,000	1,169,000
NOSTRO Account	69,000	57,500
IPFF Account	57,500	57,500
Corporate Governance	57,500	57,500
	1,334,000	**1,341,500**

32.00 Consolidated depreciation and repair of assets

Mutual Trust Bank Limited (Note-32.a)	455,800,221	420,129,234
MTB Securities Limited	7,371,775	7,795,608
MTB Capital Limited	829,027	1,216,867
MTB Exchange (UK) Limited	481,024	611,732
	464,482,047	**429,753,440**

32.01 Consolidated depreciation of assets

Mutual Trust Bank Limited (Note-32.a)	328,823,296	328,372,014
MTB Securities Limited	6,908,513	7,323,979
MTB Capital Limited	805,766	955,615
MTB Exchange (UK) Limited	405,986	508,382
	336,943,561	**337,159,990**

32.01.1 Consolidated Repair & Maintenance of assets

Mutual Trust Bank Limited (Note-32.a)	126,976,925	91,757,220
MTB Securities Limited	463,262	471,629
MTB Capital Limited	23,261	261,252
MTB Exchange (UK) Limited	75,038	103,350
	127,538,486	**92,593,451**

32.a Depreciation on & Repairs to Bank's property

Depreciation		
Immovable Property	32,301,194	33,129,429
Furniture & Fixture	78,473,926	79,606,330
Office Equipments	195,915,806	198,060,868
Motor Vehicles	22,132,370	17,575,387
	328,823,296	**328,372,014**
Repairs on Bank's property	126,976,925	91,757,220
	455,800,221	**420,129,234**

33.00 Consolidated other expenses

Mutual Trust Bank Limited (Note-33.a)	883,127,014	898,140,284
MTB Securities Limited	15,180,525	21,445,932
MTB Capital Limited	3,204,101	3,645,860
MTB Exchange (UK) Limited	4,685,068	3,876,149
Less: Intragroup other expenses	(1,000,000)	-
	905,196,708	**927,108,226**

33.a Other Expenditure

Security & Auxiliary Service	180,471,454	172,901,674
Office Cleaning	47,362,080	43,805,915
Office Maintenance	21,312,861	25,480,323
Car Expense	209,864,380	193,482,212
Entertainment	49,599,459	33,229,179
Newspaper & Periodicals	1,417,404	1,461,173
Clearing House Expense	460,226	452,816
Traveling & Conveyance	57,942,081	48,644,654
Bank Charge	7,620,395	6,003,674
Training Expense	11,744,999	8,533,027
Professional Fees	15,053,070	38,733,912
AGM Expense	636,485	282,052
Subscription & Donation	62,105,006	158,287,163
Reuters Charge	2,423,288	2,308,171
CDBL Charges	503,181	54,500
Fees & Registration	9,257,777	7,463,748
Business Development Expense	101,311,551	52,692,374
Contribution to MTB Foundation	15,000,000	15,000,000
Employees Medical Assistance Fund	-	10,000,000
Honorarium	729,400	1,138,332
Cash Carrying Expense	22,085,318	23,522,603
Contact Point Verification (CPV) Charges	3,234,129	2,741,556
Site Maintenance & Support Service	2,324,100	3,066,578
On-line and connectivity charges	36,746,362	37,002,041
NID Verification Charge	763,073	947,546
Agent Banking Float Sharing Commission	12,281,309	3,512,730
Loss on Sale of Fixed Assets	7,337,546	4,363,383
	879,566,936	**895,111,336**
Offshore Banking Unit	3,560,077	3,028,948
	883,127,014	**898,140,284**

Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per the Value Added Tax Act, 1991.

34.00 Consolidated Provision for Loans, Investment & Others

Provision for Classified Loans & Advances	2,223,526,000	444,645,646
Provision for Unclassified Loans and Advances	591,000	908,809,835
Provision for Off Balance Sheet Items	5,342,050	137,300,000
Provision for Margin Loan & Investment in Shares	103,000,000	155,492,999
Provision for Other Asset	10,000,000	10,000,000
	2,342,459,050	**1,656,248,480**

34.a Provision for Loans, Investment & Others

Provision for Classified Loans & Advances	2,223,526,000	444,645,646
Provision for Unclassified Loans and Advances	591,000	908,809,835
Provision for Off Balance Sheet Items	5,342,050	137,300,000
Provision for Investment in Shares	-	-
Provision for Other Asset	10,000,000	10,000,000
	2,239,459,050	**1,500,755,481**

35.00 Consolidated Provision for Current Tax

Mutual Trust Bank Limited (Note-35.a)	1,027,312,331	1,157,322,844
MTB Securities Limited	-	-
MTB Capital Limited	20,537,776	22,605,246
MTB Exchange (UK) Limited	82,709	78,872
	1,047,932,817	**1,180,006,962**

35.a Provision for Current Tax

Current tax	1,027,312,331	1,157,322,844
Total	**1,027,312,331**	**1,157,322,844**

35.01 Consolidated Deferred Tax (Income)/Expenses

Mutual Trust Bank limited (Note-35.a.1)	(240,811,680)	(901,260,404)
MTB Securities Limited	321,418	413,318
MTB Capital Limited	(23,208)	(26,507)
MTB Exchange (UK) Limited	-	-
	(240,513,470)	**(900,873,595)**

35.a.1 Provision for Deferred Tax

Deferred Tax (Note-9.a.3.2.1)	(240,811,680)	(901,260,404)
Total	**(240,811,680)**	**(901,260,404)**

** Deferred tax has been calculated as per "IAS- 12 Income Taxes" and it is the timing differences arising from the carrying value of fixed assets.*

36.00 Consolidated Earning Per Share (EPS)*

Consolidated Net Profit After Tax	1,734,445,786	1,980,335,258
Number of Ordinary Shares outstanding	**573,363,038**	**573,363,038**
Earning Per Share (EPS)	**3.03**	**3.45**

**Earnings per share has been calculated in accordance with IAS- 33: Earnings Per Share (EPS).*

36.a Earning Per Share (EPS)*

Net Profit After Tax	1,582,400,985	1,916,223,589
Number of Ordinary Shares outstanding	**573,363,038**	**573,363,038**
Earning Per Share (EPS)	**2.76**	**3.34**

**Earnings per share has been calculated in accordance with IAS- 33: Earnings Per Share (EPS).*

37.00 Consolidated Received from Other Operational Income

Mutual Trust Bank Limited (Note-37.a)	617,373,561	421,334,526
MTB Securities Limited	73,603,808	51,477,533
MTB Capital Limited	44,737,012	46,917,267
MTB Exchange (UK) Limited	3,335,043	3,138,159
Less: Intragroup other operating income	(1,000,000)	-
	738,049,425	**522,867,485**

37.a Received from Other Operational Income

Handling charge	1,868,249	3,925,344
VISA	26,431,477	16,128,692
Service charge	141,946,091	116,625,595
Telephone & SMS Charge Recoveries	10,767,503	4,257,442
SWIFT charge recovery	23,981,170	29,126,832
SME Fees and Charges	380,213	766,996
Management fees	20,239,137	16,711,800
Early settlement and Loan processing fees	40,784,932	33,819,397
Charges against cards	139,199,919	101,462,726
NPSB Acquirer Income	10,188,970	7,985,334
Locker rent	4,440,779	4,051,361
Discount on Treasury Bill	28,767,187	38,388,510
Gain(net off loss) from Trading in Govt. Securities	409,482,515	172,811,182
Loss on revaluation of treasury securities	(333,563,081)	(265,695,724)
Gain/(Loss) on Investment in shares of quoted companies	75,268	49,150,813
Miscellaneous income	79,453,362	79,389,683
Offshore Banking Unit	12,929,869	12,428,544
	617,373,561	**421,334,526**

38.00 Consolidated Payment for Other Operational Expenses

Rent, Tax, Insurance and Electricity	696,453,008	664,468,164
Legal Expense	3,369,120	3,535,580
Postage, Stamps, Telegram & Telephone	14,635,616	11,333,596
Directors' fees	3,340,700	3,441,200
Auditors' fees	1,838,605	1,776,066
Repair & Maintenance	127,538,486	92,593,451
Other Expenditure	897,859,162	920,580,281
	1,745,034,697	**1,697,728,338**

38.a Payment for Other Operational Expenses

Rent, Tax, Insurance and Electricity	659,362,862	624,713,881
Legal Expense	3,369,120	3,535,580
Postage, Stamps, Telegram & Telephone	13,658,948	10,285,798
Directors' fees	1,996,400	1,876,800
Auditors' fees	1,334,000	1,341,500
Repair & Maintenance	126,976,925	91,757,220
Other Expenditure	875,789,468	893,776,901
	1,682,487,722	**1,627,287,680**

39.00 Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 2,120.

40.00 Number of Branch	114	111
41.00 Number of Meeting		
Board Meeting	16	15
Executive Committee Meeting	8	8
Audit Committee Meeting	4	4
Risk Management Committee Meeting	5	4

42.00 Auditors Work Hour

The external auditors of the bank, A. Qasem & Co., Chartered Accountants, a member firm of Ernst & Young Global Limited, covered 80% of the Bank's Risk Weighted Asset and has spent around 1,600 man-hours to complete the audit as per International Standards on Auditing (ISA).

43.00 Related Party Disclosures of the Bank

i) Name of he 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 2018

Name of Directors	Relationship with the Bank	Nature of transaction	Approve limit	Outstanding amount	
				BDT	USD
Mr. Md. Hedayetullah	Chairman	Credit Card (Secured)	USD 20,000	-	1,763
Mrs. Khwaja Nargis Hossain	Vice Chairman	Credit Card	BDT 500,000	-	-
Mr. Syed Manzur Elahi	Director (Founding Chairman)	Credit Card (Secured)	USD 20,000	-	290
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	Credit Card	BDT 500,000	-	-
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	Credit Card (Secured)	USD 6,000	-	-
			USD 2,500		150
Mr. M. A. Rouf, JP	Director	Credit Card	BDT 1000,000	574	-
Mr. Md. Abdul Malek	Director	Credit Card	BDT 1000,000	31,599	1,302
Mr. Md. Wakiluddin	Director	Credit Card	BDT 900,000	12,144	-
		Credit Card	BDT 100,000	-	-
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	BDT 490,000	-	-
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	Credit Card	BDT 200,000	4,037	-
		Credit Card	BDT 500,000	142,348	
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 in Million)	Nature of Security
Mrs. Banesa Khatun	Mr. Md. Wakiluddin Director	House Building Loan (General)	0.656	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)	22.269	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	11.541	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 Banking 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		
	Square Fashions ATM Booth		
Lease agreement	Bilquis Tower ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
	ABC BPL ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch ATM Booth		
Lease agreement	Apex Adelchi Footwear Ltd. ATM Booth	Syed Manzur Elahi	Approved by Board of MTB

vii) Business with subsidiaries

Amount in BDT

Name of party	Relationship	Nature of transaction	Outstanding balance (Million)
MTB Securities Limited	Subsidiary Company	Loan facility	0.00
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 @ 11% for the year 2018 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 31 December 2018 are shown in Annexure-F

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Financial Statements 2018

Balance with other Banks- Out Side Bangladesh (NOSTRO Account) Annexure- A

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local Currency as at 31 December 2018

Name of the Bank	Currency	2018 Foreign Currency Amount	2018 Exchange Rate	2018 BDT	2017 Foreign Currency Amount	2017 Exchange Rate	2017 BDT
Mashreq Bank PSC, New York	US$	6,169,516	83.90	517,622,372	632,956	82.70	52,345,475
Standard Chartered Bank, New York	US$	979,594	83.90	82,187,926	5,156,142	82.70	426,412,919
Habib American Bank, New York	US$	2,163,522	83.90	181,519,504	1,330,699	82.70	110,048,836
Commerz Bank AG, Germany	US$	531,430	83.90	44,586,987	127,860	82.70	10,573,988
ICICI Bank Ltd., Hong Kong	US$	37,224	83.90	3,123,086	234,711	82.70	19,410,576
KB Kookmin Bank, South Koria	US$	442,990	83.90	37,166,899	76,163	82.70	6,298,714
Standard Chartered Bank, Singapore	SGD	56,281	61.12	3,439,664	15,399	61.74	950,745
Standard Chartered Bank, Colombo	ACU	50,706	83.90	4,254,223	70,039	82.70	5,792,242
Mashreq Bank PSC, London	GBP	226,272	106.23	24,037,784	32,379	110.99	3,593,850
Standard Chartered Bank, London	GBP	794,951	106.23	84,450,986	25,102	110.99	2,786,077
Sonali Bank (UK) Ltd., London	GBP	-	-	-	5,900	110.99	654,799
Habib American Bank, Zurich	CHF	55,362	84.52	4,679,372	27,744	83.97	2,329,581
Standard Chartered Bank, Tokyo	JPY	7,150,513	0.76	5,408,649	3,492,507	0.73	2,552,407
UBAF, Tokyo	JPY	2,702,302	0.76	2,044,022	1,430,049	0.73	1,045,114
Mashreq Bank PSC, London	EUR	55,075	95.51	5,260,343	2,703	98.50	266,274
Standard Chartered Bank, Germany	EUR	24,575	95.51	2,347,155	7,580	98.50	746,587
ICICI Bank Ltd., Mumbai	EUR	6,164	95.51	588,774	6,164	98.50	607,168
Unicredit Bank, Germany	EUR	3,922	95.51	374,614	18,391	98.50	1,811,388
Commerz Bank AG, Germany	EUR	275,453	95.51	26,309,047	341,718	98.50	33,657,782
United Bank of India, Kolkata	EUR	4,226	95.51	403,590	4,226	98.50	416,199
Standard Chartered Bank, Mumbai	ACU	240,545	83.90	20,181,751	6,964	82.70	575,960
Standard Chartered Bank, Kolkata	ACU	500,482	83.90	41,990,479	500,482	82.70	41,389,900
Standard Chartered Bank, Karachi Pakistan	ACU	98,908	83.90	8,298,417	63,392	82.70	5,242,484
Habib Metropoliton Bank Ltd., Karachi	ACU	48,243	83.90	4,047,559	181,825	82.70	15,036,887
Mashreq Bank PSC, Mumbai	ACU	595,410	83.90	49,954,929	86,299	82.70	7,136,944
AB BankLtd., Mumbai	ACU	45,287	83.90	3,799,575	635,255	82.70	52,535,622
ICICI Bank Ltd., Mumbai	ACU	93,077	83.90	7,809,184	379,791	82.70	31,408,674
Himalayan Bank Ltd., Kathmundu	ACU	109,490	83.90	9,186,211	109,490	82.70	9,054,823
Nepal Bangladesh Bank Limited	ACU	131,974	83.90	11,072,627	131,974	82.70	10,914,258
United Bank of India, Kolkata	ACU	186,100	83.90	15,613,811	130,633	82.70	10,803,342
HDFC Bank Ltd., Mumbai	ACU	477,370	83.90	40,051,377	285,989	82.70	23,651,275
Axis Bank Ltd., Mumbai	ACU	244,153	83.90	20,484,459	53,676	82.70	4,439,023
Sonali Bank Ltd., Kolkata	ACU	141,495	83.90	11,871,432	154,842	82.70	12,805,414
Mashreq Bank PSC, UAE	AED	13,854,218	22.84	316,445,588	4,712,727	22.52	106,110,127
Commerz Bank AG, Germany	AUD	203,559	59.23	12,055,773	-	-	-
Bank Al Bilad KSA (SAR)	SAR	506,376	22.36	11,322,967	-	-	-
ICICI, Mumbai	ACU	-	-	28,032,607	-	-	28,032,607
		39,206,768.02		**1,642,023,744**	**20,471,771**		**1,041,438,060**

Investment in Shares
As at 31 December 2018

Annexure-B
Amount in BDT

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December 2018	Total Market Value as at 31 December 2018	Unrealised Gain/Loss
A.	**Quoted Share**							
1	Active Fine Chemicals Ltd	10	1,466.40	57,162	38.98	28.20	41,352	(15,810)
2	BRAC Bank Ltd.	10	4,481	326,637	72.89	72.70	325,769	(868)
3	Bangladesh Submarine Cable Company Limited	10	55,000	9,348,350	169.97	96.70	5,318,500	(4,029,850)
4	The City Bank Ltd.	10	1,935	80,639	41.67	30.20	58,437	(22,202)
5	Confidence Cement	10	2,392	432,490	180.84	179.40	429,053	(3,437)
6	Nahee Aluminum Comp.	10	1,475	103,840	70.40	58.40	86,146	(17,694)
7	Singer BD Ltd	10	1,537	332,444	216.29	221.20	339,984	7,540
8	Dhaka Electric Supply Company Ltd.	10	28,638	2,907,903	101.54	40.30	1,154,111	(1,753,791)
9	First Finance Limited	10	121,275	3,461,189	28.54	5.70	691,268	(2,769,921)
10	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	39.30	393,000	(221,200)
11	Grameenphone Ltd.	10	1,307	520,085	397.92	367.30	480,061	(40,024)
12	Jamuna Oil Company Limited	10	66,000	15,467,760	234.36	180.80	11,932,800	(3,534,960)
13	Matin Spinning Mills Ltd.	10	100,000	4,733,000	47.33	39.40	3,940,000	(793,000)
14	Meghna Petroleum Limited	10	32,670	7,510,506	229.89	188.70	6,164,829	(1,345,677)
15	National Bank Ltd.	10	282,395	4,464,665	15.81	9.60	2,710,992	(1,753,673)
16	Northern General Insurance Company Ltd.	10	30,719	967,956	31.51	18.30	562,158	(405,798)
17	Orion Pharma Ltd.	10	50,000	3,551,000	71.02	37.00	1,850,000	(1,701,000)
18	Phoenix Insurance Company Ltd.	10	42,750	2,579,108	60.33	28.90	1,235,475	(1,343,633)
19	Pragati Life Insurance Ltd.	10	148,648	25,524,348	171.71	113.00	16,797,224	(8,727,124)
20	Premier Cement Mills Limited	10	25,000	2,940,500	117.62	72.20	1,805,000	(1,135,500)
21	RAK Ceramics (Bangladesh) Limited	10	17,325	1,114,517	64.33	39.40	682,605	(431,912)
22	R.N. Spinning Mills Limited	10	158,400	3,712,896	23.44	9.00	1,425,600	(2,287,296)
23	Square Pharmaceuticals Ltd.	10	882	222,973	252.80	254.20	224,204	1,231
24	Summit Power Limited	10	692,102	38,916,895	56.23	40.30	27,891,711	(11,025,185)
25	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	3.10	1,050,280	(5,956,104)
	Free Fund available			263,165			263,165	-
	Sub-Total		**2,215,197**	**137,160,611**			**87,853,724**	**(49,306,887)**

B.	Mutual Fund (Quoted)	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December 2018	85% NAV	Total Value as per 85% of NAV as at 31 December 2018	Provision Req. as per BB Guideline
1	DBH First Mutual Fund	10	8,450	59,608	7.05	8.10	9.27	78,289	-
2	Green Delta Mutual Fund	10	10,241	73,328	7.16	7.50	9.27	94,883	-
3	First Bangladesh Fixed Income Fund	10	34,100,205	219,643,027	6.44	4.30	9.21	313,909,437	-
4	EBL NRB Mutual Fund	10	16,287,167	108,951,108	6.69	4.70	9.10	148,270,225	-
5	MBL 1st Mutual Fund	10	4,160,000	41,600,000	10.00	7.20	9.45	39,320,320	(2,279,680)
6	PHP First Mutual Fund	10	4,792,155	32,808,980	6.85	4.30	9.03	43,258,783	-
	Sub-Total		**59,358,218**	**403,136,051**				**544,931,937**	**(2,279,680)**

C	Unquoted Share	Face Value	No. of Share Held	Cost Holding	Net Assets value as per Last audited Financial Statements	Total No. of Shares of Issuers	NAV	Value as per NAV as at 31 December 2018	Unrealized Gain/Loss
1	BD Venture Limited	10	2,000,000	20,000,000	232,436,195	20,000,000	11.62	23,243,620	**3,243,620**
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,757,096,649	200,000,000	33.79	192,976,058	**177,281,628**
3	Energypack Power Generation Limited	10	1,192,800	50,000,000	6,091,512,724	149,869,650	40.65	48,481,840	**(1,518,160)**
4	Industrial & Infrastructure Development Finance Company Limited	10	10,260,754	71,770,260	1,763,805,275	100,000,000	17.64	180,979,720	**109,209,460**
5	LIC Bangaldesh	10	3,000,000	30,000,000	586,350,173	60,000,000	9.77	29,317,509	**(682,491)**
6	The Bangladesh Rating Agency Limited	100	49,155	4,915,500	13,443,628	1,067,175	12.60	619,225	**(4,296,275)**
	Sub-Total			**192,380,190**	**15,444,644,644**			**475,617,972**	**283,237,782**
D	**Fund (Unquoted)**								-
1	MTB Unit Fund	10	21,760,000	217,600,000				217,600,000	-
	Sub-Total			**217,600,000**				**217,600,000**	-
E	**Bonds:**								
1	Uttara Finance & Investment Limited-Zero Coupon Bond			20,000,000				20,000,000	-
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	AIBL Second Mudaraba Bond			100,000,000				100,000,000	
7	IPDC Subordinated Bond			200,000,000				200,000,000	
8	NBL Subordinated Bond			250,000,000				250,000,000	
9	AB Bank Subordinate Bond			48,000,000				48,000,000	-
	Sub-Total			**1,218,000,000**				**1,218,000,000**	-
	Total			**2,168,276,853**		-		**2,544,003,633**	**51,586,567**

Particular	Provision Required	Provision Maintained	Excess/(Shortfall)
Quoted Shares	49,306,887	55,267,667	3,681,100
Un-quoted Shares	-		
Mutual Funds	2,279,680		
Total	51,586,567	55,267,667	3,681,100

Consolidated Fixed Asset Schedule
As at 31 December 2018

Annexure-C
Amount in BDT

Particulars	Cost: Balance as at 01.01.2018	Cost: Addition during the year	Cost: Disposal during the year	Cost: Balance as at 31.12.2018	Rate	Depreciation: Balance as at 01.01.2018	Depreciation: Charged for the year	Depreciation: Adjustment made during the year	Depreciation: Balance as at 31.12.2018	Written down value as at 31.12.2018
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.50%	173,945,791	34,106,805	-	208,052,596	1,294,053,199
Furniture & Fixture	1,405,072,503	90,288,126	21,220,538	1,474,140,091	10%	555,334,791	90,268,066	13,307,710	632,295,147	841,844,945
Office Equipment	1,765,060,309	137,443,533	8,307,640	1,894,196,203	20%	1,037,754,129	163,697,945	7,054,726	1,194,397,348	699,798,855
Motor Vehicle	171,730,597	32,384,376	25,950,886	178,164,087	20%	101,538,756	22,132,370	23,923,691	99,747,435	78,416,652
Books & Periodicals	423,974	-	423,974	-	10%	423,974	-	423,974	-	-
Intangible Asset	199,696,090	4,931,250	-	204,627,340	20%	68,079,463	26,738,265	-	94,817,728	109,809,612
Total 2018	**5,148,342,268**	**265,047,285**	**55,903,038**	**5,357,486,516**		**1,937,076,904**	**336,943,451**	**44,710,101**	**2,229,310,254**	**3,128,176,263**
Total 2017	**4,778,898,729**	**424,241,175**	**54,797,635**	**5,148,342,269**		**1,637,927,486**	**337,159,990**	**38,010,572**	**1,937,076,904**	**3,211,265,364**

Fixed Asset Schedule
As at 31 December 2018

Annexure-C (i)
Amount in BDT

Particulars	Cost: Balance as at 01.01.2018	Cost: Addition during the year	Cost: Disposal during the year	Cost: Balance as at 31.12.2018	Rate	Depreciation: Balance as at 01.01.2018	Depreciation: Charged for the year	Depreciation: Adjustment made during the year	Depreciation: Balance as at 31.12.2018	Written down value as at 31.12.2018
Land	104,253,000			104,253,000	0%	-		-	-	104,253,000
Immovable Property	1,455,740,795			1,455,740,795	2.50%	163,693,017	32,301,194		195,994,211	1,259,746,584
Furniture & Fixture	1,346,987,053	88,726,626	21,220,538	1,414,493,141	10%	533,250,868	86,371,919	13,307,710	606,315,077	808,178,064
Office Equipment	1,725,443,429	135,988,306	8,307,640	1,853,124,095	20%	1,009,619,473	161,279,548	7,054,726	1,163,844,295	689,279,800
Motor Vehicle	171,730,597	32,384,376	25,950,886	178,164,087	20%	101,538,756	22,132,370	23,923,691	99,747,435	78,416,652
Books & Periodicals	423,974		423,974	-	10%	423,974	-	423,974	-	-
Intangible Asset	199,696,090	4,931,250		204,627,340	20%	68,079,463	26,738,265		94,817,728	109,809,612
Total 2018	**5,004,274,938**	**262,030,558**	**55,903,038**	**5,210,402,458**		**1,876,605,551**	**328,823,296**	**44,710,101**	**2,160,718,746**	**3,049,683,712**
Total 2017	**4,620,607,018**	**422,884,704**	**39,216,784**	**5,004,274,938**		**1,578,555,409**	**328,372,014**	**30,321,872**	**1,876,605,551**	**3,127,669,387**

List of Subordinated Debt Holders as at 31 December 2018

Annexure-D

A MTB 2nd Subordinated Bond

Sl.	Name of Parties	2018 Investment Amount	2017 Investment Amount
1	Sonali Bank Limited	800,000,000	1,000,000,000
2	BRAC Provident Fund	400,000,000	500,000,000
3	Bank Asia Limited	320,000,000	400,000,000
4	Uttara Bank Limited	240,000,000	300,000,000
5	BRAC	200,000,000	250,000,000
6	BRAC Bank Limited	200,000,000	250,000,000
7	NRB Commercial Bank Limited	160,000,000	200,000,000
8	United Finance Limited	80,000,000	100,000,000
	Sub-Total (A)	**2,400,000,000**	**3,000,000,000**

B MTB 3nd Subordinated Bond

Sl.	Name of Parties	2018 Investment Amount	2017 Investment Amount
1	Pubali Bank Limited	950,000,000	950,000,000
2	Dhaka Bank Limited	900,000,000	900,000,000
3	Sonali Bank Limited	750,000,000	750,000,000
4	Southeast Bank Limited	650,000,000	650,000,000
5	Janata Bank Limited	500,000,000	500,000,000
6	Agrani Bank Limited	300,000,000	300,000,000
7	Eastern Bank Limited	300,000,000	300,000,000
8	Rupali Bank Limited	200,000,000	200,000,000
9	Delta Life Insurance Company Limited	200,000,000	200,000,000
10	Standard Bank Limited	150,000,000	150,000,000
11	United Finance Limited	100,000,000	100,000,000
	Sub-Total (B)	**5,000,000,000**	**5,000,000,000**

	Total (A+B)	**7,400,000,000**	**8,000,000,000**

Mutual Trust Bank Limited
Name of Companies in which the Directors of the Bank have Interest

Annexure - E

Sl.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	**Mr. Md. Hedayetullah** Chairman	**Chairman** - Hedayetullah Securities Ltd. - MTB Securities Limited (MTBSL) - MTB Capital Limited (MTBCL) - MTB Exchange UK Limited (MTB UK) **Director** - Apex Tannery Ltd. - Apex Property Development Ltd. **Managing Director** - Footbed Footwear Ltd. - FB Footwear Ltd.
2	**Mrs. Khwaja Nargis Hossain** Vice Chairman	**Director** - SAHCO International Ltd. **Managing Director** - SAHCO Securities Ltd.
3	**Mr. Syed Manzur Elahi** Director (Founding Chairman)	**Chairman** - Apex Tannery Ltd. - Apex Footwear Ltd. - Apex Pharma Ltd. - Blue Ocean Footwear Ltd. - Apex Enterprises Ltd. - Apex Investments Ltd. - Grey Advertising (Bangladesh) Ltd. - Quantum Market Research - Manusher Jonno Foundation **Director** - International Publications Limited - Credit Rating Agency of Bangladesh Limited (CRAB) - Central Depository Bangladesh Limited (CDBL) - MTB Exchange (UK) Limited **Member of the Board of Trustees** - East West University - Centre for Policy Dialogue (CPD) - Diabetic Association of Bangladesh
4	**Dr. Arif Dowla** Director (Representing Advanced Chemical Industries Ltd.)	**Chairman** - Tetley ACI (Bangladesh) Ltd. **Vice Chairman** - ACI HealthCare Limited **Director** - ACI Formulations Limited - ACI Motors Limited - ACI Pure Flour Limited - ACI Agrolink Limited - Premiaflex Plastics Limited - ACI Foods Limited - ACI Chemicals Limited - Infolytx Bangladesh Limited - ACI Salt Limited - ACI Biotech Limited - ACI Edible Oils Limited - Creative Communication Limited - Consolidated Chemicals Limited - Dowla Agricultural Development Company Ltd. - ACI Godrej Agrovet Private Limited - ACI Foundation - Bangladesh Business Publications Limited - ACI Healthcare USA Inc. - MTB Capital Limited (MTBCL) **Managing Director** - Advanced Chemical Industries (ACI) Ltd. - ACI Logistics Limited - Stochastic Logic Limited **Member of the Board of Governors** - Society for Promotion of Bangladesh Art (SPBA)
5	**Mr. Rashed Ahmed Chowdhury** Director (Representing Associated Builders Corp. Ltd.)	**Chairman** - ABC Building Products Ltd. - Banga Garments Ltd. **Director** - Associated Builders Corporation Ltd. - ABC Real Estate Ltd. - Shamsuddin Towels Ltd. - MTB Exchange (UK) Limited
6	**Mr. M A Rouf, JP** (Former Chairman)	**Chairman** - Britannia Properties Ltd. Bangladesh - Britannia Holdings & Management Ltd. - Britannia Developments Ltd. - Britannia Asset & Equity Management Ltd. - Diamond Properties (BD) - Diamond Properties (UK) St. Andrews **Director** - Tiger Tours Ltd. - MTB Exchange (UK) Ltd.
7	**Mr. Md. Abdul Malek** Director	**Proprietor** - Gardenia
8	**Mr. Md. Wakiluddin** Director	**Chairman** - Baridhara Corporation Ltd. **Director** - HURDCO International School **Managing Director** - Swadesh Properties Ltd. - Swadesh Global Media Ltd.
9	**Mr. Anjan Chowdhury** Director (Representing ASTRAS Ltd.)	**Chairman** - Oracle Travels Ltd. - Vision Technologies Ltd. (Radio Din Raat) - Sun Communications Ltd. **Director** - Square Pharmaceuticals Limited - Square Hospitals Ltd. - Square Formulations Ltd. - Square Herbal and Nutraceuticals Ltd. - Square Agro Development and Proc. Ltd. - Square Textiles Ltd. - Square Fashions Limited - Square Yarns Limited - Square Fashion Yarns Limited - Square Denims Limited - Square Apparels Limited - Square Holdings Ltd. - Square Informatix Ltd. - ASTRAS Limited - Pharma Packages (Pvt.) Ltd. - Barnali Printers Ltd. - Sabazpur Tea Co. Ltd. - Abahani Limited **Managing Director** - Square Toiletries Ltd. - Square Food & Beverage Ltd. - Square Securities Management Ltd. - Square Texcom Limited - Square Air Ltd. - Maasranga Communications Ltd. (Maasranga Television) - Mediacom Ltd. - Aegis Services Ltd.
10	**Mr. Md. Manirul Islam** Director (Representing Pioneer Insurance Company Ltd.)	**Managing Director** - Pioneer Insurance Co. Ltd.
11	**Mr. Anwarul Amin** Independent Director	**Chairman** - Kayfin Consultants Ltd. (Management Consultancy Firm) **Independent Director (Fully owned subsidiary of MTB)** - MTB Securities Ltd. (MTBSL) - MTB Capital Ltd. (MTBCL)
12	**Dr. Sultan Hafeez Rahman** Independent Director	**Executive Director** - BRAC Institute of Governance and Development(BIGD) **Independent Director** - MTB Exchange (UK) Limited

Consolidated Financial Highlights
As at 31 Decemebr 2018

Annexure - F
Amount in BDT (In Million)

Sl. No.	Items	2018	2017
1	Paid up Capital	5,733.63	5,096.56
2	Total Capital (Tier-1 & 2)	21,042.05	19,016.46
3	Surplus/(Shortage) Capital	4,677.60	5,194.01
4	Total Asset	222,444.90	201,753.93
5	Total Deposit	166,160.29	151,776.69
6	Total Loans and Advances	166,145.12	145,606.99
7	Total Contingent Liabilities	65,632.12	53,302.45
8	Lending-Deposit Ratio	82.83%	83.45%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.39%	4.30%
10	Profit after Provision and Tax	1,734.45	1,980.34
11	Total Classified Loans and Advances	8,951.40	6,268.36
12	Total Provision Maintained against Classified Loans	3,183.38	2,398.34
13	Surplus/(Deficit) in Provision against Classified Loans	(1,517.39)	30.00
14	Cost of Fund	8.63%	7.88%
15	Earning Assets	187,021.93	170,162.67
16	Non-Interest Earning Assets	35,422.97	31,591.27
17	Return on Investments (ROI)	8.93%	9.04%
18	Return on Asset (ROA)	0.82%	1.08%
19	Income from Investment	2,343.17	2,127.21
20	Earnings Per Share (BDT)	3.03	3.45
21	Operating Profit Per Share (BDT)	8.52	6.83
22	Price-Earning Ratio (Times)	11.60	10.13

Financial Highlights
As at 31 December 2018

Annexure - F (i)
Amount in BDT (In Million)

Sl. No.	Items	2018	2017
1	Paid up Capital	5,733.63	5,096.56
2	Total Capital (Tier-1 & 2)	20,800.01	18,846.47
3	Surplus/(shortage) Capital	4,570.34	5,186.76
4	Total Assets	221,827.58	201,277.52
5	Total Deposits	166,700.99	152,237.79
6	Total Loans and Advances	163,281.71	142,819.50
7	Total Contingent Liabilities	65,632.12	53,302.45
8	Lending-Deposit Ratio	82.83%	83.45%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.48%	4.39%
10	Profit after Provision and Tax	1,582.40	1,916.22
11	Total Classified Loans and Advances	8,951.40	6,268.36
12	Total Provision Maintained against Classified Loans	3,183.38	2,398.34
13	Surplus/(Deficit) in Provision against Classified Loans	(1,517.39)	30.00
14	Cost of Fund	8.52%	7.75%
15	Earning Assets	183,146.85	166,404.55
16	Non-Interest Earning Assets	38,680.73	34,872.97
17	Return on Investments (ROI)	8.75%	8.94%
18	Return on Asset (ROA)	0.75%	1.05%
19	Income from Investment	2,239.09	2,056.35
20	Earnings Per Share (BDT)	2.76	3.34
21	Operating Profit Per Share (BDT)	8.04	6.41
22	Price-Earning Ratio (Times)	12.72	10.47

Off Shore Banking Unit (OBU)
Balance Sheet
As at 31 December 2018

Annexure- G

	Notes	2018 USD	2018 BDT	2017 USD	2017 BDT
Property and Assets					
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	3	**8,020,026**	**672,880,217**	**8,788,565**	**726,814,309**
In Bangladesh		-	-	-	-
Outside Bangladesh		8,020,026	672,880,217	8,788,565	726,814,309
Loans and advances	4	**136,996,601**	**11,494,014,783**	**111,702,057**	**9,237,760,086**
Loans, cash credits & overdrafts etc.		134,240,734	11,262,797,541	109,263,652	9,036,104,020
Bills purchased and discounted		2,755,867	231,217,241	2,438,405	201,656,065
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	**503,467**	**42,240,855**	**216,525**	**17,906,592**
Non - banking assets		-	-	-	-
Total assets		**145,520,094**	**12,209,135,855**	**120,707,146**	**9,982,480,987**
Liabilities and Capital					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	**142,900,072**	**11,989,316,037**	**118,424,757**	**9,793,727,370**
Deposits and other accounts	7	**105,949**	**8,889,088**	**7,607**	**629,099**
Current deposits		105,949	8,889,088	7,607	629,099
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
Other liabilities	8	**2,514,073**	**210,930,730**	**2,274,783**	**188,124,518**
Total liabilities		**145,520,094**	**12,209,135,855**	**120,707,146**	**9,982,480,987**
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
Total Shareholders' equity		-	-	-	-
Total Liabilities and Shareholders' equity		**145,520,094**	**12,209,135,855**	**120,707,146**	**9,982,480,987**
Off-Balance Sheet Items		-	-	-	
Contingent liabilities	9	**916,420**	**76,887,638**	**50,000**	**4,135,000**
Acceptances and endorsements		-	-	-	-
Letters of guarantee		916,420	76,887,638	50,000	4,135,000
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other commitments			-	-	-
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		-	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities		**916,420**	**76,887,638**	**50,000**	**4,135,000**

Off Shore Banking Unit (OBU)
Profit and Loss Account
For the year ended 31 December 2018

Annexure- G

Particulars	Notes	2018 USD	2018 BDT	2017 USD	2017 BDT
Interest income	10	6,723,201	561,455,155	4,718,648	380,447,095
Less: Interest on deposits & borrowings etc.	11	5,877,423	490,824,205	3,334,840	268,875,783
Net Interest Income		845,777	70,630,950	1,383,808	111,571,313
Commission & exchange etc.	12	4,525	377,850	250	20,157
Other operating income	13	154,830	12,929,869	154,150	12,428,544
Total Operating Income (A)		**1,005,132**	**83,938,669**	**1,538,208**	**124,020,013**
Salaries and allowances		-	-	-	-
Rent, taxes, insurance & electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps & telecommunication etc.		-	-	-	-
Stationery, printing & advertisements etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses	14	42,631	3,560,077	37,568	3,028,948
Total operating expenses (B)		42,631	3,560,077	37,568	3,028,948
Profit / (loss) before provision (C=A-B)		**962,501**	**80,378,592**	**1,500,640**	**120,991,065**
Provision for loans and advances/investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		-	-	-	-
Total profit/(loss) before taxes (C-D)		**962,501**	**80,378,592**	**1,500,640**	**120,991,065**
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit/(loss) after taxation		**962,501**	**80,378,592**	**1,500,640**	**120,991,065**
Retained earnings brought forward from previous years		-	-	-	-
		962,501	**80,378,592**	**1,500,640**	**120,991,065**

Off Shore Banking Unit (OBU)
Statement of Cash Flow
For the year ended 31 December 2018

Annexure- G

	2018 USD	2018 BDT	2017 USD	2017 BDT
A) Cash flows from operating activities				
Interest receipts in cash	6,723,201	561,455,155	4,718,648	380,447,095
Interest payments	(5,877,423)	(490,824,205)	(3,334,840)	(268,875,783)
Fees and commission receipts in cash	4,525	377,850	250	20,157
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	154,830	12,929,869	154,150	12,428,544
Payments for other operating activities	(42,631)	(3,560,077)	(37,568)	(3,028,948)
Cash generated from operating activities before changes in operating assets and liabilities	**962,501**	**80,378,592**	**1,500,640**	**120,991,065**
Increase/(decrease) in operating assets and liabilities				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(25,294,544)	(2,256,254,697)	(71,986,747)	(6,112,077,806)
Other assets	(286,942)	(24,334,263)	(216,525)	(17,906,592)
Deposits from other banks	-	-	-	-
Deposits from customers	98,342	8,259,989	7,607	629,099
Other liabilities	239,291	25,542,810	1,831,131	150,201,217
	(25,243,854)	**(2,246,786,162)**	**(70,364,534)**	**(5,979,154,082)**
Net cash from operating activities	**(24,281,352)**	**(2,166,407,570)**	**(68,863,894)**	**(5,858,163,017)**
B) Cash flows from investing activities				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash used in investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from banks, financial institution and agents	24,475,315	2,195,588,667	78,650,145	6,663,377,912
Net profit transferred to main operation	(962,501)	(80,378,592)	(1,500,640)	(120,991,065)
Net Cash from financing activities	**23,512,814**	**2,115,210,076**	**77,149,505**	**6,542,386,847**
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(768,538)	(51,197,494)	8,285,612	684,223,829
E) Effects of exchange rate changes on cash and cash equivalents	-	(2,736,598)	-	3,006,974
F) Cash and cash equivalents at beginning of the year	8,788,565	726,814,309	502,953	39,583,506
G) Cash and cash equivalents at end of the year (D+E+F)	**8,020,026**	**672,880,217**	**8,788,565**	**726,814,309**
Cash and cash equivalents at end of the year				
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	8,020,026	672,880,217	8,788,565	726,814,309
	8,020,026	**672,880,217**	**8,788,565**	**726,814,309**

Off Shore Banking Unit (OBU)
Liquidity Statement
As at 31 December 2018

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	672,880,217	-	-	-	-	672,880,217
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	1,321,685,266	2,634,818,985	4,749,568,283	2,656,366,444	131,575,806	11,494,014,783
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	31,779,485	10,461,370	-	-	-	42,240,855
Non-Banking Assets	-	-	-	-	-	-
Total Assets	**2,026,344,968**	**2,645,280,355**	**4,749,568,283**	**2,656,366,444**	**131,575,806**	**12,209,135,855**
LIABILITIES						
Borrowing From Other Banks, Financial Institutions & Agents	1,076,077,082	2,060,471,865	4,210,479,942	4,535,263,507	107,023,641	11,989,316,037
Deposit and Other Account	-	-	8,889,088	-	-	8,889,088
Provision & Other Liabilities	6,504,442	14,743,401	138,762,402	38,840,808	12,079,677	210,930,730
Total Liabilities	**1,082,581,524**	**2,075,215,266**	**4,358,131,432**	**4,574,104,315**	**119,103,318**	**12,209,135,855**
Net Liquidities	**943,763,444**	**570,065,089**	**391,436,851**	**(1,917,737,871)**	**12,472,488**	**-**

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Mutual Trust Bank Ltd.

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Financial Statements 2018

Off Shore Banking Unit (OBU)
Notes to the Financial Statements
As at 31 December 2018

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter # BRPD(P-3)744(105)/2009-4470, dated 03 December 2009. The Bank commenced operation of this unit from 07 December 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, International Accounting Standards, International Financial Reporting Standard (IFRS) and other applicable directives issued by The Bangladesh Bank, in particular, Banking regulations and policy department (BRPD) Circular # 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 currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-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 denomonated 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 01 January 2018 to 31 December 2018.

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 BRPD Circular # 19, dated 23 September 2012 and 27 December 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 IAS- 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.7 Interest income

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

2.8 Interest paid and other expenses

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

2.9 Allocation of common expenses

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

2.10 General

a) 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.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US$1 = BDT 82.7000 (closing rate as at 31 December 2017) and BDT 80.6263 (average rate which represents at the year end).

c) 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 Account of the main operation of the bank.

	2018		2017	
	USD	BDT	USD	BDT
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh	8,020,026	672,880,217	8,788,565	726,814,309
	8,020,026	**672,880,217**	**8,788,565**	**726,814,309**
4 Loans and advances				
i) Loans, cash credits & overdrafts etc.				
Term Loan	12,679,735	1,063,829,757	14,475,298	1,197,107,180
Usance Payable at Sight (UPAS)	121,560,999	10,198,967,784	90,721,312	7,502,652,467
Placement to other OBU	-	-	4,067,042	336,344,373
	134,240,734	**11,262,797,541**	**109,263,652**	**9,036,104,020**
ii) Bills purchased and discounted				
Payable inside Bangladesh				
Inland Documentary bills purchased	2,084,166	174,861,527	2,327,313	192,468,757
Foreign Documentary bills purchased	671,701	56,355,714	111,092	9,187,308
	2,755,867	**231,217,241**	**2,438,405**	**201,656,065**
Payable Outside Bangladesh	-	-	-	-
	136,996,601	**11,494,014,783**	**111,702,057**	**9,237,760,086**
4.01 Loans and Advances to Industries				
Agro-based and agro-processing industry	17,170,987	1,440,645,833	14,222,890	1,176,232,964
Power & Energy	8,468,416	710,500,084	15,711,308	1,299,325,142
RMG & Textile	26,396,084	2,214,631,414	28,491,116	2,356,215,327
Building Materials & Equipment	1,610,399	135,112,448	2,573,906	212,861,990
Ceramic	420,242	35,258,280	1,385,776	114,603,655
Electronics Manufacturing & Equipment	4,164,703	349,418,592	4,190,395	346,545,632
Iron, Steel & Other Base Metals	50,184,978	4,210,519,637	20,044,513	1,657,681,253
Cement	2,650,904	222,410,846	176,549	14,600,602
Pharmaceuticals	2,909,283	244,088,865	1,881,173	155,573,010
Plastic & Rubber	3,896,750	326,937,295	6,494,459	537,091,736
Chemical & Chemical Products	989,168	82,991,201	2,295,503	189,838,115
Hospitals and Clinics	2,495,005	209,330,940	2,334,562	193,068,286
Engineering, Metal & Metal Products	5,566,009	466,988,152	6,308,675	521,727,386
Others	10,073,673	845,181,197	5,591,233	462,394,987
	136,996,601	**11,494,014,783**	**111,702,057**	**9,237,760,086**
4.02 Classification of Loans and Advances including bill discounted				
Unclassified (UC)				
Standard	136,996,601	11,494,014,783	111,702,057	9,237,760,086
Special Mention Account (SMA)	-	-	-	-
Sub total	**136,996,601**	**11,494,014,783**	**111,702,057**	**9,237,760,086**
Classified:				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Bad & Loss	-	-	-	-
Sub total	**-**	**-**	**-**	**-**
Total	**136,996,601**	**11,494,014,783**	**111,702,057**	**9,237,760,086**
4.03 Geographical Location wise Loans and Advances				
Inside Bangladesh				
Urban				
Dhaka Division	64,405,342	5,403,608,211	69,794,702	5,772,021,836
Chittagong Division	62,136,419	5,213,245,578	32,738,035	2,707,435,526
Rajshahi Division	285,164	23,925,269	-	-
Sylhet Division	3,182,155	266,982,827	2,315,343	191,478,862
Khulna Division	6,626,269	555,943,972	6,853,977	566,823,862
Rangpur Division	361,251	30,308,925	-	-
	136,996,601	**11,494,014,783**	**111,702,057**	**9,237,760,086**
Rural				
Dhaka Division	-	-	-	-
Chittagong Division	-	-	-	-
Rajshahi Division	-	-	-	-
Sylhet Division	-	-	-	-
Khulna Division	-	-	-	-
Barishal Division	-	-	-	-
Outside Bangladesh	-	-	-	-
	136,996,601	**11,494,014,783**	**111,702,057**	**9,237,760,086**
5 Other Assets				
Adjusting A/C Debit	503,467	42,240,855	216,525	17,906,592
	503,467	**42,240,855**	**216,525**	**17,906,592**
6 Borrowings from other banks, financial institutions and agents				
In Bangladesh	29,393,597	2,466,122,788	32,027,528	2,648,676,566
Outside Bangladesh	113,506,475	9,523,193,249	86,397,229	7,145,050,804
	142,900,072	**11,989,316,037**	**118,424,757**	**9,793,727,370**
In Bangladesh:				
Borrowing from Bank:				
Bangldesh Bank	4,235,697	355,374,978	4,669,638	386,179,063
Other Bank	25,157,900	2,110,747,810	27,357,890	2,262,497,503
	29,393,597	**2,466,122,788**	**32,027,528**	**2,648,676,566**
Outside Bangladesh	113,506,475	9,523,193,249	86,397,229	7,145,050,804
	142,900,072	**11,989,316,037**	**118,424,757**	**9,793,727,370**
7 Deposits and other accounts				
Bank deposits	-	-	-	-
Customer deposits - Current deposits	105,949	8,889,088	7,607	629,099
	105,949	**8,889,088**	**7,607**	**629,099**
8 Other liabilities				
Adjusting A/C Credit	74,884	6,282,735	-	-
Due to Head Office (Retained earnings)	962,501	80,378,592	1,500,640	120,991,065
Interest Payable on Borrowing	1,476,688	123,894,124	774,142	64,021,576
Translation gain/(loss)	-	375,279	-	3,111,877
	2,514,073	**210,930,730**	**2,274,783**	**188,124,518**
9 Contingent Liabilities & Commitments				
Letter of Guarantee	916,420	76,887,638	50,000	4,135,000
	916,420	**76,887,638**	**50,000**	**4,135,000**
10 Interest income				
Interest on term loan	773,888	64,627,502	415,362	33,489,125
Interest on UPAS	5,742,779	479,580,016	4,009,924	323,305,318
Interest on Placement to other OBU	37,759	3,153,291	67,042	5,405,348
Inland Documentary bills purchased	128,298	10,714,167	220,746	17,797,909
Foreign Documentary bills purchased	40,476	3,380,179	5,574	449,396
Total Interest on loans and advances	**6,723,201**	**561,455,155**	**4,718,648**	**380,447,095**
11 Interest on deposits & borrowings etc.				
Interest paid on deposits	-	-	-	-
Interest paid on borrowings	5,877,423	490,824,205	3,334,840	268,875,783
	5,877,423	**490,824,205**	**3,334,840**	**268,875,783**
12 Commission				
Commission on Letter of Guarantee	4,525	377,850	250	20,157
	4,525	**377,850**	**250**	**20,157**
13 Other Income				
Rebate & Other	154,830	12,929,869	154,150	12,428,544
	154,830	**12,929,869**	**154,150**	**12,428,544**
14 Other Expenses				
Bank Charge	42,631	3,560,077	37,568	3,028,948
	42,631	**3,560,077**	**37,568**	**3,028,948**

Independent Auditor's Report
To the Shareholders of MTB Securities Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTB Securities Ltd. (the company), which comprise the statement of financial position as at 31 December, 2018, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial positionof MTB Securities Ltd. as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Securities & Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the companyin accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994,the Securities & Exchange Rules 1987and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept bycompany so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

Sheikh Zahidul Islam FCA, MBA
Partner
Khan Wahab Shafique Rahman & Co.
Dated, Dhaka
January 30, 2019

MTB Securities Ltd.
Statement of Financial Position
As at December 31, 2018

Particulars	Notes	Amount in BDT December 31, 2018	December 31, 2017
SOURCES OF FUNDS			
A. Shareholders' equity		**3,441,816,692**	**3,332,071,512**
Share capital	3	3,250,000,000	3,250,000,000
Retained earnings	4	191,816,692	82,071,512
B. Loan from MTB	5	**-**	**200,000,000**
Total sources of funds (A+B)		**3,441,816,692**	**3,532,071,512**
APPLICATION OF FUNDS			
C. Investment and advances		**642,146,376**	**419,261,304**
Membership at cost	6	6,000,000	8,000,000
Investment in securities	7	578,562,644	382,400,880
Investment in DSE	8	28,860,424	28,860,424
Strategic Investment in securities	9	28,723,308	-
D. Current assets		**3,553,714,804**	**3,805,809,828**
Advances and prepayments	10	36,112,898	47,493,394
Margin loan to clients	11	2,648,201,456	2,766,452,177
Accounts receivable	12	42,926,237	38,917,407
Advance Income Tax (AIT)	13	87,580,057	58,771,987
Cash & cash equivalents	14	738,894,156	894,174,863
E. Current liabilities		**825,884,283**	**768,781,867**
Accounts payable	15	386,702,677	379,329,418
Provision for expenses	16	18,157,055	18,293,105
Provision for income tax	17	39,864,523	39,864,523
Deffered tax liability	18	4,835,728	4,514,310
Provision for margin loan	19	318,463,876	280,920,087
Provision for investment in securities	20	29,000,000	17,000,000
Investment suspense's accounts	21	28,860,424	28,860,424
F. Net current asset (D-E)		**2,727,830,521**	**3,037,027,961**
G. Property, plant & equipment	22	**71,839,795**	**75,782,247**
Total application of funds (C+F+G)		**3,441,816,692**	**3,532,071,512**

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

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Md. Nazrul Islam Mazumder, Chief Executive Officer

Signed as per annexed report on even date

Place: Dhaka
Date: January 30, 2019.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MTB Securities Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2018

Particulars	Notes	Amount in BDT 2018	2017
Operating Income		**359,280,800**	**445,904,904**
Brokerage commission	23	139,604,156	255,409,576
Interest income	24	127,652,385	126,853,097
Income from investment	25	80,744,916	51,390,151
Margin account maintenance	26	846,758	1,674,000
Depository participant	27	10,432,585	10,578,080
Less: Operating expenses		**23,294,170**	**33,073,915**
Laga charge		9,129,440	16,894,546
CDBL charge	28	12,610,800	16,179,369
Sales Associate Commission		1,553,930	-
Net operating income		**335,986,630**	**412,830,989**
Add: Other income	29	664,399	495,902
Total income		**336,651,029**	**413,326,891**
Less: Office & administrative expenses	30	126,584,431	137,169,323
Less: Financial expenses	31	-	100,000,000
Profit before provision		**210,066,598**	**176,157,568**
Less: Provision for margin loan	32	88,000,000	145,000,000
Less: Provision for investment in securities	33	12,000,000	5,000,000
Net profit before income tax		**110,066,598**	**26,157,568**
Less: Income tax expenses	34	321,418	413,316
Net profit after tax		**109,745,180**	**25,744,252**
Earnings Per Share (EPS)	35	**0.34**	**0.08**

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

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Md. Nazrul Islam Mazumder, Chief Executive Officer

Signed as per annexed report on even date

Place: Dhaka
Date: January 30, 2019.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MTB Securities Ltd.
Statement of Changes in Equity
For the year ended December 31, 2018

Amount in BDT

Particulars	Paid up capital	Retained Earnings	Total
Balance as on January 01, 2018	**3,250,000,000**	**82,071,512**	**3,332,071,512**
Net profit after tax for the year	-	109,745,180	109,745,180
Less: Dividend paid	-	-	-
Balance as on December 31, 2018	**3,250,000,000**	**191,816,692**	**3,441,816,692**
Balance as on December 31, 2017	**3,250,000,000**	**82,071,512**	**3,332,071,512**

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Md. Nazrul Islam Mazumder, Chief Executive Officer

MTB Securities Ltd.
Statement of Cash Flows
For the year ended December 31, 2018

Particulars	Amount in BDT 2018	2017
Cash flow from operating activities:		
Net profit during the year (after tax)	109,745,180	25,744,252
Add : Amount considered as non cash items :		
Depreciation charge during the year	6,908,513	7,323,979
Loss on sale of fixed assets	-	2,164,562
Increase/(decrease) in provision for expenses	(136,050)	(2,800,009)
Increase/(decrease) in provision for margin loan	37,543,789	(112,461,122)
Increase / (decrease) in provision for investment in securities	12,000,000	5,000,000
Increase/(decrease) in provision for income tax	-	(28,853,330)
Increase/(decrease) in deferred tax liability	321,418	413,316
Sub total of non cash items	**56,637,670**	**(129,212,603)**
Changes in working capital components		
Increase/(decrease) in accounts payable	7,373,259	(106,027,992)
(Increase)/decrease in accounts receivable	(4,008,830)	4,008,044
(Increase)/decrease in advance income tax	(28,808,070)	(23,090,027)
(Increase)/decrease in advance & prepayment	11,380,496	8,747,965
	(14,063,145)	**(116,362,010)**
A) Net cash inflow from operating activities	**152,319,705**	**(219,830,362)**
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	(196,161,764)	(73,555,458)
(Increase)/decrease in purchase of premises & fixed asset	(2,966,061)	(1,288,237)
(Increase)/decrease in margin loan to clients	118,250,721	887,601,849
(Increase)/decrease in Membership at cost	2,000,000	-
(Increase)/decrease in Investment in Strategic Investment	(28,723,308)	-
Cash sale of fixed asset	-	5,727,589
B) Net cash outflow from investing activities	**(107,600,412)**	**818,485,743**
Cash flow from financing activities :		
Increase/(decrease) in short term borrowing	(200,000,000)	(145,000,000)
Dividend paid	-	-
C) Net cash outflow from financing activities	**(200,000,000)**	**(145,000,000)**
D) Net cash increase / (decrease) (A+B+C)	**(155,280,707)**	**453,655,381**
E) Opening cash and cash equivalents	**894,174,863**	**440,519,482**
F) Closing cash and cash equivalents (D+E)	**738,894,156**	**894,174,863**

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Md. Nazrul Islam Mazumder, Chief Executive Officer

Notes to the Financial Statements
For the year ended December 31, 2018

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 2018.

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, 2018 to December 31, 2018.

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, 2018	December 31, 2017
3.00 Share capital		
3.01 Authorized capital		
500,000,000 ordinary shares of Taka 10 each.	**5,000,000,000**	**5,000,000,000**
3.02 Issued, subscribed and paid-up capital		
325,000,000 ordinary shares of Taka 10 each fully paid.	**3,250,000,000**	**3,250,000,000**

3.03 Shareholding Position of the Company

Share Holders	Number of Share	Percentage
Mutual Trust Bank Limited	324,994,000	99.998%
Mr. Md. Hashem Chowdhury	1,000	0.002%
Mr. Goutam Prosad Das	1,000	
Mr. Syed Rafiqul Hossain	1,000	
Mr. Swapan Kumar Biswas	1,000	
Mr. Abdul Mannan	1,000	
Mr. Md. Nazrul Islam Mazumder	1,000	
Total	**325,000,000**	**100.00%**

4.00 Retained earnings		
Opening balance	82,071,512	56,327,260
Net profit during the year	109,745,180	25,744,252
Dividend paid during the year	-	-
	191,816,692	**82,071,512**
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	200,000,000	345,000,000
Cash Paid during the year	(200,000,000)	(145,000,000)
	-	**200,000,000**
6.00 Membership at cost		
Dhaka Stock Exchange Limited (DSE)	6,000,000	8,000,000
	6,000,000	**8,000,000**

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)	548,586,644	352,424,880
Unquoted share (Placement share)	29,976,000	29,976,000
	578,562,644	**382,400,880**

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Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2018

8.00 Investment in DSE

Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
	28,860,424	**28,860,424**

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)
Shares received from Dhaka Stock Exchange Limited (DSE) (A)	7,215,106	72,151,060
Shares sold to the Strategic Investors by DSE (B)	1,803,777	18,037,765
Remainig Balance C = (A-B)	**5,411,330**	**54,113,295**

Out of this 7,215,106 shares, 40% shares (i.e. 2,886,042) shares have been transferred by DSE to the company's BO account. Remaining 60% shares (i.e. 4,329,064) shares were kept in blocked account for disposal. Subsequently 25% (i.e 1,803,777) shares were sold to the strategic investors by the Exchange as per the provision of the Demutulization Act 2013 on May 02, 2013.

Valuation of 40% shares:

40% shares which are transferred in the BO account will be held by the Company as it does not have the sale right of these shares. The shares will be stated at face value and kept in the Investment Suspense Account in absence of any clear guideline in this regard. Upon receiving clear guidelines and policies , Investment Suspense Account will be adjusted for appropriate Accounting treatment.

Valuation of 60% shares:

As per the Demutualization Scheme, the shares are maintained in the following manner:

(i) 25% shares were sold to the strategic investors by the Exchange as on October 31, 2018

(ii) Except shares allotted in favor of strategic investors, shares held in the blocked account shall be sold to general public/institutional investors.

(iii) The DSE will distribute all the sale proceeds of shares held in blocked account to the initial shareholders on a pro-rata basis gradually as determined by the Exchanges.

9.00 Strategic Investment in Securities

As per Income Tax Ordinance,1984, S, R, O No. 319-Law/Income Tax/ 2018 dated October 31, 2018, sale proceeds of 25% shares (sold to Startegic Investors by the DSE) to be invested in listed securities of any Stock Exchage in Bangladesh for a period of 3 (Three) years from the date of investment of entire net sale proceeds to avail the tax incentive by the NBR. Acordingly, the proceeds have been invested by the Company in the Capital Market.

Investment in listed securities (Anexure-D)	28,723,308	-
	28,723,308	**-**

10.00 Advances and prepayments

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

Office Rent	17,241,688	23,969,129
Advance to Employees-Car	3,530,247	2,358,302
Others	15,340,963	21,165,963
	36,112,898	**47,493,394**

11.00 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 2018.

Opening Balacne	2,766,452,177	3,654,054,026
Addition during the year	99,701,035	49,339,543
Interest during the year	78,300,120	115,086,509
Adjustment during the year	(296,251,876)	(1,052,027,901)
	2,648,201,456	**2,766,452,177**

12.00 Accounts receivable

Receivable from Dhaka Stock Exchange (DSE) Broker (Note 12.1)	39,173,132	26,612,099
Receivable from Dhaka Stock Exchange (DSE) Dealer (Note 12.2)	-	9,315,799
Other receivable	3,753,105	2,989,509
	42,926,237	**38,917,407**

12.01 Receivable from Dhaka Stock Exchange (DSE)-Broker

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

12.02 Receivable from Dhaka Stock Exchange (DSE)-Dealer

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

13.00 Advance income tax

Opening balance	58,771,987	35,681,960
Addition during the year (Note 13.01)	28,808,070	51,943,357
Adjusted during the year	-	(28,853,330)
	87,580,057	**58,771,987**

13.01 Addition during the year

Brokerage commission	18,261,907	33,817,380
Bank interest	4,935,227	1,176,659
Dividend income	3,816,970	2,532,120
Gain on Investment	1,793,966	22,508
Advance tax	-	14,394,690
	28,808,070	**51,943,357**

14.00 Cash and cash equivalents

FDR			
LankaBangla Finance Ltd		-	200,000,000
Union Capital Limited		100,000,000	100,000,000
Hajj Finance Company Ltd		-	100,000,000
Mutual Trust Bank Limited		100,000,000	-
		200,000,000	400,000,000
SND	**A/C No.**		
Mutual Trust Bank Ltd	0002-0320000724	86,689	81,886
Mutual Trust Bank Ltd	0002-0320001438	193,659	150,611
Mutual Trust Bank Ltd	0002-0320001081	16,424	440,803
Mutual Trust Bank Ltd	0087-0320000296	361,345,902	389,102,413
Mutual Trust Bank Ltd	0002-0320002080	10,088	108,419
Mutual Trust Bank Ltd	0087-0320000278	49,346,046	1,702,464
Mutual Trust Bank Ltd	0002-0320001634	345	741,210
Mutual Trust Bank Ltd	0087-0320000287	3,742,721	52,276,077
Mutual Trust Bank Ltd	0087-0320000376	7,406,026	-
Mutual Trust Bank Ltd	0087-0320000063	401,230	-
IFIC Bank limited	1090358680041	1,570,428	25,646,519
Standard Chartered	01114647901	111,157,101	17,499,418
Standard Chartered	02114647901	50,842	56,939
		535,327,501	487,806,759
Cash in hand (Cheque in hand)		3,566,655	6,368,104
		738,894,156	**894,174,863**

15.00 Accounts Payable

It represents money deposited by client for trading purpose .The details are as follows:

Payable to clients (Note 15.1)	351,646,857	352,403,594
Payable to Dhaka Stock Exchange (DSE) (Note 15.2)	1,266,218	1,666,826
Payable to Dhaka Stock Exchange (DSE) -dealer (Note 15.2)	232,492	-
Others payable (Note 15.3)	33,557,110	25,258,998
	386,702,677	**379,329,418**

15.01 Payable to clients

This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.

15.02 Payable to Dhaka Stock Exchange (DSE)

This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.

15.03 Others payable

This balance represents cheques issued to various client but not yet cleared and various suppliers payable.

16.00 Provision for expenses

The details are as follows:

Salary & Allowances	9,000,000	9,000,000
Office rent	293,138	313,138
Electricity bill	1,236,846	1,595,097
Mobile & T&T bill	68,000	73,500
Advertisement	206,611	210,567
Audit Fee	69,000	57,500
Repair & Maintenance	249,075	229,075
Office Maintenance	391,647	471,647
Cleaning of Office Premises	394,572	320,076
Utility bill	1,163,254	1,913,925
Entertainment	266,684	275,150
Security Service Bill	163,392	917,598
CDBL Charge	770,624	550,000
Software Maintenance	116,200	294,700
Marketing & Business Development cost	768,899	550,817
Provision for foreign trade commission repatriation	1,659,132	-
Others Expenses	1,339,981	1,520,315
	18,157,055	**18,293,105**

17.00 Provision for income tax

Opening balance	39,864,523	68,717,853
Addition during the year (Note: 17.1)	-	-
Payment during the year	-	(28,853,330)
	39,864,523	**39,864,523**

17.01 Addition during the year

Current tax expenses (Note: 34)	-	-
	-	**-**

18.00 Deffered Tax Liability

Deffered 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	4,514,310	4,100,994
Deferred tax expenses during the year	321,418	413,316
	4,835,728	**4,514,310**

19.00 Provision for margin loan:

Opening balance	280,920,087	393,381,209
Addition during the year (Note: 32)	88,000,000	145,000,000
Adjustment during the year	(50,456,211)	(257,461,122)
	318,463,876	**280,920,087**

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

20.00 Provision for investment in securities

Opening balance	17,000,000	12,000,000
Addition during the year (Note: 33)	12,000,000	5,000,000
	29,000,000	**17,000,000**

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

21.00 Investment Suspense Account

Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
	28,860,424	**28,860,424**

22.00 Property, plant & equipment

Cost:		
Furniture	1,774,999	1,752,235
Office equipment	30,942,110	29,513,906
Fixture & fittings	47,353,198	45,838,105
Premises	46,365,000	46,365,000
Total cost value of the asset	**126,435,307**	**123,469,246**
Accumulated depreciation	54,595,512	47,686,999
Total carrying amount	**71,839,795**	**75,782,247**

The detail has shown in Annexure - A.

23.00 Brokerage commission

This amount is charged on daily turnover during the year as per rate decided by the management of the company.

24.00 Interest Income

Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank .

Interest on margin loan	78,300,120	115,086,509
Interest on bank deposit with MTB	13,806,191	10,031,124
Interest on bank deposit with other Bank	35,546,074	1,735,464
	127,652,385	**126,853,097**

25.00 Income From Investment

Gain/ (loss) on sale of securities	61,660,066	38,729,551
Dividend Income	19,084,850	12,660,600
	80,744,916	**51,390,151**

26.00 Margin account maintenance

It represents service charges on margin account, which were received from the customer during the year.

27.00 Depository participant

This amount represents BO maintenance, demate charge and CDS charges. The detail is as follows:

BO maintenance fee	9,932,575	9,962,200
Dematerization charge	2,025	12,884
CDS charge	497,985	602,996
	10,432,585	**10,578,080**

28.00 CDBL charge

This amount represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.

29.00 Other income

Other income represents Cheque return charge & IPO application fee charged on the customer.

Other Income	664,399	495,902
	664,399	**495,902**

30.00 Office & administrative expenses

Salary & Allowances	74,110,832	74,454,836
Office rent	25,033,154	26,993,115
Insurance expenses	229,855	341,962
Electricity bill	2,102,021	3,122,301
Postage, telephone & telegraph	98,806	137,236
Mobile & T&T bill	648,000	672,000
Table/Petty stationary	387,147	581,451
Computer stationary	367,852	404,704
Advertisement -Company's Own	316,164	339,278
Directors' fees	669,300	823,400
Audit fee	69,000	57,500
Depreciation	6,908,513	7,323,979
Repair & Maintenance	463,262	471,629
Maintenance of office premises	300,578	562,053
Car expenses	2,159,735	2,230,951
Securities service	1,521,370	2,831,844
Office cleaning	2,215,900	2,323,676
Utility bill	3,397,610	6,956,703
Conveyance	200,797	235,485
Entertainment -Refreshment/Party Diner	1,548,358	1,782,454
Periodical, Magazine, News paper	48,539	54,154
Bank charge & excise duty	351,286	204,773
Training expenses	24,548	268,920
Traveling expenses	2,100	124,027
Software maintenance	-	277,650
Business Development Expenses	415,808	306,882
Foreign trade commission repatriation	1,659,132	-
Registration charge fees & renewal	1,044,069	1,121,798
Professional fee	290,695	-
Loss on sale of fixed asset	-	2,164,562
	126,584,431	**137,169,323**

31.00 Financial expenses

Financial expenses represent interest expense on Loan from Mutual trust Bank (MTB)

32.00 Provision for margin loan made during the year

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

Provision for margin loan	88,000,000	145,000,000
	88,000,000	**145,000,000**

33.00 Provision for investment in securities made during the year

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

Provision for investment in securities	12,000,000	5,000,000
	12,000,000	5,000,000

34.00 Income tax expenses made during the year

Current tax expenses *	-	-
Deferred tax expenses during the year	321,418	413,316
	321,418	**413,316**

The detais of deferred tax has shown in Anexure-B

* In the assessment year 2018-2019, the amount of BDT 137,499,705 has already been claimed as tax refundable mainly due to loan written off in 2017. Moreover in the year of 2018 an amount of of BDT 50,456,211 was further written off which is allowable expenses as per income tax ordinance resulting decreased the tax payable amount. Considering that no "Current Tax" expenses is recognised in this year.

35.00 Earnings Per Share (EPS)

Net profit after tax	109,745,180	25,744,252
Number of ordinary shares outstanding	325,000,000	325,000,000
Earnings Per Share (EPS)	**0.34**	**0.08**

36.00 Related party transactions

Name of the party	Nature of transactions	Taka
Mutual Trust Bank Limited	Loan from MTB	-

37.00 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 65 persons.

Schedule of Property, Plant & Equipments
As at December 31, 2018

Annexure-A

Amount in Taka

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.2018
	Balance as on 01.01.2018	Addition during the year	Disposal during the year	Balance as on 31.12.2018		Balance as on 01.01.2018	Charge for the year	Disposal for the year	Balance as on 31.12.2018	
Furniture	1,752,235	22,764	-	1,774,999	10%	598,726	117,415	-	716,141	1,058,858
Fixture & fittings	45,838,105	1,515,093	-	47,353,198	10%	16,076,116	3,115,082	-	19,191,198	28,162,000
Office equipment	29,513,906	1,428,204	-	30,942,110	20%	20,759,383	1,870,405	-	22,629,788	8,312,322
Premises	46,365,000	-	-	46,365,000	5%	10,252,774	1,805,611	-	12,058,385	34,306,615
Balance as on December 31, 2018	**123,469,246**	**2,966,061**	**-**	**126,435,307**		**47,686,999**	**6,908,513**	**-**	**54,595,512**	**71,839,795**
Balance as on December 31, 2017	**137,761,860**	**1,288,237**	**15,580,851**	**123,469,246**		**48,051,720**	**7,323,979**	**7,688,700**	**47,686,999**	**75,782,247**

Calculation of Deffered Tax
For the year ended 31 December, 2018

Annexure-B

Deferred Tax Liabilities

	December 31 2018	December 31 2017
Taxable Temporary Difference:		
Carrying Value of Depreciable Fixed Assets	71,839,795	75,782,247
TAX Base Value	(58,023,428)	(62,884,216)
Taxable Temporary Difference	**13,816,367**	**12,898,031**
Net Taxable temporary differences	**13,816,367**	**12,898,031**
Applicable TAX Rate	**35.00%**	**35.00%**
Deferred TAX (Assets)/Liabilities	**4,835,729**	**4,514,311**
Deferred Tax Expenses is arrived at as follows:		
Closing Deferred TAX Liabilities	4,835,729	4,514,311
Opening Deferred TAX Liabilities	(4,514,311)	(4,100,994)
Deferred Tax (Income)/Expenses for the Year	**321,418**	**413,317**

Statement of Investment in Securities
As at December 31, 2018

Annexure-C

Amount in BDT

Name of the Company	Quantity	Cost Value	Market Value
Aamra technologies	97,500	3,791,775	2,788,500
ACI Limited	20,700	7,811,145	6,752,340
Active Fine Chemical	600,000	22,758,000	16,920,000
Aftab Automobiles	25,000	1,362,750	1,147,500
ALLTEX	280,000	5,854,800	3,612,000
Aman Cotton Fibrous Limited	640,000	35,174,400	26,944,000
ARAMITCEM	80,000	2,151,200	1,768,000
Argon Denims Limited	85,000	2,692,800	2,235,500
Asia Pacific Ins. Co	40,000	2,962,800	1,060,000
ATLASBANG	4,000	510,280	487,600
Bashundhara Paper	125,806	14,690,367	10,542,543
BD Steel Re-Rolling Mills Ltd.	121,000	11,221,540	9,462,200
BD Submarine Cable	316,900	37,460,749	29,630,150
BEXIMCO Ltd.	10,000	232,200	235,000
BSRM Steel Limited	80,839	6,192,267	4,842,256
Central Pharma Ltd	1,386,000	36,715,140	19,265,400
CVOPRL	31,000	6,826,200	4,789,500
Dhaka Bank Ltd.	300,000	4,884,000	4,260,000
Doreen Power Generations and Systems Ltd.	132,000	13,431,000	10,546,800
DSHGARME	1,600	350,256	334,720
ECABLES	180	33,896	42,138
Envoy Textiles Ltd.	400	-	14,520
FAR Chemical Ind Ltd	6,000	81,840	91,800
First Finance Ltd.	100,000	2,004,000	570,000
GBB Power Limited	382,200	8,993,166	4,089,540
Heidelberg Cement	35,100	16,418,376	11,747,970
Hwa Well Textiles BD	33,000	1,367,520	1,237,500
ICB	45,150	6,126,855	5,246,430
Indo-Bangla Pharmaceuticals Ltd.	45,294	1,765,107	1,408,643
Intraco Refueling	266	2,535	7,129
Kattali Textile Ltd	1,006	-	25,452
M.L. Dyeing Limited	1,208	-	35,878
Meghna Cement	270,000	28,360,800	25,002,000
Meghna Petroleum Ltd.	402,000	86,655,120	75,817,200
Mercantile Bank Ltd	80,000	1,584,800	1,440,000
MJL Bangladesh Ltd.	241,500	26,717,145	23,956,800
National Bank Ltd.	100,000	1,021,000	930,000
Navana CNG Limited	100,000	6,240,000	4,760,000
Orion Pharma Limited	360,000	16,531,200	13,248,000
ORIONINFU	200,000	11,944,000	10,520,000
Padma Oil Co. Ltd	104,000	28,289,040	23,420,800
Pragati Life Ins.	7,000	848,820	802,900
Pubali Bank Ltd.	116,550	4,260,066	3,030,300
Quasem Industries Limited	177,602	12,709,199	8,116,411
Queen South Textile	100,000	5,203,000	3,810,000
R. N. Spinning Mills	161,040	2,996,954	1,417,152
Ratanpur Steel	50,000	2,881,000	2,325,000
S.S. STEEL LIMITED	6,746	67,460	-
SAFKOSPINN	26,000	454,220	457,600
SK Trims Industries	504	-	23,335
Summit Alliance Port	71,000	3,437,820	1,796,300
Summit Power Ltd.	100,000	4,357,000	3,940,000
Tallu Spinning Mills	300,000	9,132,000	1,800,000
The ACME Laboratories Ltd.	130,000	12,910,300	11,167,000
Titas Gas T&D Co. Ltd.	300,000	16,320,000	10,920,000
VFS Thread Dyeing	703	5,856	40,633
Western Marine	396,000	11,792,880	7,880,400
Total		**548,586,644**	**418,762,841**

Statement of Strategic Investment in Securities
As at December 31, 2018

Annexure-D

Amount in BDT

Name of the Company	Quantity	Cost Value	Market Value
AMCL	10,000	2,412,700	2,406,000
Delta Brac Housing	6,000	773,880	776,400
MJL Bangladesh Ltd.	20,000	1,877,000	1,984,000
Summit Power Ltd.	70,000	2,925,300	2,758,000
Apex Tannery Ltd.	10,000	1,350,100	1,377,000
BBS Cabkles Limited	52,750	5,245,988	5,079,825
IBNSINA	13,000	3,357,640	3,270,800
Khulna Power Co. Ltd.	65,000	5,172,700	3,854,500
Olympic Industries	25,000	5,608,000	5,405,000
Total		**28,723,308**	**26,911,525**

Independent Auditor's Report
To the Shareholders of MTB Capital Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTB Capital Ltd. (the company), which comprise the statement of financial position as at 31 December, 2018, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial position of MTB Capital Ltd. as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

Sheikh Zahidul Islam FCA, MBA
Partner
Khan Wahab Shafique Rahman & Co.
Dated, Dhaka
January 30, 2019

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2018

MTB Capital Limited
Statement of Financial Position
As at December 31, 2018

Particulars	Notes	Amount in BDT 2018	2017
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	4	308,990,000	280,900,000
Retained earnings	5	50,855,407	39,702,369
Total sources of funds		**359,845,407**	**320,602,369**
APPLICATION OF FUNDS			
Investment		**156,745,140**	**108,161,146**
Investment in securities	6	156,745,140	108,161,146
Current assets		**287,060,624**	**283,233,737**
Margin loan to clients	7	215,207,848	221,038,805
Accounts receivable	8	22,504,713	19,078,835
Advance and prepayments	9	31,194,336	26,620,507
Cash & cash equivalents	10	18,153,727	16,495,590
Current liabilities		**88,849,606**	**76,463,316**
Accounts payable	11	20,657,950	13,023,392
Provision for expenses	12	1,530,500	1,162,681
Provision for diminution in value of investments	13	13,000,000	12,500,000
Provision for margin loan	14	15,000,000	12,500,000
Provision for current tax	15	38,504,784	37,097,663
Deferred tax liability	16	156,372	179,580
Net current asset		**198,211,018**	**206,770,421**
Property, plant & equipment	17	**4,889,249**	**5,670,802**
Total application of funds		**359,845,407**	**320,602,369**

The annexed notes are integral part of these financial statements.

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Khairul Bashar Abu Taher Mohammed, Chief Executive officer

Signed as per annexed report on even date
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Place: Dhaka
Date: January 30, 2019.

MTB Capital Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2018

Particulars	Notes	Amount in BDT 2018	2017
Operating income			
Interest income	18	32,719,525	40,924,378
Income from investment	19	23,333,684	19,472,487
Underwriting commission	20	1,538,818	175,000
Issue management fee	21	8,471,750	3,500,000
Settlement fee and documentation charge	22	2,990,690	10,905,116
Portfolio management fee	23	11,439,882	16,353,824
Income from operation		**80,494,349**	**91,330,805**
Add: Other income	24	2,139,360	841,151
Total income		**82,633,709**	**92,171,956**
Less: Office & administrative expenses	25	19,876,102	19,292,274
Less: Interest expense		-	6,873,767
Profit before provision and tax		**62,757,607**	**66,005,915**
Less: Provision for diminution in value of investments	26	500,000	958,027
Less: Provision for margin loan	27	2,500,000	4,534,972
Net profit before tax		**59,757,607**	**60,512,916**
Less: Income tax expenses	28	**20,514,569**	**22,578,739**
Current tax expense		20,537,777	22,605,246
Deferred tax (income)/expense		(23,208)	(26,507)
Net profit after tax		**39,243,038**	**37,934,177**
Earnings Per Share	29	**12.70**	**12.28**

The annexed notes are integral part of these financial statements.

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Khairul Bashar Abu Taher Mohammed, Chief Executive officer

Signed as per annexed report on even date
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Place: Dhaka
Date: January 30, 2019.

MTB Capital Limited
Statement of Changes in Equity
For the year ended December 31, 2018

Particulars	Amount in BDT Paid-up capital	Retained earnings	Total
Balance as at January 01, 2018	280,900,000	39,702,369	320,602,369
Net profit for the year after tax	-	39,243,038	39,243,038
Stock dividend	28,090,000	(28,090,000)	-
Balance as at December 31, 2018	**308,990,000**	**50,855,407**	**359,845,407**
Balance as at December 31, 2017	**280,900,000**	**39,702,369**	**320,602,369**

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Khairul Bashar Abu Taher Mohammed, Chief Executive officer

MTB Capital Limited
Statement of Cash Flows
For the year ended December 31, 2018

Particulars	Amount in BDT 2018	2017
Net profit during the year (after tax)	39,243,038	37,934,177
Add : Amount consider as non cash items :		
Increase/(decrease) in provision for diminution in value of investments	500,000	958,027
Increase/(decrease) in provision for margin loan	2,500,000	4,534,972
Increase/(decrease) in provision for expenses	367,819	(37,319)
Depreciation charged during the year	805,767	955,615
Increase/(decrease) in provision for income tax	1,407,121	5,624,207
Increase/(decrease) in deferred tax liability	(23,208)	(26,507)
Sub total of non cash items	**5,557,498**	**12,008,995**
Changes in working capital components		
Increase/(decrease) in accounts payable	7,634,558	(32,116,329)
(Increase)/decrease in accounts receivable	(3,425,878)	9,747,132
(Increase)/decrease in advance & prepayment	(4,573,829)	(15,352,055)
A) Net cash flow from operating activities	**44,435,388**	**12,221,920**
Cash flow from investing activities:		
(Increase)/decrease in investment in securities	(48,583,994)	65,352,105
(Increase)/decrease in purchase of premises & fixed asset	(24,214)	(50,808)
(Increase)/decrease in margin loan to clients	5,830,957	(8,878,483)
B) Net cash flow from investing activities	**(42,777,250)**	**56,422,814**
Cash flow from financing activities :		
Increase/(decrease) in short term borrowings	-	(75,000,000)
C) Net cash flow from financing activities	**-**	**(75,000,000)**
D) Net cash increase / (decrease) (A+B+C)	**1,658,137**	**(6,355,266)**
E) Opening cash and cash equivalents	16,495,590	22,850,856
F) Closing cash and cash equivalents	**18,153,727**	**16,495,590**

Md. Hedayetullah, Chairman | Anis A. Khan, Vice Chairman | Khairul Bashar Abu Taher Mohammed, Chief Executive officer

Notes to the Financial Statements
For the year ended 31 December 2018

1.00 Legal status of the company
MTB Capital Ltd. (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 2018 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 2018 to 31 December 2018.

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	**500,000,000**	**500,000,000**
50,00,000 ordinary shares of Tk. 100 each.		
Issued, subscribed and paid-up capital:	**308,990,000**	**280,900,000**
3,089,900 ordinary shares of Tk. 100 each		

Shareholding position:

Particulars	No. of shares	Amount	Percentage
Mutual Trust Bank Limited	3,089,777	308,977,700	99.996%
Mr. Md. Hedayetullah	123	12,300	0.004%
Total	**3,089,900**	**308,990,000**	**100%**

5.00 Retained earnings		
Opening balance	39,702,369	17,668,192
Add: Net profit after tax during the year	39,243,038	37,934,177
Less: Stock dividend	28,090,000	15,900,000
Closing balance	**50,855,407**	**39,702,369**
6.00 Investment in Securities		
Investment in securities represent the cost price of securities which have been invested by the company in the capital market.		
Quoted shares (Annexure-C)	156,745,140	105,161,146
Unquoted shares	-	3,000,000
	156,745,140	**108,161,146**
7.00 Margin loans to clients		
Margin loan to investors - Non- Discretionary Account (NDA)	212,736,206	219,818,070
Margin loan to investors - Discretionary Account (DA)	2,471,642	1,220,735
	215,207,848	**221,038,805**
8.00 Accounts receivable		
Underwriting commission	1,288,818	175,000
Issue management fee	7,035,881	1,064,131
Trustee fee	800,000	-
Dividend receivable	3,102,314	1,914,051
Management fee	62,673	62,244
Unicap Company Ltd.	-	4,014,863
MTB Securities Ltd.	5,422,808	8,043,876
City Brokerage Ltd.	-	867,822
CSML Securities Ltd.	2,071,284	35,948
Rental income	37,500	72,000
Cheque in transit	285,000	85,000
IPO	2,398,435	2,743,900
	22,504,713	**19,078,835**
9.00 Advance and prepayments		
Advance income tax (Note: 9.01)	29,677,469	24,745,302
Advance to employees (Note: 9.02)	1,516,867	1,875,205
	31,194,336	**26,620,507**
9.01 Advance income tax		
Opening balance	24,745,302	11,242,321
Adjustment during the year	(16,318,207)	(8,001,017)
Addition during the year	21,250,374	21,503,999
Closing balance	**29,677,469**	**24,745,302**
9.02 Advance to employees		
Advance to employee car	1,516,867	1,875,205
	1,516,867	**1,875,205**
10.00 Cash & cash equivalents		
This is made up as under:		
Cash in hand	3,316	4,414
Cash at Bank (Mutual Trust Bank)		
MTB-0012-0210010572 (CD)	678	678
MTB Tower 0087-0210000208 (Own Portfolio)	1,155,280	95
MTB Tower 0087-0320000045 (SND)	2,202,513	11,288,828
MTB Tower 0087-0320000054 (IPO)	23,508	24,841
MTB Tower 0087-0320000214 (NDA)	6,484,065	2,045,181
MTB Tower 0087-0320000205 (DA)	5,311,856	1,154,653
MTB Tower 0087-0320000223 (GA)	2,972,512	1,976,900
	18,150,411	16,491,176
Cash and cash equivalents	**18,153,727**	**16,495,590**
11.00 Accounts payable		
LeadSoft BD Ltd.	414,556	414,556
Audit fees payable	55,000	50,000
Payable to brokers	8,376,827	9,977,179
Client deposits	10,678,182	1,280,803
VAT payable	1,111,510	1,275,618
Source tax payable	21,875	25,235
	20,657,950	**13,023,392**
12.00 Provision for expenses		
Incentive bonus:		
Opening balance	1,162,681	1,200,000
Paid during the year	(926,831)	(637,319)
Addition during the year	1,294,650	600,000
Closing balance	**1,530,500**	**1,162,681**
13.00 Provision for diminution in value of investments		
Opening balance	12,500,000	11,541,973
Addition during the year (Note-26.00)	500,000	958,027
Closing balance	**13,000,000**	**12,500,000**
14.00 Provision for margin loan		
Opening balance	12,500,000	7,965,028
Addition during the year (Note-27.00)	2,500,000	4,534,972
Closing balance	**15,000,000**	**12,500,000**
15.00 Provision for current tax		
Opening balance	37,097,663	31,473,457
Adjustment during the year	(19,130,656)	(16,981,039)
Addition during the year (Note-28.01)	20,537,777	22,605,246
Closing balance	**38,504,784**	**37,097,663**
16.00 Deferred tax liability		
Opening balance	179,580	206,087
Deferred tax during the year (Note-28.02)	(23,208)	(26,507)
Closing balance	**156,372**	**179,580**
17.00 Property, plant & equipment		
Opening balance	5,670,802	6,575,609
Addition during the year	24,214	50,808
Total cost	**5,695,016**	**6,626,417**
Less: Depreciation charged during the year	805,767	955,615
Written down value	**4,889,249**	**5,670,802**
(Detail is shown in Annexure - A)		
18.00 Interest income		
Interest on margin loan - Non- Discretionary Account (NDA)	31,338,207	40,804,395
Interest on margin loan - Discretionary Account (DA)	13,319	89,995
Interest on bank accounts	1,367,999	29,987
	32,719,525	**40,924,378**
19.00 Income from investment		
Dividend income	3,638,355	4,155,312
Capital gain on sale of securities	19,695,329	15,317,175
	23,333,684	**19,472,487**
20.00 Underwriting commission		
Zaheen Spinning Limited	1,288,818	-
Oimex Electrode Limited	-	175,000
Bashundhara Paper Mills Ltd.	250,000	-
	1,538,818	**175,000**
21.00 Issue management fee		
Zaheen Spinning Limited	500,000	500,000
Krishibid Feed Limited	700,000	-
Mutual Trust Bank Limited	1,000,000	-
Unique Infoway Limited	971,750	-
Gardenia Wears Limited	2,800,000	-
Coppertech Industries Limited	2,500,000	500,000
Unique Infoway Limited	-	500,000
Oimex Electrode Limited	-	2,000,000
	8,471,750	**3,500,000**

22.00 Settlement fee & documentation charge		
Settlement fee	2,968,690	10,887,416
Documentation charge	22,000	17,700
	2,990,690	**10,905,116**
23.00 Portfolio management fee		
Non-discretionary account	10,996,704	15,394,424
Discretionary account	443,178	959,400
	11,439,882	**16,353,824**
24.00 Other income		
IPO charge	12,910	650
Annual BO account charge	144,450	107,100
BO account closing fee	-	1,401
Trustee fee	1,250,000	-
Rental income	732,000	732,000
	2,139,360	**841,151**
25.00 Office & administrative expenses		
Salary and remuneration	11,074,769	9,656,626
Office rent expense	3,631,437	3,624,578
Postage, telephone, fax, stamp	113,358	89,604
Printing & stationery	95,468	196,988
Advertising expense	184,192	57,500
Directors' fee	675,000	741,000
Auditors' fee	68,750	63,250
Depreciation expenses	805,767	955,615
Repairs and maintenance	284,825	261,252
Car expense	911,438	957,772
CDBL charge	294,145	1,023,717
Entertainment	610,598	378,621
Cleaning service charge	349,805	346,707
Fee & registration	261,565	308,667
Bank charges	124,037	149,019
Conveyance	138,065	85,380
Internet expense	30,070	36,800
Staff training	5,000	25,300
Travelling expense	12,200	218,002
Business promotion expense	76,528	50,000
Books & newspaper	7,180	8,713
Holiday working bill	10,350	7,800
Domain and hosting charge	8,000	-
Office maintenance	-	30
Professional fee	55,556	33,333
IPO expense	48,000	16,000
	19,876,102	**19,292,274**
26.00 Provision for diminution in value of investments	**500,000**	**958,027**
This provision is made as per BSEC guideline and to reduce the risk of investment.		
27.00 Provision for margin loan	**2,500,000**	**4,534,972**
This provision is made as per BSEC guideline and to reduce the risk of investment.		
28.00 Income tax expenses		
Current tax (Note-28.01)	20,537,777	22,605,246
Deferred tax (Note-28.02)	(23,208)	(26,507)
	20,514,569	**22,578,739**
Income tax expenses is calculated as per guidline of Income Tax Ordinance and Rules.		
28.01 Current tax	20,537,777	22,605,246
	20,537,777	**22,605,246**
28.02 Deferred tax	(23,208)	(26,507)
	(23,208)	**(26,507)**
(Detail is shown in Annexure - B)		
29.00 Earnings Per Share		
Net profit after tax	39,243,038	37,934,177
Number of ordinary shares outstanding	3,089,900	3,089,900
Earnings Per Share	**12.70**	**12.28**

30.00 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 07 persons.

31.00 Events after the balance sheet date
Subsequent to the balance sheet date, the Board of Directors recommended 10% stock dividend.

Schedule of Property, Plant & Equipment
As at December 31, 2018

Annexure-A

(Amount in BDT)

Particulars	Cost: Opening balance	Addition during the year	Disposal during the year	Balance as on 31.12.2018	Depreciation: Rate (%)	Opening balance	Charged during the year	Disposal for the year	Accumulated depreciation	Written down value as on 31.12.2018
Furniture & Fixture	1,348,194	19,500	-	1,367,694	10%	290,070	106,462	-	396,532	971,162
Office Equipment	8,466,552	4,714	-	8,471,266	20%	6,094,042	475,288	-	6,569,330	1,901,936
Interior Decoration	2,765,639	-	-	2,765,639	10%	525,471	224,017	-	749,488	2,016,151
Balance as on December 31, 2018	**12,580,385**	**24,214**	**-**	**12,604,599**		**6,909,583**	**805,767**	**-**	**7,715,350**	**4,889,249**
Balance as on December 31, 2017	**12,529,577**	**50,808**	**-**	**12,580,385**		**5,953,968**	**955,615**	**-**	**6,909,583**	**5,670,802**

Calculation of Deferred Tax
For the year ended December 31, 2018

Annexure-B

Deferred tax expense/(income)	Amount in BDT 2018	Amount in BDT 2017
Carrying amount of property, plant & equipment	4,889,249	5,670,802
Less: Tax base property, plant & equipment	4,472,257	5,191,923
Taxable temporary difference	**416,992**	**478,879**
Applicable tax rate	37.50%	37.50%
Provision for deferred tax	**156,372**	**179,580**
Less: Opening balance	179,580	206,087
Deferred tax expense/(income)	**(23,208)**	**(26,507)**

Investment in Quoted Securities
As at December 31, 2018

Annexure-C

(Amount in BDT)

Name of the company	No. of shares	Total cost	Merket rate per share	Market value	Difference
Apex Foods Limited	1,781	357,189	168.70	300,455	(56,734)
Bashundhara Paper Mills	4,272	341,760	83.80	357,994	16,234
BD Shipping Corporation	8,180	422,113	39.00	319,020	(103,093)
BD Submarine Cable Co. Ltd.	11,000	1,719,200	93.50	1,028,500	(690,700)
Familytex(BD) Limited	106,581	2,430,063	4.80	511,590	(1,918,472)
Indo-Bangla Pharma Ltd.	294	0	31.10	9,143	9,143
Libra Infusions Limited	500	606,214	999.30	499,650	(106,564)
Monno Ceramics	18,500	5,832,964	245.60	4,543,600	(1,289,364)
National Life Insurance	3,000	682,562	216.20	648,600	(33,962)
Pragati Life Insurance	90,090	14,407,059	114.70	10,333,323	(4,073,736)
S. S. Steel Limited	6,746	67,460	0.00	0.00	(67,460)
Silva Pharmaceuticals Ltd.	4,597	45,970	30.10	138,370	92,400
ACI Formulations Limited	27,263	5,689,381	153.80	4,193,049	(1,496,332)
Beximco Limited	115,500	3,211,410	23.50	2,714,250	(497,160)
BRAC Bank Limited	30,000	2,416,624	72.70	2,181,000	(235,624)
Central Pharmaceuticals Ltd.	466,325	13,018,392	13.90	6,488,937	(6,529,455)
Eastern Lubricant	2,500	3,671,951	1,345.00	3,362,500	(309,451)
Envoy Textiles Limited	200	7,198	36.30	7,260	62
Far Chemical Ind. Ltd.	125,235	3,590,467	15.30	1,916,096	(1,674,371)
Fu-Wang Food	55,000	1,121,138	15.00	825,000	(296,138)
Golden Harvest Agro Ind. Ltd.	22,000	890,452	29.30	644,600	(245,852)
Grameen Phone Limited	2,500	1,191,218	367.30	918,250	(272,968)
Hamid Fabrics Limited	20,000	572,142	23.20	464,000	(108,142)
Heidelberg Cement Bd. Ltd.	1,500	506,361	334.70	502,050	(4,311)
Hwa Well Textile BD Ltd.	25,100	1,306,625	37.50	941,250	(365,375)
IDLC	150,010	10,876,852	69.70	10,455,697	(421,155)
Intraco Refueling Station Ltd	267	2,540	26.80	7,148	4,608
Khulna Power Co. Limited	25,000	1,666,326	59.30	1,482,500	(183,826)
LankaBangla Finance	40,000	912,822	22.90	916,000	3,178
Meghna Petroleum Ltd.	55,100	13,539,849	188.60	10,391,860	(3,147,989)
Mercantile Bank Limited	100,000	2,005,503	18.00	1,800,000	(205,503)
Olympic Accessories Limited	154,074	2,747,795	12.90	1,987,551	(760,244)
Padma Oil	70,100	23,943,183	225.20	15,786,520	(8,156,663)
Ratanpur Steel Re-Rolling M	60,000	3,924,433	46.50	2,790,000	(1,134,433)
Shasha Denims Limited	64,200	4,203,847	60.50	3,884,100	(319,747)
Square Pharmaceuticals Ltd.	28,350	7,462,253	254.20	7,206,570	(255,683)
Takaful Islami Insurance	95,700	2,624,476	25.90	2,478,630	(145,846)
Titas Gas T & D Co. Ltd.	215,360	18,729,349	36.40	7,839,104	(10,890,245)
Total		**156,745,140**		**110,874,166**	**(45,870,974)**

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Mutual Trust Bank Ltd.

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Financial Statements 2018

MTB EXCHANGE (UK) LIMITED
Directors' Report
For the year ended 31 December 2018

The directors present their report and accounts for the year ended 31 December 2018

Principal activities

Principal activity of the company during the financial year was of financial intermediation.

Directors
The directors who served the company throughout the year were as follows:
Rashed Ahmed Chowdhury
Syed Manzur Elahi
Mohamed Addur Rouf
Dr. Sultan Hafeez Rahman
Anisuddin Ahmed Khan

Statement of Directors' responsibilities

The directors are responsible for preparing 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 (Financial Reporting Standard 102 and applicable law). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable then to ensure that the financial statements comply with the Companies Act 2006. The directors 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 directors at the date of approval of this report each confirm that,
-So far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
-the directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Mohammad Anisur Rahman
CEO & Manager

Anisuddin Ahmed Khan
Director

Date approved: 31 January 2019

MTB EXCHANGE (UK) LTD
Accountants' Report
For the year ended 31 December 2018

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 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and related notes 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, we are subject to its ethical and other professional requirements which are detailed at CIMA's website.

This report is made solely to the member of MTB EXCHANGE (UK) LTD, as a body, in accordance with the terms of our engagement letter. 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 MTB EXCHANGE (UK) LTD, as a body, in this report in accordance with the requirements of the Chartered Institute of Management Accountants and as detailed at its 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 members 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 profit 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
31 January 2019

MTB Exchange (UK) Limited
Income Statement
For the Year Ended 31 December 2018

	Notes	2018	2017
		£	£
Turnover		149,612	122,437
Gross profit		**149,612**	**122,437**
Selling and Distribution costs		(2,992)	(3,985)
Administrative expenses		(148,347)	(143,531)
Other operating income		30,000	30,000
Operating Profit/Loss	2	**28,273**	**4,921**
Profit/Loss on ordinary activities before taxation		**28,273**	**4,921**
Tax on profit on ordinary activities	5	(744)	(754)
Profit/Loss for the financial year		**27,529**	**4,167**

MTB EXCHANGE (UK) LTD
Statement of Financial Position
As at 31 December 2018

	Notes	2018	2017
		£	£
Fixed assets			
Tangible fixed Assets	6	16,037	19,441
		16,037	**19,441**
Current assets			
Debtors	7	45,507	9,417
Cash at bank and in hand		38,559	49,325
		84,066	**58,742**
Creditors: Amounts falling due within one year	8	(1,730)	(7,339)
NET CURRENT ASSETS		**82,336**	**51,403**
Total assets less current liabilities		98,373	70,844
Creditors: Amounts falling due after more than one year	9	(338,580)	(338,580)
Net assets		**(240,207)**	**(267,736)**
Capital and reserves			
Called up share capital	10	230,000	230,000
Profit and loss account	11	(470,207)	(497,736)
Shareholders funds		**(240,207)**	**(267,736)**

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the companies act 2006 relating to small companies.

Directors' Responsibilities:
1 The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
2 The directors acknowledge their responsibilities for complying with the requirements of the companies act 2006 with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102.

Mohammad Anisur Rahman
CEO & Manager

Anisuddin Ahmed Khan
Director

Date approved: 31 January 2019

MTB Exchange (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2018

General Information
MTB EXCHANGE (UK) LTD is a private company limited by share, registered in England and Wales, registration number 07282261 registration address 25 WHITECHAPEL ROAD, LOANDON, E1 1DU.
The presentation currency is £ sterling.

1. Acconting Policies
Basis of Accounting
The financial statements are prepared in accordance with the FRS 102 Financial Reporting Standard for Smaller Entities.

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

Tangible fixed assets
Tangible fixed assets, other ther then freehold land are stated at cost or valuation less depreciation and any provision for inpairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets less their estimated residual value over their expected useful lives on the following basis:

Fixtures and Fittings	20 % Reducing Balance
Plant and Machinery	20 % Reducing Balance

2. Operating Profit/Loss

	2017	2017
	£	£
The operating profit/loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets	3,652	4,860
	3,652	**4,860**

3. Directors' Emoluments
The directors did not withdraw any salary during the period.

4. Staff Costs

Wages and salaries	42,615	43,144
Pension cists, defined contribution plan	858	189
Other staff costs	953	726
	44,426	**44,059**
Average number of employees during the year	**Number**	**Number**
Administration	2	2
Sales	4	5
	6	**7**

5. Tax on profit on ordinary activities

UK Corporation tax	744	754
	744	**754**

6. Tangible fixed assets

Cost or Valuation	**Plant and Machinery**	**Fixtures and Fittings**	**Total**
	£	**£**	**£**
At 1 January 2018	14,205	56,774	70,979
Additions	210	39	249
Disposals	-	-	-
At 31 December 2018	**14,415**	**56,813**	**71,228**
Depreciation			
At 1 January 2018	10,887	40,653	51,540
Charge for year	654	2,997	3,651
On Disposals	-	-	-
At 31 December 2018	**11,541**	**43,650**	**55,191**
Net Book values			
Closing balance as at 31 December 2018	**2,874**	**13,163**	**16,037**
Opening balance as at 01 January 2018	**3,319**	**16,121**	**19,440**

7. Debtors: Amounts falling due within one year

Other debtors	34,764	-
Money in Transit	1,993	667
	36,757	**667**
Debtors: Amounts falling due after one year		
Other debtors	8,750	8,750
	8,750	**8,750**

8. Creditors: amount falling due within one year

Corporation tax	744	754
Accrued Expenses	900	750
Other Creditors	-	5,810
Pension Scheme	86	25
	1,730	**7,339**

9. Creditors: amount falling due after morethan one year

Other Creditors	338,580	338,580
	338,580	**338,580**

10. Share Capital
Allotted

230,000 Class A shares of £ 1.00 each	230,000	230,000
	230,000	**230,000**

11. Profit and loss account

Balance at 01 January 2018	(497,736)
Profit for the year	27,529
Balance at 31 December 2018	**(470,207)**