



FINANCIAL STATEMENTS

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**AUDITORS' REPORT
TO
THE SHAREHOLDERS OF
MUTUAL TRUST BANK LIMITED**

Report on the Financial Statements

We have audited the accompanying 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 balance sheet and the separate balance sheet as at 31 December 2016 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in **note 2.01** and for such internal control as management determines necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended in 2013) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as

An independent member firm of
MOORE STEPHENS
INTERNATIONAL LIMITED



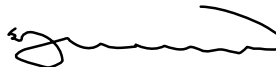
at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in **note 2.01**.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 (as amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in **note 2.29** of the financial statements appeared to be materially adequate and
 - ii) 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 Bank and its related entities;
- (c) financial statements of subsidiary companies of the Bank namely MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited have been audited and properly reflected in the consolidated financial statements;
- (d) 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;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances and other assets which are in our opinion, doubtful of recovery as per tripartite meeting held on March 19, 2017 and Bangladesh Bank's advice vide letter no. DBI-1/119/2017-1313 dated April 11, 2017;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory;
- (k) Capital to Risk-weighted Asset Ratio (CRAR) as required by the Bangladesh Bank has been maintained adequately during the year and
- (l) we have reviewed over 80% of the risk weighted assets of the bank and we have spent around 4,125 person hours for the audit of the books and accounts of the bank.

Dated, Dhaka
April 24, 2017


M. J. ABEDIN & CO
Chartered Accountants



MUTUAL TRUST BANK LIMITED

CONSOLIDATED BALANCE SHEET





As at December 31, 2016

Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
<u>Property and Assets</u>			
Cash	3 (a)	11,263,046,577	9,485,078,899
In Hand (Including Foreign Currency)		1,987,478,022	1,664,181,296
With Bangladesh Bank and its agent Bank (s) (including Foreign Currency)		9,275,568,555	7,820,897,602
Balance with Other Banks & Financial Institutions	4 (a)	8,148,416,411	3,140,421,417
In Bangladesh		7,286,894,739	2,464,407,005
Outside Bangladesh		861,521,672	676,014,412
Money at Call and Short Notice	5.00	990,000,000	1,790,000,000
Investments	6 (a)	21,962,058,933	26,247,250,330
Government		19,627,418,568	23,542,771,441
Others		2,334,640,366	2,704,478,889
Loans and Advances	7 (a)	114,355,762,842	97,588,775,690
Loans, Cash Credits, Overdrafts, etc.		112,071,881,968	95,054,156,230
Bills Purchased and Discounted		2,283,880,874	2,534,619,460
Fixed Assets including Premises, Furniture & Fixtures	8 (a)	3,140,971,243	3,181,829,846
Other Assets	9 (a)	5,510,430,863	4,625,945,364
Non-Banking Assets		-	-
Total Property and Assets		165,370,686,870	146,059,301,545
<u>Liabilities and Capital</u>			
Borrowing from other Banks, Financial Institutions & Agents	10 (a)	8,711,409,523	5,081,818,794
Deposits and Other Accounts	11 (a)	131,272,330,273	118,404,763,419
Current Deposits & Other Accounts		12,301,476,077	9,580,262,157
Bills Payable		1,751,051,731	1,253,293,664
Savings Bank Deposits		23,710,184,165	17,908,495,890
Special Notice Deposits		11,645,986,993	13,682,757,116
Fixed Deposits		55,803,465,444	55,707,789,090
Deposit Products		26,060,165,864	20,272,165,502
Other Liabilities	12 (a)	11,318,564,906	8,768,403,158
Subordinated Debts	13.00	4,250,000,000	4,875,000,000
Total Liabilities		155,552,304,702	137,129,985,370
Capital/Shareholders' Equity			
Paid up Capital	14.00	4,431,791,600	3,693,159,670
Statutory Reserve	15 (a)	3,187,766,825	2,721,143,746
Revaluation Reserve on Investment in Securities		731,782,030	1,311,845,893
Foreign Currency Translation gain/(loss)		8,903,016	3,366,588
General Reserve	16.00	616,777,324	446,777,324
Retained Earnings	17 (a)	841,239,233	752,903,276
Total Shareholders' Equity		9,818,260,028	8,929,196,497
Minority Interest	17 (b)	122,139	119,678
Total Liabilities and Shareholders' Equity		165,370,686,870	146,059,301,545
Net Asset Value (NAV) per share		22.15	20.15



Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
<u>Off-Balance Sheet Items</u>			
<u>Contingent Liabilities</u>	18 (a)		
Letter of guarantee		9,302,425,309	7,486,950,066
Irrevocable letters of credit		14,291,274,015	10,035,077,947
Bills for collection		3,296,481,413	2,618,832,476
Acceptances and endorsements		18,244,133,884	14,888,384,964
Other contingent liabilities		-	-
Total Off Balance Sheet Items		45,134,314,620	35,029,245,452
<u>Other Commitments</u>			
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		-	-
		-	-
<u>Other Memorandum Items</u>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		45,134,314,620	35,029,245,452

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

			
M.A. Rouf, JP Chairman	Md. Hedayetullah Vice Chairman	Syed Manzur Elahi Director	Anis A. Khan Managing Director & CEO

Signed as per our annexed report of the same date

April 24, 2017
Dhaka


M.J. ABEDIN & CO
Chartered Accountants



MUTUAL TRUST BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
Interest Income	20 (a)	11,381,372,890	10,793,375,544
Less: Interest Paid on Deposits and Borrowings, etc.	21 (a)	7,503,094,801	7,980,099,367
Net Interest Income		3,878,278,089	2,813,276,177
Investment Income	22 (a)	2,010,544,355	2,391,199,507
Commission, Exchange and Brokerage	23 (a)	1,228,154,940	974,841,863
Other Operating Income	24 (a)	397,902,578	400,937,603
		3,636,601,872	3,766,978,973
Total Operating Income		7,514,879,962	6,580,255,150
Less: Operating Expenses:			
Salary and Allowances	25 (a)	2,256,194,529	2,022,344,260
Rent, Taxes, Insurance and Electricity etc.	26 (a)	608,223,014	551,387,414
Legal Expenses	27 (a)	3,385,938	3,411,955
Postage, Stamps and Telecommunication etc.	28 (a)	8,951,331	14,972,388
Stationery, Printing and Advertisements etc.	29 (a)	83,175,269	84,936,822
Managing Director's Remuneration	25.01	17,315,333	16,240,933
Directors' Fees	30 (a)	3,031,033	2,468,150
Auditors' Fees	31 (a)	2,580,355	1,426,336
Depreciation and Repair of Bank's Properties	32 (a)	390,901,907	364,117,774
Other Expenses	33 (a)	733,008,817	708,174,172
Total Operating Expenses		4,106,767,526	3,769,480,203
Profit Before Provision		3,408,112,436	2,810,774,947
Less: Provision against Loans & Advances including Off Balance Sheet Items	34.00	864,534,528	439,368,230
Less: Provision against Investments		71,100,000	90,236,109
Less: Provision against Other Asset		11,000,000	7,530,520
Total Provision		946,634,528	537,134,859
Profit Before Tax		2,461,477,908	2,273,640,088
Less: Income Tax expenses		997,884,481	907,443,078
Current Tax Expenses	35 (a)	961,277,823	807,188,494
Deferred Tax (Income)/Expenses	35 (a.1)	36,606,657	100,254,584
Net Profit After Tax		1,463,593,427	1,366,197,010
Shareholders of the Bank		1,463,590,966	1,366,196,478
Minority Interest		2,461	532
		1,463,593,427	1,366,197,010
Retained Surplus Brought Forward		752,903,276	617,298,134
		2,216,494,242	1,983,494,612
Appropriations:			
Bonus Shares Issued during the year		738,631,930	615,526,610
Transferred to Statutory Reserve		466,623,080	445,064,726
Transferred to General Reserve		170,000,000	170,000,000
		1,375,255,010	1,230,591,336
Retained Surplus, Carried Forward		841,239,233	752,903,276
Earnings Per Share (EPS)	36 (a)	3.30	3.08

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per our annexed report of the same date



M.J. ABEDIN & CO
Chartered Accountants

April 24, 2017
Dhaka



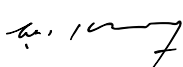
MUTUAL TRUST BANK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
A) Cash Flows from Operating Activities:			
Interest Received		13,302,673,011	12,834,392,994
Interest Paid on Deposits, Borrowings, etc.		(7,896,093,791)	(7,976,034,331)
Dividend Income		66,092,790	60,925,640
Fees & Commission Income		1,228,154,940	974,841,863
Recoveries of Loans previously written off		900,000	1,100,990
Cash Paid to Employees as Salaries and Allowances		(2,273,509,862)	(2,038,585,193)
Cash Paid to Suppliers		(83,175,269)	(84,936,822)
Advance Income Tax Paid		(731,203,379)	(556,321,960)
Cash Received From Other Operational Income	37 (a)	443,892,270	721,317,519
Cash Paid for Other Operational Expenses	38 (a)	(1,411,952,975)	(1,334,532,797)
Cash Flows from Operating Activities before Changes in Net Current Assets		2,645,777,734	2,602,167,903
Changes in Net Current Assets :			
Loans & Advances		(16,756,679,344)	(20,446,447,398)
Other Assets		(187,328,178)	692,658,133
Customers' Deposits		13,311,346,537	22,377,339,196
Borrowing from Other Banks, Financial Institutions & Agents		3,629,590,729	1,337,406,406
Other Liabilities		554,862,047	61,161,980
		551,791,792	4,022,118,317
Net Cash Flows from Operating Activities		3,197,569,526	6,624,286,221
B) Cash Flows from Investing Activities:			
Investments in T. Bills, T. Bonds and other		3,334,098,710	(4,269,521,509)
Investments in Shares & Bonds		369,838,524	(418,889,725)
Purchase of Premises & Fixed Assets (net)		(297,270,816)	(1,004,362,808)
Net Cash Flows from Investing Activities		3,406,666,418	(5,692,774,042)
C) Cash Flows from Financing Activities:			
Subordinated debts		(625,000,000)	2,375,000,000
Net Cash Flows from Financing Activities		(625,000,000)	2,375,000,000
D) Net Increase in Cash and Cash Equivalents		5,979,235,944	3,306,512,178
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		5,536,428	1,022,379
F) Opening Cash and Cash Equivalents		14,418,086,916	11,110,552,359
Closing Cash and Cash Equivalents (D+E+F)		20,402,859,288	14,418,086,916
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,987,478,022	1,664,181,296
Balance with Bangladesh Bank and its Agent Bank		9,275,568,555	7,820,897,602
Balance with Other Banks & Financial Institutions		8,148,416,411	3,140,421,417
Money at Call and Short Notice		990,000,000	1,790,000,000
Prize Bond		1,396,300	2,586,600
		20,402,859,288	14,418,086,916
Net Operating Cash Flows Per Share		7.22	14.95

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO



MUTUAL TRUST BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 2016

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2016	3,693,159,670	2,721,143,746	1,311,845,893	3,366,588	446,777,324	752,903,276	8,929,196,497	119,678	8,929,316,175
Net Profit for the year after Tax	-	-	-	-	-	1,463,590,966	1,463,590,966	2,461	1,463,593,427
Bonus Shares Issued	738,631,930	-	-	-	-	(738,631,930)	-	-	-
Currency Translation differences	-	-	-	5,536,428	-	-	5,536,428	-	5,536,428
Transferred to General Reserve	-	-	-	-	170,000,000	(170,000,000)	-	-	-
Revaluation Reserve transferred during the year	-	-	(580,063,862)	-	-	-	(580,063,862)	-	(580,063,862)
Appropriation made during the year	-	466,623,080	-	-	-	(466,623,080)	-	-	-
Balance as at December 31, 2016	4,431,791,600	3,187,766,825	731,782,030	8,903,016	616,777,324	841,239,233	9,818,260,028	122,139	9,818,382,167
Balance as at December 31, 2015	3,693,159,670	2,721,143,746	1,311,845,893	3,366,588	446,777,324	752,903,276	8,929,196,497	119,678	8,929,316,175

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

MUTUAL TRUST BANK LIMITED

CONSOLIDATED LIQUIDITY STATEMENT

As at December 31, 2016

Particulars	Amount in BDT					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
ASSETS :						
Cash	2,588,746,577	-	-	-	8,674,300,000	11,263,046,577
Balance with other Banks and Financial Institutions	4,043,124,899	3,025,215,069	1,052,043,836	28,032,607	-	8,148,416,411
Money at Call & Short notice	990,000,000	-	-	-	-	990,000,000
Investments	1,796,817,567	946,109,899	1,458,243,864	8,390,555,955	9,370,331,648	21,962,058,933
Loans and Advances	13,799,069,111	28,331,114,340	37,255,551,757	21,845,828,493	13,124,199,141	114,355,762,842
Premises and Fixed Assets	43,624,601	87,249,201	392,621,405	2,093,980,829	523,495,207	3,140,971,243
Other Assets	698,541,983	164,216,888	432,593,901	4,204,383,035	10,695,056	5,510,430,863
Non-Banking Assets	-	-	-	-	-	-
Total Assets	23,959,924,737	32,553,905,398	40,591,054,764	36,562,780,919	31,703,021,051	165,370,686,870
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	1,677,904,332	-	3,739,071,755	-	3,294,433,436	8,711,409,523
Deposits and Other Accounts	18,970,219,686	30,749,278,641	40,416,910,307	36,149,970,905	4,985,950,734	131,272,330,273
Provision & Other Liabilities	47,012,992	511,594,575	1,958,144,114	5,011,344,985	3,790,468,239	11,318,564,906
Subordinated Debts	-	-	625,000,000	3,625,000,000	-	4,250,000,000
Total Liabilities	20,695,137,010	31,260,873,216	46,739,126,176	44,786,315,891	12,070,852,409	155,552,304,702
Net Liquidities	3,264,787,727	1,293,032,182	(6,148,071,412)	(8,223,534,971)	19,632,168,642	9,818,382,167

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO



MUTUAL TRUST BANK LIMITED

BALANCE SHEET

As at December 31, 2016

Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
<u>Property and Assets</u>			
Cash	3.00	11,247,541,472	9,472,117,479
In Hand (Including Foreign Currency)		1,971,972,917	1,651,219,876
With Bangladesh Bank and its agent Bank (s) (including foreign currency)		9,275,568,555	7,820,897,602
Balance with Other Banks & Financial Institutions	4.00	8,019,623,030	3,131,395,211
In Bangladesh		7,158,101,358	2,455,380,799
Outside Bangladesh		861,521,672	676,014,412
Money at Call and Short Notice	5.00	990,000,000	1,790,000,000
Investments	6.00	21,422,839,835	25,793,423,221
Government		19,627,418,568	23,542,771,441
Others		1,795,421,268	2,250,651,780
Loans and Advances	7.00	110,834,548,494	96,216,724,073
Loans, Cash Credits, Overdrafts, etc.		108,550,667,621	93,682,104,613
Bills Purchased and Discounted		2,283,880,874	2,534,619,460
Fixed Asset including Premises, Furniture & Fixtures	8.00	3,042,051,609	3,070,523,270
Other Assets	9.00	8,923,815,634	6,088,588,308
Non-Banking Assets		-	-
Total Property and Assets		164,480,420,074	145,562,771,562
<u>Liabilities and Capital</u>			
Borrowing from other Banks, Financial Institutions & Agents	10.00	8,636,409,523	5,081,818,794
Deposits and Other Accounts	11.00	131,593,607,611	118,686,764,340
Current Deposits & Other Accounts		12,302,356,822	9,588,280,551
Bills Payable		1,751,051,731	1,253,293,664
Savings Bank Deposits		23,710,184,165	17,908,495,890
Special Notice Deposits		11,966,383,586	13,956,739,643
Fixed Deposits		55,803,465,444	55,707,789,090
Deposit Products		26,060,165,864	20,272,165,502
Other Liabilities	12.00	10,216,696,047	7,959,308,277
Subordinated Debts	13.00	4,250,000,000	4,875,000,000
Total Liabilities		154,696,713,182	136,602,891,411
Capital/Shareholders' Equity			
Paid up Capital	14.00	4,431,791,600	3,693,159,670
Statutory Reserve	15.00	3,187,766,825	2,721,143,746
Revaluation Reserve on Investment in Securities		731,782,030	1,311,845,893
Foreign Currency Translation gain/(Loss)		104,902	-
General Reserve	16.00	616,777,324	446,777,324
Retained Earnings	17.00	815,484,211	786,953,518
Total Shareholders' Equity		9,783,706,892	8,959,880,151
Total Liabilities and Shareholders' Equity		164,480,420,074	145,562,771,562
Net Asset Value (NAV) per share		22.08	20.22



Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
<u>Off-Balance Sheet Items</u>	18.00		
<u>Contingent Liabilities</u>			
Letter of guarantee		9,302,425,309	7,486,950,066
Irrevocable letters of credit		14,291,274,015	10,035,077,947
Bills for collection		3,296,481,413	2,618,832,476
Acceptances and endorsements		18,244,133,884	14,888,384,964
Other contingent liabilities		-	-
Total off Balance sheet Items		45,134,314,620	35,029,245,452
<u>Other Commitments</u>			
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		-	-
		-	-
<u>Other Memorandum Items</u>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		45,134,314,620	35,029,245,452

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

M.A. Rouf, JP
Chairman

Md. Hedayetullah
Vice Chairman

Syed Manzur Elahi
Director

Anis A. Khan
Managing Director & CEO

Signed as per our annexed report of the same date

April 24, 2017
Dhaka

M.J. ABEDIN & CO
Chartered Accountants



MUTUAL TRUST BANK LIMITED

PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
Interest Income	20.00	11,250,560,341	10,649,739,581
Less: Interest Paid on Deposits and Borrowings, etc.	21.00	7,506,266,934	7,993,686,553
Net Interest Income		3,744,293,407	2,656,053,028
Investment Income	22.00	1,974,265,630	2,372,998,092
Commission, Exchange and Brokerage	23.00	1,066,776,213	838,979,240
Other Operating Income	24.00	360,578,643	374,983,810
		3,401,620,486	3,586,961,142
Total Operating Income		7,145,913,893	6,243,014,170
Less: Operating Expenses:			
Salary and Allowances	25.00	2,168,780,701	1,930,977,093
Rent, Taxes, Insurance and Electricity etc.	26.00	559,033,357	507,319,887
Legal Expenses	27.00	3,077,953	3,411,955
Postage, Stamps and Telecommunication etc.	28.00	8,610,456	14,036,831
Stationery, Printing and Advertisements etc.	29.00	81,849,885	83,607,910
Managing Director's Remuneration	25.01	17,315,333	16,240,933
Directors' Fees	30.00	1,775,600	1,450,400
Auditors' Fees	31.00	1,889,500	948,500
Depreciation and Repair of Bank's Properties	32.00	379,031,532	350,745,750
Other Expenses	33.00	715,899,651	662,052,531
Total Operating Expenses		3,937,263,967	3,570,791,790
Profit Before Provision		3,208,649,926	2,672,222,379
Less: Provision against Loans & Advances including Off Balance Sheet Items	34.00	864,534,528	439,368,230
Less: Provision against Investments		-	-
Less: Provision against Other Asset		11,000,000	7,530,520
Total Provision		875,534,528	446,898,750
Profit Before Tax		2,333,115,398	2,225,323,629
Less: Income Tax Expenses		929,329,696	861,150,740
Current Tax Expenses	35.00	897,030,119	760,896,156
Deferred Tax (Income)/Expenses	35.01	32,299,576	100,254,584
Net Profit After Tax		1,403,785,702	1,364,172,889
Retained Surplus Brought Forward		786,953,518	653,371,964
		2,190,739,220	2,017,544,853
Appropriations:			
Bonus Shares Issued during the year		738,631,930	615,526,610
Transferred to Statutory Reserve		466,623,080	445,064,726
Transferred to General Reserve		170,000,000	170,000,000
		1,375,255,010	1,230,591,336
Retained Surplus, Carried Forward		815,484,211	786,953,518
Earnings Per Share (EPS)	36.00	3.17	3.08

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per our annexed report of the same date



M.J. ABEDIN & CO
Chartered Accountants

April 24, 2017
Dhaka



MUTUAL TRUST BANK LIMITED

STATEMENT OF CASH FLOW

For the Year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
A) Cash Flows From Operating Activities:			
Interest Received		13,171,860,462	12,690,757,030
Interest Paid on Deposits, Borrowings, etc.		(7,899,265,924)	(7,989,621,517)
Dividend Income		54,132,093	57,164,924
Fees & Commission Income		1,066,776,213	838,979,240
Recoveries of Loans previously written off		900,000	1,100,990
Cash Paid to Employees as Salaries and Allowances		(2,186,096,034)	(1,947,218,026)
Cash Paid to Suppliers		(81,849,885)	(83,607,910)
Advance Income Tax Paid		(688,616,696)	(474,064,845)
Cash Received from Other Operational Income	37.00	382,250,308	680,923,027
Cash Paid for Other Operational Expenses	38.00	(1,342,310,026)	(1,252,006,938)
Cash Flows from Operating Activities before Changes in Net Current Assets		2,477,780,509	2,522,405,975
Changes in Net Current Assets:			
Loans & Advances		(14,607,516,613)	(20,508,082,039)
Other Assets		(2,180,656,687)	657,503,213
Customers' Deposits		13,350,622,954	22,495,030,145
Borrowing from Other Banks, Financial Institutions & Agents		3,554,590,729	1,337,406,406
Other Liabilities		401,742,855	201,652,645
		518,783,239	4,183,510,370
Net Cash Flows from Operating Activities		2,996,563,748	6,705,916,346
B) Cash Flows from Investing Activities:			
Investments in T. Bills, T. Bonds and other		3,334,098,711	(4,269,521,509)
Investments in Shares & Bonds		455,230,513	(326,850,999)
Purchase of Fixed Assets (Net)		(298,536,361)	(988,709,252)
Net Cash Flows from Investing Activities		3,490,792,863	(5,585,081,760)
C) Cash Flows from Financing Activities:			
Subordinated debts		(625,000,000)	2,375,000,000
Net Cash Flows from Financing Activities		(625,000,000)	2,375,000,000
D) Net Increase in Cash and Cash Equivalents		5,862,356,611	3,495,834,586
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		104,902	-
F) Opening Cash and Cash Equivalents		14,396,099,290	10,900,264,704
Closing Cash and Cash Equivalents (D+E+F)		20,258,560,803	14,396,099,290
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,971,972,917	1,651,219,876
Balance with Bangladesh Bank and its Agent Bank		9,275,568,555	7,820,897,602
Balance with Other Banks & Financial Institutions		8,019,623,030	3,131,395,211
Money at Call and Short Notice		990,000,000	1,790,000,000
Prize Bond		1,396,300	2,586,600
		20,258,560,803	14,396,099,290
Net Operating Cash Flows Per Share		6.76	15.13

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO



MUTUAL TRUST BANK LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 2016

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain	General Reserve	Retained Earnings	Total
Balance as at January 01, 2016	3,693,159,670	2,721,143,746	1,311,845,893	-	446,777,324	786,953,518	8,959,880,151
Net Profit for the year after tax	-	-	-	-	-	1,403,785,702	1,403,785,702
Bonus Shares Issued	738,631,930	-	-	-	-	(738,631,930)	-
Currency Translation differences	-	-	-	104,902	-	-	104,902
Transferred to General Reserve	-	-	-	-	170,000,000	(170,000,000)	-
Revaluation Reserve transferred during the year	-	-	(580,063,863)	-	-	-	(580,063,863)
Appropriation made during the year	-	466,623,080	-	-	-	(466,623,080)	-
Balance as at December 31, 2016	4,431,791,600	3,187,766,825	731,782,030	104,902	616,777,324	815,484,211	9,783,706,892
Balance as at December 31, 2015	3,693,159,670	2,721,143,746	1,311,845,893	-	446,777,324	786,953,518	8,959,880,151

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



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Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



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Managing Director & CEO

MUTUAL TRUST BANK LIMITED

LIQUIDITY STATEMENT

As at December 31, 2016

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	2,573,241,472	-	-	-	8,674,300,000	11,247,541,472
Balance with other Banks and Financial Institutions	4,043,124,899	3,025,215,069	923,250,455	28,032,607	-	8,019,623,030
Money at Call & Short notice	990,000,000	-	-	-	-	990,000,000
Investments	1,796,817,567	406,890,801	1,458,243,864	8,390,555,955	9,370,331,648	21,422,839,835
Loans and Advances	13,799,069,111	28,331,114,340	37,255,551,757	21,845,828,493	9,602,984,793	110,834,548,494
Premises and Fixed Assets	42,250,717	84,501,434	380,256,451	2,028,034,406	507,008,602	3,042,051,609
Other Assets	698,541,983	164,216,888	317,582,871	4,204,383,035	3,539,090,856	8,923,815,634
Non-Banking Assets	-	-	-	-	-	-
Total Assets	23,943,045,748	32,011,938,533	40,334,885,399	36,496,834,497	31,693,715,898	164,480,420,074
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	1,677,904,332	-	3,664,071,755	-	3,294,433,436	8,636,409,523
Deposits and Other Accounts	19,290,616,279	30,749,278,641	40,417,791,052	36,149,970,905	4,985,950,734	131,593,607,611
Provision & Other Liabilities	47,012,992	470,818,344	897,051,487	5,011,344,985	3,790,468,239	10,216,696,047
Subordinated Debts	-	-	625,000,000	3,625,000,000	-	4,250,000,000
Total Liabilities	21,015,533,603	31,220,096,985	45,603,914,294	44,786,315,891	12,070,852,409	154,696,713,182
Net Liquidities	2,927,512,145	791,841,547	(5,269,028,895)	(8,289,481,394)	19,622,863,489	9,783,706,892

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



M.A. Rouf, JP
Chairman



Md. Hedayetullah
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO



MUTUAL TRUST BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

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 (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 110 (One hundred ten) branches including 14 (fourteen) SME/Agri Branches all over the Bangladesh, 10 (Ten) Agent Banking Centre and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

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

The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, trade and services, treasury functions, cash management, securities and custody services, remittance services etc.

1.03 Off-Shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009-4470 dated December 03, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking 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 approved by the Bangladesh Bank. Separate Financial Statements of Off-shore Banking Unit has been drawn up in **Annexure G**.

1.04 Subsidiaries

1.4.1 MTB Securities Limited (MTBSL)

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

1.4.2 MTB Exchange (UK) Limited (MTB UK)

Bangladesh Bank vide their letter No: BRPD(M)204/25/2010-289 dated August 19, 2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on June 14, 2010 under the Companies Act 2006 of UK with the registration number 07282261 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) vide its certificate No.MB-55/2010 dated December 06, 2010 under the Bangladesh Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011. Separate Financial Statements have been drawn up in the reports.



MTBCL offers the following services to the market :

- 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 Offer (IPO), secondary offering, debt issuance and rights issuance.
- c. Underwriting services for both debt and equity issues.

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

2.00 Significant accounting policies and basis of preparation of financial statements

2.01 Statement of Compliance

The consolidated financial statements of the Group and the financial statements of the Bank and its subsidiary as at and for the year ended 31 December 2016 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the “First Schedule” (section-38) of the Bank Companies Act 1991 (as amended in 2013), as amended by the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act, 1994, the Bangladesh Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange’s Listing Regulations and other laws and rules applicable in Bangladesh. Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

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

2.01.01 Investment in shares and securities

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

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated 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. As such Mutual Trust Bank Limited measures and recognizes Investment in Quoted and Unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

2.01.02 Revaluation gain/loss on Government securities

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

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

2.01.03 Provision on loans and advances

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



Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012 and BRPD Circular no. 19 dated 27 December 2012 a general provision at 0.25% to 5% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses, should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD Circular no. 10 dated 18 September 2007, a general provision at 1% should be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

2.01.04 Financial instruments - presentation and disclosure

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

2.01.05 REPO transactions

BFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to Repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

2.01.06 Financial guarantees

BFRSs: As per BAS-39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

2.01.07 Cash and cash equivalents

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

Bangladesh Bank: Some cash and cash equivalent items such as ‘money at call and short notice’, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

2.01.08 Non banking assets

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

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, there should exist a face item named non-banking assets.

2.01.09 Cash flow statement

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

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.



2.01.10 Balance with Bangladesh Bank: (CRR)

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

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

2.01.11 Loans and advance net of provision

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

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

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

2.02 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiary, as mentioned in note no.1.04 has been consolidated in accordance with Bangladesh Accounting Standard 27 "Separate Financial Statements" and Bangladesh Financial Reporting Standard (BFRS) 10 "Consolidated Financial Statements". The Consolidation of the Financial Statement has been made after eliminating all material inter company balance, income and expenses arising from inter company transactions.

The total profit of the Company and its subsidiary are shown in the consolidated statement of comprehensive income with the proportion of profit after taxation. All assets and liabilities of the Company and of its subsidiary is shown in the consolidated statement of financial position. The consolidated financial statements are prepared to a common financial year ended 31 December 2016.

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	96.4653	78.7022
For income & expenses	Average price	105.5750	78.4656

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:

- 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.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land & Buildings is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property, Plant & Equipment."

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

2.04 Going concern

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

2.05 Functional and presentation currency

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



2.06 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) 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 year.

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 currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the Bank are presented in BDT which is the Bank's functional and presentation currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per **BAS-21: The Effects of Changes in Foreign Exchange Rates**. Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent. The resulting exchange transaction gains and losses are included in the profit and loss account.

c) Commitments

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

2.10 Statement of cash flows

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

2.11 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with **Bangladesh Accounting Standard-1: Presentation of Financial Statements** and relevant guidelines of Bangladesh Bank.



2.12 Liquidity statement

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

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

2.13 Accounting for contingent liabilities and contingent assets

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

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

2.14 Assets and basis of their valuation

2.14.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.14.02 Investments

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

a) Held to maturity (HTM)

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

b) Held for trading (HFT)

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

c) Revaluation

As per the DOS Circular letter no. 05, dated 26 May 2008 & subsequent amendment circular no.05, dated 28 January 2010. 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 (HTM)	Face value	None	None
Prize bond	Cost	None	None
Un quoted shares and debenture	Cost	None	-
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

2.14.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans & off balance sheet exposures, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BRPD Circular no. 14, 19 & 5 dated 23 September 2012, 27 December 2012 & 29 May 2013 and subsequent changes.

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 year. Interest calculated on classified loans and advances (including special mention accounts) as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the period of its receipt from the defaulting borrowers.

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

Provision for loans and advances

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

Rate of provision

Particulars		Short term Agri. Credit	Consumer financing			SMEF	Loans to BHs/SDs	All other Credit
			Other than HF, LP	HF	LP			
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	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

- c. 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.
- d. The bills purchased and discounted have been analyzed as per the maturity grouping.

Written off loans and advances

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

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

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

Property, plant and equipments have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per BAS-16: Property, plant and equipment's. 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 year which are incurred.

b) Depreciation

Depreciation is charged at the following rates on reducing balance method on all fixed assets other than motor vehicles and leased assets, which are depreciated on straight line basis and no depreciation is charged on land:

Category of Fixed Assets	Rates of Depreciation
Land	Nil
Immovable Property	2.50%
Furniture & Fixtures	10%
Office Equipment	20%
Motor Vehicles	20%
Books & Periodicals	10%
Leasehold Assets	20%
Intangible Assets	20%

c) Disposal of fixed assets

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

d) Capital Work-in-Progress

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



e) Borrowing costs

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

f) Impairment

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

2.14.05 Other assets

Other assets include all assets not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the bank.

Provision for other assets

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

2.14.06 Receivables

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

2.14.07 Leases

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

The Bank as Lessor

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

The Bank as Lessee

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

2.14.08 Non-Banking Assets

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

2.14.09 Reconciliation of inter-bank/inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

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

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



2.15.02 Deposits and other accounts

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

2.15.03 Other liabilities

Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance 1984, BAS-37 and internal policy of the banks. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.15.04 Employee benefit scheme

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

a) Provident Fund

Provident fund benefits are given to the permanent employees' of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone 3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from April 30, 2001. The Fund is operated by a Board of Trustee 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 "Mutual Trust Bank Limited 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 Trustee consisting of 04 (four) 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 dependent. The fund is governed and administered by the Board of Trustee consisting of 04 (four) members.

e) MTB Employees' Death Benefit Plan

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

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



f) MTB Foundation

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

g) Incentive Bonus

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

2.15.05 Taxation

a. Current tax

The tax currently payable is based on taxable profit for the year. 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 year or are never taxable or deductible. Bank's liability for current tax is calculated using tax rates that have been enacted the reporting period.

b. Deferred tax

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh and as per BAS-12 (Income Taxes). Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax 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 share capital

Paid-up share 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 in 2013)

2.17 Off Balance Sheet items

Under general banking transactions, liabilities against acceptance, endorsements and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off Balance Sheet items. Provision for off balance sheet items is made as per BRPD circular no. 08 of 7 August 2007 and 10 of 18 September 2007.

2.18 Provision for Nostro Accounts

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



2.19 Revenue recognition

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

2.19.01 Interest income

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

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

2.19.03 Fee and commission income

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

2.19.04 Dividend Income on Shares

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

2.19.05 Other operating income

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

2.19.06 Interest paid on deposits and borrowings

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

2.19.07 Other expenses

Expenses incurred by the bank are recognized on accrual basis

2.19.08 Other comprehensive income

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



2.20 Earnings per share

Basic earnings per share

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

2.21 Reporting period

These financial statements of the bank and its subsidiary cover one calendar year from 01 January to 31 December 2016.

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

The institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS). MutualTrustBank Limited has applied all the applicable of IAS and IFRS as adopted by ICAB while preparing the financial statements. Details are given below:

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied*
Investment Property	40	Applied
Agriculture	41	N/A

Bangladesh Financial Reporting Standards (BFRSs)	BFRS 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	N/A

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



2.23 Regulatory & legal compliance

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

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

2.24 Proposed dividend

Proposed dividend has not been recognized as a liability in the statement of financial position in accordance with **Bangladesh Accounting Standards (BAS) 10 “Events after the reporting period”**.

2.25 Events after the reporting period

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

2.26 Operating segment

The bank has only one reportable business segment and the bank is operating with the geographical territory of Bangladesh. Hence segment reporting in accordance with **BFRS-8 “Operating Segment”** is not applicable.

2.27 Litigation

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

2.28 Written Off

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

2.29 Risk Management

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



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

(a) Credit Risk Management

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

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

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

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

(b) Market Risk

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

i. Foreign Exchange Risk Management

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

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

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

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

ii. Interest Rate Risk

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

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

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

iii. Equity Risk

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



(c) Operational Risk

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

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

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

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

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

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

(d) Money Laundering Risk

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

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

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



(e) Fraud and Forgeries

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

2.30 Audit Committee

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

SL. NO.	Name of the Director	Status With the Bank	Status with the committee	Educational Qualification
01.	Mr. Anwarul Amin	Independent Director	Chairman	Graduated from Westminster Bank Institute of Banking, Oaken Holt, Oxford shire, UK
02.	Mr. Rashed Ahmed Chowdhury	Director (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
03.	Mrs. Khwaja Nargis Hossain	Director	Member	MA in Islamic History from University of Dhaka
04.	Dr. Sultan Hafeez Rahman	Independent Director	Member	Ph.D. and M.A from Stanford University, USA and M.A in Economics from Vanderbilt University, USA

During the period, 05 (Five) meetings of the audit committee were held.

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

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

2.31 Directors responsibility on statements

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

2.32 Approval of Financial Statements

The financial statements were approved by the Board of Directors on April 24, 2017.

2.33 General

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



		Amount in BDT	
		2016	2015
3.00 Cash			
In Hand (Including foreign currency) (Note 3.01)		1,971,972,917	1,651,219,876
With Bangladesh Bank and its agent Bank (s) (including Foreign Currency) (Note 3.02)		9,275,568,555	7,820,897,602
		11,247,541,472	9,472,117,479
3.01 In Hand (Including foreign currency)			
Local Currency		1,962,890,380	1,644,265,293
Foreign Currency		9,082,537	6,954,583
		1,971,972,917	1,651,219,876
3.02 Balance with Bangladesh Bank and its agent Bank (s)			
With Bangladesh Bank			
Local Currency		8,943,165,787	7,461,657,290
Foreign Currency		181,434,787	173,024,242
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)		150,967,981	186,216,069
		9,275,568,555	7,820,897,602

Bangladesh Bank Adjustment Account represents outstanding transactions(net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2016 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	54	10	131,516,507	15,149,906
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	54	10	131,516,507	15,149,906

All unadjusted entries are subsequently adjusted on regular basis.

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of The Bank Companies Act, 1991 and Bangladesh Bank DOS circular no.01 dated 19 January 2014 and MPD circular no. 01 dated June 23, 2014.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS circular no. 01 dated January 19, 2014 and MPD circular no. 01 dated June 23, 2014; bank has to maintain CRR 6.00% on daily basis and 6.50% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at December 31, 2016 are as follows:

i. Daily Bank's CRR Maintenance

	2016		2015	
	%	BDT Million	%	BDT Million
Required Reserve (6.00% of ATDTL)	6.00%	8,007.01	6.00%	6,835.16
Actual Reserve Maintained	6.61%	8,826.80	6.54%	7,453.29
Surplus	0.61%	819.78	0.54%	618.13



ii. Bi-weekly average Bank's CRR Maintenance

	2016		2015	
	%	BDT Million	%	BDT Million
Required Reserve (6.50% of ATDTL)	6.50%	8,674.27	6.50%	7,404.76
Actual Reserve Maintained	6.59%	8,790.62	6.57%	7,484.92
Surplus	0.09%	116.35	0.07%	80.16

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the bank as at December 31, 2016 are as follows:

	2016		2015	
	%	BDT Million	%	BDT Million
Required Reserve (13% of ATDTL)	13.00%	17,348.53	13.00%	14,809.52
Actual Reserve Maintained	16.41%	21,902.89	22.32%	25,428.74
Surplus	3.41%	4,554.36	9.32%	10,619.22

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

Cash in Hand	1,971.97	1,651.22
Excess Cash Reserve	152.53	48.53
Balance with Agent Bank (Sonali Bank Ltd)	150.97	186.22
Held to Maturity (HTM) Securities	13,888.85	14,269.38
Held for Trading (HFT) Securities	5,737.17	9,270.81
Other eligible securities	1.40	2.59
	21,902.89	25,428.74

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

3 (a) Consolidated cash

i. Cash in hand (including foreign currency)

Mutual Trust Bank Limited (Note-3.01)	1,971,972,917	1,651,219,876
MTB Securities Limited	13,299,362	8,526,611
MTB Capital Limited	257	12,525
MTB Exchange (UK) Limited	2,205,486	4,422,285
	1,987,478,022	1,664,181,296

ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)

Mutual Trust Bank Limited (Note-3.02)	9,275,568,555	7,820,897,602
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	9,275,568,555	7,820,897,602
	11,263,046,577	9,485,078,899

4.00 Balance with other Banks and Financial Institutions

In Bangladesh (Note-4.01)	7,158,101,358	2,455,380,799
Outside Bangladesh (Note- 4.02)	861,521,672	676,014,412
	8,019,623,030	3,131,395,211



4.01 In Bangladesh

Fixed Deposits Receipt (FDR)

	Transaction Currency	Amount in BDT	
		2016	2015
Lanka Bangla Finance Limited	BDT	250,000,000	250,000,000
IDLC Finance Limited	BDT	500,000,000	18,604,988
International Leasing Limited	BDT	300,000,000	300,000,000
Union Capital Limited	BDT	200,000,000	200,000,000
MIDAS Financing Limited	BDT	100,000,000	100,000,000
Fareast Finance Limited	BDT	100,000,000	100,000,000
Premier Leasing & Finance Limited	BDT	100,000,000	200,000,000
Prime Finance & Investment Limited	BDT	200,000,000	50,000,000
One Bank Limited	BDT	1,000,000,000	400,000,000
FAS Finance Ltd	BDT	50,000,000	200,000,000
GSP Finance Company (Bangladesh) Limited	BDT	100,000,000	100,000,000
Bay Leasing & Investment Limited	BDT	100,000,000	100,000,000
Bank Alfalah Limited	BDT	300,000,000	-
Industrial & Infrastructure Development Finance Company Limited	BDT	300,000,000	-
Delta Brac Housing Limited	BDT	200,000,000	-
Standard Bank Limited	BDT	400,000,000	-
IPDC Finance Limited	BDT	150,000,000	-
NRB Global Bank Limited	BDT	200,000,000	-
The Premier Bank Limited	BDT	400,000,000	-
SBAC Bank Limited	BDT	200,000,000	-
National Bank Limited	BDT	1,000,000,000	-
Mercantile Bank Limited	BDT	500,000,000	-
Midland Bank Limited	BDT	200,000,000	-
BD Finance & Investment Company Limited	BDT	100,000,000	-
Bangladesh Industrial Finance Company Limited	BDT	50,000,000	150,000,000
Bangladesh Finance & Investment Company Limited	BDT	-	100,000,000

Special Notice Deposit (SND)

Dutch Bangla Bank Limited	BDT	65,052	64,001
BASIC Bank Limited	BDT	78,330	79,541
Sonali Bank Limited	BDT	6,036,307	4,138,526
State Bank of India	BDT	6,573	6,573
Agrani Bank Limited	BDT	21,468,604	17,431,967
Janata Bank Limited	BDT	10,256,999	18,955,021
Standard Chartered Bank	BDT	21,868,301	26,861,490

Current Deposits (CD)

Arab Bangladesh Bank Limited	BDT	200,000	200,000
Southeast Bank Limited	BDT	783,567	1,079,952
Islami Bank Bangladesh Limited	BDT	298,288	268,823
Janata Bank Limited	BDT	17,927	17,084,202
Brac Bank Limited	BDT	1,733,851	1,605,851
Agrani Bank Limited	BDT	95,287,560	98,999,864

Sub total

7,158,101,358	2,455,380,799
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4.02 Outside Bangladesh (NOSTRO Accounts) in current account

		Amount in BDT	
		2016	2015
	Transaction Currency		
Mashreq Bank Psc, New York	US\$	28,518,682	134,079,755
Standard Chartered Bank, New York	US\$	119,853,479	46,806,407
Habib American Bank, New York	US\$	82,391,715	111,841,870
Mashreq Bank Psc, London	US\$	7,083,628	12,724,537
ICICI Bank Ltd., Hong Kong	US\$	16,715,010	15,975,045
National Commercial Bank, Jeddha	US\$	-	44,689,779
Sonali Bank (UK) Ltd., London	US\$	38,030,741	27,971,939
Commerz Bank AG, Germany	US\$	10,404,369	10,635,442
KB Kookmin Bnak, South Korea	US\$	10,675,868	-
Standard Chartered Bank, Singapore	SGD	2,231,309	555,830
Standard Chartered Bank Colombo	ACU-USD	4,886,884	361,859
Mashreq Bank Psc, London	GBP	2,508,704	21,023,577
Standard Chartered Bank, London	GBP	6,377,540	23,153,571
Sonali Bank (UK) Ltd., London	GBP	43,846	733,838
Habib American Bank, Zurich	CHF	1,590,578	1,270,519
Standard Chartered Bank, Tokyo	JPY	1,613,361	247,941
UBAF, Tokyo	JPY	462,030	76,133
Mashreq Bank Psc, London	EUR	1,143,902	708,427
Standard Chartered Bank, Germany	EUR	3,267,281	654,435
Sonali Bank (UK) Ltd., London	EUR	23,267	404,006
Sonali Bank Ltd, Kolkata	ACU	6,337,199	-
ICICI Bank Ltd., Mumbai	EUR	515,978	142,820
Unicredit Bank AG, Germany	EUR	1,803,889	1,765,726
Commerze Bank AG, Germany	EUR	39,342,287	10,335,069
Standard Chartered Bank, Mumbai	ACU	21,699,178	7,231,755
Standard Chartered Bank, Kolkata	ACU	39,389,071	20,840,374
Standard Chartered Bank, Karachi	ACU	3,909,800	1,475,028
United Bank of India, Kolkata	ACU	25,407,392	19,407,509
United Bank of India, Kolkata	ACU-EUR	347,725	362,587
Mashreq Bank Psc, Mumbai	ACU	18,133,856	33,530,198
AB Bank Ltd., Mumbai	ACU	45,818,747	16,912,334
ICICI Bank Ltd., Mumbai	ACU	30,288,502	38,466,802
HDFC Bank Ltd., Mumbai	ACU	19,169,222	26,896,141
Himalayan Bank Ltd., Kathmandu	ACU	8,617,104	5,378,035
Nepal Bangladesh Bank Ltd.	ACU	10,386,652	19,625
Habib Bank Ltd., Pakistan	ACU	15,739,512	3,925,000
Habib Metropolitan Bank Ltd., Karachi	ACU	4,610,513	1,266,305
Axis Bank Ltd., Mumbai	ACU	18,778,685	-
Mashreq Bank Psc, UAE	AED	145,788,056	-
		793,905,560	641,870,219
ICICI Bank Ltd., Mumbai - Term Deposit	US\$	28,032,607	28,032,607
		821,938,166	669,902,826
Offshore Banking Unit	US\$	39,583,506	6,111,586
Sub total		861,521,672	676,014,412
Total		8,019,623,030	3,131,395,211

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



		Amount in BDT	
		2016	2015
4.03 Maturity grouping of Balance with other Banks and Financial Institutions			
On Demand		4,043,124,899	950,076,792
Less than three months		3,025,215,069	900,004,988
More than three months but less than one year		923,250,455	600,032,607
More than one year but less than five years		28,032,607	681,280,824
More than five years		-	-
		8,019,623,030	3,131,395,211
4 (a) Consolidated balance with other banks and financial institutions In Bangladesh			
Mutual Trust Bank Limited (Note-4.01)		7,158,101,358	2,455,380,799
MTB Securities Limited		427,220,120	277,952,172
MTB Capital Limited		22,850,599	13,074,955
MTB Exchange (UK) Limited		-	-
Less: Intragroup Deposit		(321,277,338)	(282,000,921)
		7,286,894,739	2,464,407,005
Outside Bangladesh			
Mutual Trust Bank Limited (Note-4.02)		861,521,672	676,014,412
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		861,521,672	676,014,412
		8,148,416,411	3,140,421,417
5.00 Money at Call and Short Notice:			
Call Money			
With Banking Companies (Note 5.01)		100,000,000	810,000,000
With Non-Banking Financial Institutions (Note 5.02)		890,000,000	980,000,000
		990,000,000	1,790,000,000
5.01 Call Money-With Banking Companies			
Modhumoti Bank Limited		40,000,000	-
The Farmers Bank Limited		60,000,000	-
Trust Bank Limited		-	210,000,000
The City Bank Limited		-	210,000,000
Bangladesh Commerce Bank Limited		-	200,000,000
AB Bank Limited		-	190,000,000
		100,000,000	810,000,000
5.02 Call Money-With Non-Banking Financial Institutions			
Bangladesh Finance And Investment Company Limited		100,000,000	70,000,000
Fareast Finance And Investment Limited		90,000,000	60,000,000
International Leasing And Financial Services Limited		120,000,000	90,000,000
Lanka Bangla Finance Limited		70,000,000	50,000,000
MIDAS Financing Limited		100,000,000	80,000,000



		Amount in BDT	
		2016	2015
	Phoenix Finance And Investments Limited	90,000,000	100,000,000
	Premier Leasing And Finance Limited	100,000,000	70,000,000
	Prime Finance And Investment Limited	80,000,000	80,000,000
	Industrial And Infrastructure Development Finance Company Limited	140,000,000	-
	Delta Brac Housing Finance Corporation Limited	-	80,000,000
	GSP Finance Company (Bangladesh) Limited	-	60,000,000
	IDLC Finance Limited	-	200,000,000
	Union Capital Limited	-	40,000,000
		890,000,000	980,000,000
6.00	Investments		
	Government (Note 6.01)	19,627,418,568	23,542,771,441
	Others (Note 6.02)	1,795,421,268	2,250,651,780
		21,422,839,835	25,793,423,221
6.01	Government (Investment in Govt. securities)		
	Treasury Bills (Note 6.01.a)	673,360,525	878,601,744
	Treasury Bonds (Note 6.01.b)	18,952,661,743	22,061,877,596
	Bangladesh Bank Bills	-	599,705,501
	Prize Bonds	1,396,300	2,586,600
		19,627,418,568	23,542,771,441
6.01.a	Treasury Bills (at present value)		
	Un-encumbered		
	28 days	-	-
	91 days	-	-
	182 days	-	-
	364 days	673,360,525	878,601,744
	Sub-total	673,360,525	878,601,744
	Encumbered		
	91 days	-	-
	182 days	-	-
	364 days	-	-
	Sub-total	-	-
	Total Treasury Bill	673,360,525	878,601,744
6.01.b	Treasury Bonds		
	Un-encumbered		
	2 Years	1,445,834,096	81,502,187
	5 Years	1,828,047,015	4,931,754,877
	10 Years	9,775,463,982	10,491,847,100
	15 Years	3,854,291,490	4,226,291,471
	20 Years	2,049,025,158	2,330,481,961
	Sub-total	18,952,661,743	22,061,877,596



		Amount in BDT	
		2016	2015
Encumbered			
2 Years	-	-	-
5 Years	-	-	-
10 Years	-	-	-
15 Years	-	-	-
20 Years	-	-	-
Sub-total	-	-	-
Total Treasury Bond	18,952,661,743	22,061,877,596	
6.02 Other (Investment in other securities)			
Shares in quoted companies	929,757,518	983,728,730	
(Annexure-B may kindly be seen for details)			
Shares in unquoted companies (at face value) :			
Industrial & Infrastructure Development Finance Company Limited	42,453,820	42,453,820	
Summit Power Limited Preference Share	-	16,259,300	
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	-	
	163,063,750	149,323,050	
Funds:			
MTB First Mutual Fund	100,000,000	100,000,000	
MTB Unit Fund	217,600,000	217,600,000	
	317,600,000	317,600,000	
Bonds :			
Prime Bank Bond (Note 6.02.a)	45,000,000	90,000,000	
Uttara Finance & Investment Limited -Zero Coupon Bond (Note 6.02.b)	60,000,000	80,000,000	
AB Bank Subordinated Bond (Note 6.02.c)	80,000,000	80,000,000	
One Bank Subordinated Bond (Note 6.02.d)	100,000,000	-	
Trust Bank Subordinated Bond (Note 6.02.e)	100,000,000	-	
	385,000,000	250,000,000	
Commercial Paper:			
Rangs Properties Limited	-	200,000,000	
Envoy Textiles Limited	-	350,000,000	
	-	550,000,000	
Total other investments	1,795,421,268	2,250,651,780	
6.02.a Prime Bank Bond			
Opening Balance	90,000,000	90,000,000	
Add: New investment	-	-	
Less: Redeemed upto 31.12.16	45,000,000	-	
Closing Balance	45,000,000	90,000,000	



6.02.b Uttara Finance & Investment Limited- Zero Coupon Bond

	Amount in BDT	
	2016	2015
Principal	80,000,000	100,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.16	20,000,000	20,000,000
Redeemable Value	60,000,000	80,000,000

6.02.c AB Bank Subordinated Bond

Principal	80,000,000	80,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.16	-	-
Redeemable Value	80,000,000	80,000,000

6.02.d One Bank Subordinated Bond

Principal	100,000,000	-
Add: New investment	-	-
Less: Redeemed upto 31.12.16	-	-
Redeemable Value	100,000,000	-

6.02.e Trust Bank Subordinated Bond

Principal	100,000,000	-
Add: New investment	-	-
Less: Redeemed upto 31.12.16	-	-
Redeemable Value	100,000,000	-

6.03 (a) i. Disclosure regarding outstanding Repo as at December 31, 2016

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	-	-	-
B. Bangladesh Bank (Repo)	-	-	-
C. Standard Chartered Bank	29/12/2016	1/1/2017	996,471,800
Total			996,471,800

ii. There was no Reverse Repo as at December 31, 2016.

(b) Disclosure regarding overall transaction of Repo for the year 2016

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	176,608,316	3,205,990,931	716,089,276
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	31,015,200	2,880,696,114	110,183,981



		Amount in BDT	
		2016	2015
6.04 Maturity grouping of Investment as follows:			
On Demand		1,796,817,567	2,486,020,830
Less than three months		406,890,801	699,900,010
More than three months but less than one year		1,458,243,864	3,090,134,773
More than one year but less than five years		8,390,555,955	5,765,040,537
More than five years		9,370,331,648	13,752,327,071
		21,422,839,835	25,793,423,221
6(a) Consolidated Investments			
Government Investment			
Mutual Trust Bank Limited (Note-6.01)		19,627,418,568	23,542,771,441
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		19,627,418,568	23,542,771,441
Other Investments			
Mutual Trust Bank Limited (Note-6.02)		1,795,421,268	2,250,651,780
MTB Securities Limited		365,705,846	294,142,349
MTB Capital Limited		173,513,252	159,684,760
MTB Exchange (UK) Limited		-	-
		2,334,640,366	2,704,478,889
		21,962,058,933	26,247,250,330
7.00 Loans and Advances			
In Bangladesh			
Loans (Note-7.01.01)		70,998,424,854	59,856,295,005
Cash Credits		23,543,911,761	22,542,346,023
Packing Credits		194,674,356	75,093,595
Overdrafts		13,813,656,649	11,208,369,989
		108,550,667,621	93,682,104,613
Bills Purchased and Discounted (Note-7.01.02)		2,283,880,874	2,534,619,460
		110,834,548,494	96,216,724,073
Outside Bangladesh		-	-
		110,834,548,494	96,216,724,073
7.01.01 Loans			
Term Loan		29,777,149,976	24,536,763,468
Time Loan		818,419,309	658,584,611
Small and Medium Enterprise Financing		10,451,837,733	9,277,769,985
Consumer Financing		294,062,208	399,486,984
Retail Financing		3,440,412,435	2,552,741,449
General Loans		3,372,091,336	2,872,375,972
Demand Loan		2,297,416,347	1,457,355,942
Payment Against Documents (PAD)		234,343,468	344,033,832
Trust Receipts		8,705,312,462	8,484,507,785
Lease Finance (note-7.03)		452,952,775	333,016,661



		Amount in BDT	
		2016	2015
	Export Development Fund Loan	3,443,955,602	1,535,289,227
	House Building Loan	3,742,097,634	3,254,990,874
	Staff/Employee Loan	667,505,850	600,621,927
	Loan to MTB Securities Limited	345,000,000	2,460,000,000
	Loan to MTB Capital Limited	-	-
	Loan to MTB Exchange (UK) Limited	-	-
		68,042,557,137	58,767,538,716
	Offshore Banking Unit	2,955,867,717	1,088,756,289
		70,998,424,854	59,856,295,005
7.01.02	Bill Purchased and Discounted		
	Payable in Bangladesh	1,987,680,277	2,185,712,585
	Payable outside Bangladesh	126,386,035	151,378,902
		2,114,066,312	2,337,091,487
	Offshore Banking Unit	169,814,562	197,527,973
		2,283,880,874	2,534,619,460
7.02	Net Loans & Advances		
	Gross Loans & Advances (Note- 7.00)	110,834,548,494	96,216,724,073
	Less:		
	Classified Loans & Advances (Note-7.07)	4,983,088,000	2,034,421,778
	Interest Suspense (Note- 12.05)	905,633,141	536,807,002
	Provision for Loans & Advances (Note -12.01)	3,158,534,528	2,247,000,000
	Net Loans & Advances	101,787,292,825	91,398,495,292
7.03	Gross Lease Rent Receivable		
	within 1 year	101,057,859	72,702,211
	within 5 years	464,491,404	334,160,573
	after 5 years	-	-
		565,549,263	406,862,785
	Less: Unearned Lease Rent	112,596,487	73,846,123
		452,952,775	333,016,661
7.04	Residual Maturity grouping of Loans and Advances		
	On Demand	13,799,069,111	12,847,239,137
	Not more than three months	28,331,114,340	20,690,483,229
	More than three months but less than one year	37,255,551,757	30,169,263,690
	More than one year but less than five years	21,845,828,493	22,437,055,795
	More than five years	9,602,984,793	10,072,682,222
		110,834,548,494	96,216,724,073
7.05	Significant concentration wise grouping of Loans & advances:		
	a) Directors	-	-
	b) Chief Executive & other Senior Executives	667,505,850	600,621,927
	i) Managing Director	-	-
	ii) Other Senior Executives	667,505,850	600,621,927



	Amount in BDT	
	2016	2015
c) Advances to Industries		
Agriculture	3,069,895,369	2,504,645,545
RMG	11,901,638,990	6,086,855,000
Textile	9,781,370,446	7,792,550,000
Ship Building	1,254,822,262	1,029,400,000
Ship Breaking	1,790,274,575	894,160,640
Other Manufacturing industry	24,250,084,620	20,210,598,574
SME loans	15,260,841,835	12,304,687,229
Construction	1,156,184,500	1,243,350,000
Power, Gas	1,870,790,000	2,721,400,000
Transport, Storage and Communication	418,359,000	997,440,000
Trade Service	15,228,568,023	12,481,955,100
Commercial real estate financing	7,364,841,229	5,324,469,550
Residential real estate financing	869,250,138	821,410,000
Consumer credit	2,180,839,432	1,562,181,642
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	345,000,000	2,460,000,000
NBFIs	4,985,274,312	5,797,660,000
Others	8,439,007,914	11,383,338,866
	110,167,042,644	95,616,102,146
	110,834,548,494	96,216,724,073

7.05(a) Significant concentration wise grouping of Consolidated Loans & advances:

a) Directors	-	-
b) Chief Executive & other Senior Executives	667,505,850	600,621,927
i) Managing Director	-	-
ii) Other Senior Executives	667,505,850	600,621,927
c) Advances to Industries		
Agriculture	3,069,895,369	2,504,645,545
RMG	11,901,638,990	6,086,855,000
Textile	9,781,370,446	7,792,550,000
Ship Building	1,254,822,262	1,029,400,000
Ship Breaking	1,790,274,575	894,160,640
Other Manufacturing industry	24,250,084,620	20,210,598,574
SME loans	15,260,841,835	12,304,687,229
Construction	1,156,184,500	1,243,350,000
Power, Gas	1,870,790,000	2,721,400,000
Transport, Storage and Communication	418,359,000	997,440,000
Trade Service	15,228,568,023	12,481,955,100
Commercial real estate financing	7,364,841,229	5,324,469,550
Residential real estate financing	869,250,138	821,410,000
Consumer credit	2,180,839,432	1,562,181,642
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	3,866,214,348	3,789,762,809
NBFIs	4,985,274,312	5,797,660,000
Others	8,439,007,914	11,425,627,674
	113,688,256,992	96,988,153,763
	114,355,762,842	97,588,775,690



7.06 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 13,699.25 million as at December 31, 2016 (BDT 12,445.45 million in 2015)

Number of Clients

Outstanding Advances (BDT Million)

Client wise details are given below:

2016	2015
48	55
54,899	49,979

Name of the clients	Outstanding (BDT Million)		Total (BDT Million)	Classification Status
	Funded	Non - Funded		
MSA Group	723.80	253.10	976.90	UC
City Group	999.90	2,246.70	3,246.60	UC
RK Group	905.30	50.60	955.90	UC
City Seed Crushing Industries Ltd. & its allied concerns	1,025.00	634.90	1,659.90	UC
Shahfatehullah Textiles Ltd	763.50	202.90	966.40	UC
Ctg. Denim	25.10	283.30	308.40	UC
Bengal Group	551.10	252.80	803.90	UC
Walton	254.60	657.90	912.50	UC
Meghna Group	0.10	2,158.30	2,158.40	UC
Dynasty Group	783.00	203.80	986.80	UC
Lankabangla Finance Limited	225.20	-	225.20	UC
Noman Group	1,271.70	16.70	1,288.40	UC
Khan Brothers Bag Industries Ltd. & its allied concerns	711.80	288.80	1,000.60	UC
Kanafuly Ship Builders Ltd & its allied concerns	463.70	1,424.60	1,888.30	UC
Energypac Engineering Ltd.	424.70	1,051.50	1,476.20	UC
Confidence Group	302.70	668.50	971.20	UC
Dabiruddin Spinning Mills Ltd	100.30	345.20	445.50	UC
Abdul Monem Group	1,235.30	-	1,235.30	UC
BSRM	330.40	67.50	397.90	UC
Al- Mostafa	760.80	563.80	1,324.60	UC
Purbani Group	601.00	113.00	714.00	UC
ASR Group	885.20	112.40	997.60	UC
Rahmat Group	810.90	96.40	907.30	UC
Dekko Group	792.40	2.20	794.60	UC
AJI Group	402.90	1,010.50	1,413.40	UC
EON Group	610.00	480.30	1,090.30	UC
Summit Holding Ltd	1,600.00	-	1,600.00	UC
Bay Development Ltd	1,097.30	7.80	1,105.10	UC
PRAN - RFL	1,418.90	1,754.20	3,173.10	UC
GrameenPhone Ltd.	-	210.30	210.30	UC
Sarker Steel Ltd	1,306.60	104.80	1,411.40	UC
Epyllion Fabrics Limited & its allied concerns	1,051.30	230.80	1,282.10	UC
BRAC	474.90	-	474.90	UC
SQ Celsius Limited & its allied concerns	1,714.90	267.00	1,981.90	UC
Pride Group	287.60	237.60	525.20	UC
Northern Tosrifa Group	154.60	146.30	300.90	UC
Arkay Knit Dyeing Mills Ltd	50.40	-	50.40	UC
Mahdeen Group	303.10	170.30	473.40	UC
ROBI Axiata Ltd.	-	332.10	332.10	UC
BBS Cables Ltd.	773.00	288.30	1,061.30	UC
Abul Khair Group	1,227.30	628.20	1,855.50	UC
KABIR STEEL	317.40	288.80	606.20	UC
Saad Musa Group	1,822.90	680.20	2,503.10	UC
Sitalpur Auto Steel Mills Ltd & its allied concerns	565.70	1,051.90	1,617.60	UC
BSM	213.60	625.80	839.40	UC
Jahangir & Others	1,215.10	-	1,215.10	UC
Sheema Automatic Re-Rolling Mills Ltd & its allied concerns	1,451.40	472.90	1,924.30	UC
KDS Group	797.50	411.80	1,209.30	UC
Total	33,803.90	21,094.80	54,898.70	



7.07 Classification of Loans and Advances:**Unclassified (UC):**

Standard

Special Mention Account (SMA)

Sub total**Classified:**

Substandard

Doubtful

Bad & Loss

Sub total**Total**

Amount in BDT	
2016	2015
102,626,596,814	91,251,517,649
3,224,863,681	2,930,784,645
105,851,460,495	94,182,302,294
846,750,537	79,709,495
405,055,372	169,186,865
3,731,282,091	1,785,525,418
4,983,088,000	2,034,421,778
110,834,548,494	96,216,724,073

7.07 (a) Classification of Consolidated Loans and Advances:**Consolidated Unclassified Loans and Advances (UC):**

Standard

Special Mention Account (SMA)

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

Substandard

Doubtful

Bad & Loss

Sub total**Total**

106,147,811,162	92,623,569,266
3,224,863,681	2,930,784,645
109,372,674,842	95,554,353,911
846,750,537	79,709,495
405,055,372	169,186,865
3,731,282,091	1,785,525,418
4,983,088,000	2,034,421,778
114,355,762,842	97,588,775,690

7.08 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	101,958,615,680	0%,0.25%,1%, 2%,2.5% & 5%	1,013,358,177	1,013,358,177
Standard- Offshore Banking Unit			31,256,823	31,256,823
Special Mention Account (SMA)			63,000,165	63,000,165
Sub total	105,183,479,360		1,107,615,165	1,107,615,165
Classified:				
Substandard	250,872,563	5% & 20%	50,174,513	50,174,513
Doubtful	139,585,385	5% & 50%	69,792,692	69,792,692
Bad loan*	1,930,952,158	100%	1,930,952,158	1,930,952,158
Sub total	2,321,410,106		2,050,919,363	2,050,919,363
Total	107,504,889,466		3,158,534,528	3,158,534,528
Excess/(short) Provision as at December 31, 2016				-

*As per Bangladesh Bank letter (reference no. DBI-1/119/2017-1313 dated April 11, 2017), the Bank has maintained minimum required provision for the year 2016. In addition BDT 90 crore provision is to be maintained in next 03 (three) years, BDT 30 crore in each year for 2017, 2018 and 2019.



7.09 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures

Total Provision maintained (Note -12.02)

Excess/(Short) Provision

Amount in BTD	
2016	2015
451,343,146	350,292,455
452,000,000	352,000,000
656,854	1,707,545

7.10 Suits filed by the Bank (Branch wise details)

Name of the Branch	No. of Suits			
	2016	2015		
Principal Branch	20	18	1,140,974,770	825,360,000
Babu Bazar Branch	22	17	277,775,611	269,271,000
Uttara Model Town Branch	3	3	27,363,832	25,300,000
Dhanmondi Branch	3	4	28,213,526	29,660,000
Agrabad Branch	22	19	828,353,535	519,400,000
CDA Avenue Branch	11	10	220,926,211	210,874,000
Khatungonj Branch	13	12	861,140,733	438,736,000
Gulshan Branch	10	9	63,002,696	17,780,000
Progati Sharani Branch	1	1	1,102,965	1,100,000
Haidergonj SME/Agri Branch	9	9	5,893,211	13,230,000
Narayangonj Branch	1	1	298,089	350,000
Bashundhara City Branch	17	14	276,516,514	247,320,000
Banani Branch	6	3	1,188,438	410,000
Aganagar Branch	0	2	-	740,000
Raipur Branch	16	18	20,711,918	13,580,000
Savar Branch	8	2	7,588,882	432,000
Madaripur Branch	6	10	16,125,973	5,125,000
Elepahant Road Branch	6	7	21,788,664	38,600,000
Bashundhara Branch	5	5	14,679,952	16,300,000
Jubilee Road Branch	1	1	148,657,568	148,600,000
Belkuchi SME/Agri Branch	6	4	41,743,013	38,400,000
Bogra Branch	2	2	411,678,848	324,500,000
Dolaikhal Branch	3	-	16,237,449	-
Rangpur Branch	2	-	2,120,238	-
Hasnabad Branch	3	-	3,494,549	-
Kaligonj SME/Agri Branch	3	-	9,184,295	-
Gaffargaon Branch	8	-	1,798,575	-
Cox'sbazar Branch	1	-	288,059	-
Sreenagor Branch	5	-	50,017,803	-
Moulvibazar Branch	1	-	11,696,967	-
Dhanbari SME/Agri Branch	2	-	17,013,537	-
Sylhet Branch	2	-	2,702,903	-
Tejgaon Branch	2	-	33,152,707	-
MTB Centre Corporate Branch	8	-	2,691,186	-
Joypurhat Branch	6	-	152,014,310	-
Chokoria Branch	1	-	10,725,805	-
Feni Branch	1	-	10,442,931	-
Dagonbhuiyan SME/Agri Branch	1	-	1,960,038	-
Pallabi Branch	1	-	5,840,817	-
Kakrail Branch	1	-	3,810,853	-
Dilkusha Branch	1	-	2,766,622	-
Comilla Branch	1	-	59,482,652	-
			4,813,167,245	3,185,068,000



7.11 Geographical Location wise Loans and Advances**Inside Bangladesh****Urban**

	Amount in BDT	
	2016	2015
Dhaka Division	75,656,919,932	66,893,936,006
Chittagong Division	22,474,593,473	18,511,541,543
Sylhet Division	845,476,356	742,933,912
Mymensingh Division	562,111,203	492,995,033
Rajshahi Division	3,908,852,579	3,704,740,334
Khulna Division	1,177,172,773	1,302,235,100
Rangpur Division	2,269,236,684	1,720,922,849
Barisal Division	209,242,417	80,882,877
	107,103,605,416	93,450,187,655

Rural

Dhaka Division	2,103,806,136	1,472,451,542
Chittagong Division	1,396,770,143	1,157,934,713
Sylhet Division	128,908,916	72,507,930
Mymensingh Division	101,457,883	63,642,233
Rajshahi Division	-	-
Khulna Division	-	-
Rangpur Division	-	-
Barisal Division	-	-
	3,730,943,078	2,766,536,418

Outside Bangladesh

	-	-
	110,834,548,494	96,216,724,073

7.11.a Geographical Location wise Consolidated Loans and Advances**Inside Bangladesh****Urban**

Dhaka Division	79,178,134,280	68,265,987,623
Chittagong Division	22,474,593,473	18,511,541,543
Sylhet Division	845,476,356	742,933,912
Mymensingh Division	562,111,203	492,995,033
Rajshahi Division	3,908,852,578	3,704,740,334
Khulna Division	1,177,172,773	1,302,235,100
Rangpur Division	2,269,236,684	1,720,922,849
Barisal Division	209,242,417	80,882,877
	110,624,819,764	94,822,239,272

Rural

Dhaka Division	2,103,806,136	1,472,451,542
Chittagong Division	1,396,770,143	1,157,934,713
Sylhet Division	128,908,916	72,507,930
Mymensingh Division	101,457,883	63,642,233
Rajshahi Division	-	-
Khulna Division	-	-
Rangpur Division	-	-
Barisal Division	-	-
	3,730,943,078	2,766,536,418

Outside Bangladesh

	-	-
	114,355,762,842	97,588,775,690



		Amount in BDT	
		2016	2015
7.12 Sector-wise Loans (including Bill Purchased and Discounted)			
Public sector		15,975,287	31,794,227
Co-Operative sector		-	-
Private sector		110,818,573,207	96,184,929,846
		110,834,548,494	96,216,724,073
7.12(a) Sector-wise Consolidated Loans (including Bill Purchased and Discounted)			
Public sector		15,975,287	31,794,227
Co-Operative sector		-	-
Private sector		114,339,787,555	97,556,981,463
		114,355,762,842	97,588,775,690
7.13 Particulars of Loans and Advances:			
I) Debts considered good in respect of which the bank company is fully secured.		90,904,582,309	81,273,653,438
II) Debts considered good for which the bank holds no other security than the debtor's personal security.		760,565,810	720,939,246
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.		14,186,312,376	12,229,998,418
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.		667,505,850	600,621,927
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.		667,505,850	600,621,927
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 :			
a. i) (Decrease)/Increase in provision,		868,919,363	226,717,487
ii) amount of loan written off		-	-
iii) amount realized against loan previously written off;		1,260,000	1,100,990
b. Amount of provision kept against loan classified as ' bad/loss'		1,930,952,158	1,112,000,000
c. Interest creditable to the interest Suspense A/c;		905,633,141	536,807,002
XI) Cumulative amount of loans written off			
Opening Balance		1,479,660,000	1,479,660,000
Amount Written off during the year		-	-
Balance of Written off Loans & Advance		1,479,660,000	1,479,660,000
XII) The amount of written off loan for which law suit has been filed		1,479,660,000	1,479,660,000
7.14 Maturity grouping of Bill Purchased and Discounted			
Payable within one month		633,116,086	294,990,587
More than one month but less than three months		1,226,232,454	1,462,979,695
More than three months but less than six months		424,532,333	776,649,178
More than or equal to six months		-	-
		2,283,880,874	2,534,619,460



		Amount in BDT	
		2016	2015
7.15 Consolidated list of Asset pledged as collaterals			
Collateral of movable/immovable assets		13,851,978,636	17,976,300,742
Export documents		6,070,872,792	4,344,784,908
Fixed deposit receipts		3,178,773,573	2,634,085,797
Personal guarantee		72,221,151,803	9,455,578,938
Other securities		19,032,986,038	63,178,025,305
		114,355,762,842	97,588,775,690
7.16 Maturity grouping of Consolidated Loans and Advances			
On Demand		13,799,069,111	12,847,239,137
Not more than three months		28,331,114,340	20,690,483,229
More than three months but less than one year		37,255,551,757	30,169,263,690
More than one year but less than five years		21,845,828,493	22,479,344,602
More than five years		13,124,199,141	11,402,445,032
		114,355,762,842	97,588,775,690
7 (a) Consolidated loans, advances and lease			
Mutual Trust Bank Limited (Note-7.00)		108,550,667,621	93,682,104,613
MTB Securities Limited		3,654,054,026	3,716,976,374
MTB Capital Limited		212,160,322	115,075,243
MTB Exchange (UK) Limited		-	-
		112,416,881,969	97,514,156,230
Less: Loan to Subsidiaries		(345,000,000)	(2,460,000,000)
		112,071,881,968	95,054,156,230
Consolidated bills purchased and discounted			
Mutual Trust Bank Limited (Note-7.00)		2,283,880,874	2,534,619,460
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		2,283,880,874	2,534,619,460
		114,355,762,842	97,588,775,690
8.00 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		1,277,414,563	1,255,272,572
Office Equipments		1,531,068,277	1,390,708,017
Motor Vehicles		101,542,673	74,744,415
Books & Periodicals		423,974	423,974
Leased Asset		37,955,000	79,094,587
Intangible Assets		112,208,736	48,455,000
Total Cost		4,620,607,018	4,408,692,360
Less: Accumulated Depreciation		1,578,555,409	1,338,169,090
Book value at the end of the year		3,042,051,609	3,070,523,270
Details are shown in Annexure-C			



		Amount in BDT	
		2016	2015
8 (a) Consolidated fixed assets including premises, furniture and fixtures			
Mutual Trust Bank Limited (Note-8)		3,042,051,609	3,070,523,270
MTB Securities Limited		89,710,140	101,650,937
MTB Capital Limited		6,575,609	7,551,839
MTB Exchange (UK) Limited		2,633,885	2,103,800
Consolidated net book value at the end of the year		3,140,971,243	3,181,829,846
Details are shown in Annexure-C (i)			
9.00 Other Assets			
Classification of Other Assets			
A) Income generating Other Asset			
i) Investment in Shares of Subsidiary Companies (Note-9.01)		3,528,395,800	1,548,395,800
B) Non-Income generating Other Asset :			
i) Stationery, Stamps, Printing materials in stock etc.		21,474,393	12,201,480
ii) Advance Rent and Advertisement		317,582,871	364,302,062
iii) Interest Accrued on Investment but not collected & other income receivable		26,416,646	73,033,915
iv) Security Deposit		10,695,056	10,611,008
v) Branch Adjustment		-	-
vi) Suspense Account (Note- 9.02)		193,253,088	32,261,448
vii) Others (Note- 9.03)		4,825,997,779	4,047,782,595
		8,923,815,634	6,088,588,308
9.01 Investment in Shares of Subsidiary Companies			
MTB Securities Limited		3,250,000,000	1,270,000,000
MTB Capital Limited		250,000,000	250,000,000
MTB Exchange (UK) Limited		28,395,800	28,395,800
		3,528,395,800	1,548,395,800
9.02 Suspense Account			
Sundry Debtors		19,701,579	2,487,000
Advance against TA/DA		-	1,000
Legal Expenses		5,415,689	2,351,603
Sanchay Patra		164,234,611	27,147,967
Others		3,901,208	273,878
		193,253,088	32,261,448
9.03 Others			
Advance Income Tax (Note-9.03.01)		4,163,606,805	3,474,990,108
Stock of Commemorative Coins		218,320	218,320
Clearing House Adjustment		1,500,000	-
Advance Salary		-	710,000
Advance Against Interior Decoration		43,627,000	18,011,682
Advance to Employee		13,101,531	21,617,499
Advance to Suppliers/Parties		120,589,888	59,939,384
Placement to Off-Shore Banking Unit		193,422,813	532,432,413
Receivables from Off-Shore Banking Unit		34,894,959	19,989,216
Receivables from MTB Exchange (UK) Limited		40,776,231	42,288,808



		Amount in BDT	
		2016	2015
Interest on Treasury Bond		402,111,800	376,679,588
Interest Receivable on Call Money		365,417	167,708
Interest Receivable on Balance with Other Bank		40,100,789	34,441,442
Interest Receivable on Investment in Commercial Paper		-	18,718,056
		5,054,315,552	4,600,204,224
Less: Inter transaction with Offshore Banking Unit		(228,317,773)	(552,421,629)
Total		4,825,997,779	4,047,782,595
9.03.01 Advance Income Tax			
Opening Balance		3,474,990,108	3,000,925,263
Add: Payment during the year		688,616,696	474,064,845
Closing Balance		4,163,606,805	3,474,990,108
9.03.01(a) Consolidated Advance Income Tax			
Mutual Trust Bank Limited (Note-9.03.01)		4,163,606,805	3,474,990,108
MTB Securities Limited		35,681,960	35,990,033
MTB Capital Limited		11,242,321	10,336,624
MTB Exchange (UK) Limited		-	-
		4,210,531,086	3,521,316,765
9.04 Classification of Other Asset			
Unclassified		8,923,815,634	6,079,866,308
Substandard		-	-
Doubtful		-	-
Bad/Loss		-	8,722,000
		8,923,815,634	6,088,588,308
9 (a) Consolidated other assets			
Mutual Trust Bank Limited (Note-9)		8,923,815,634	6,088,588,308
Less: Investment in subsidiary		(3,528,395,800)	(1,548,395,800)
		5,395,419,834	4,540,192,508
MTB Securities Limited		114,848,770	101,875,656
MTB Capital Limited		40,094,419	25,074,662
MTB Exchange (UK) Limited		844,071	1,091,346
Less: Intragroup receivable & payable		(40,776,231)	(42,288,808)
		115,011,030	85,752,856
		5,510,430,863	4,625,945,364
10.00 Borrowing From Other Banks, Financial Institutions & Agents			
In Bangladesh (Note 10.01)		5,699,482,878	4,342,602,594
Outside Bangladesh		-	-
		5,699,482,878	4,342,602,594
Offshore Banking Unit		3,130,349,459	1,271,648,613
Less: Inter transaction with Offshore Banking Unit		(193,422,813)	(532,432,413)
		8,636,409,523	5,081,818,794



		Amount in BDT	
		2016	2015
10.01	In Bangladesh:		
	Borrowing from Bank:	196,750,000	620,716,537
	Foreign Currency Borrowing	196,750,000	620,716,537
	The City Bank Limited	118,050,000	-
	Southeast Bank Limited	78,700,000	-
	Bank Asia Limited	-	310,358,268
	Bank Alfalah Limited	-	77,589,567
	Bangladesh Krishi Bank Limited	-	232,768,702
	Borrowing from Bangladesh Bank:	5,436,396,230	3,655,505,608
	SME Refinance	769,213,119	920,791,697
	Investment Promotion and Financing Facility(IPFF)	1,224,667,483	1,199,424,684
	Export Development Fund	3,442,515,628	1,535,289,227
	Borrowing from Other Institutes:	66,336,647	66,366,903
	SME Foundation	66,336,647	66,366,903
	Repo of Treasury Bill/Bond	-	13,546
	Bangladesh Bank	-	13,546
	Total	5,699,482,878	4,342,602,594
10.02	Security against Borrowing from Other Banks, Financial Institutions and Agents		
	Secured (Treasury Bill)	-	13,546
	Unsecured	8,636,409,523	5,081,805,248
		8,636,409,523	5,081,818,794
10.03	Maturity Grouping of Borrowing from Other Banks, Financial Institutions and Agents		
	On Demand	1,677,904,332	987,309,106
	Repayable within one month	-	-
	More than one month but within six months	3,136,626,522	1,845,647,496
	More than six months but within one year	527,445,234	310,358,268
	More than one year but within five years	-	-
	More than five year but within ten years	3,294,433,436	1,938,503,924
		8,636,409,523	5,081,818,794
10 (a)	Consolidated borrowing from Other Banks, Financial Institutions and Agents		
	Mutual Trust Bank Limited (Note-10)	8,636,409,523	5,081,818,794
	MTB Securities Limited	345,000,000	2,460,000,000
	MTB Capital Limited	75,000,000	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Borrowings	(345,000,000)	(2,460,000,000)
		8,711,409,523	5,081,818,794



		Amount in BDT	
		2016	2015
11.00 Deposits and Other Accounts			
From Banks (Note 11.01)	-	-	-
From Customers (Note 11.02)	131,593,607,611	118,686,764,340	
	131,593,607,611	118,686,764,340	
11.01 Deposits From Banks	-	-	
11.02 Customer Deposit and Other Accounts:			
Current Deposit & Other Accounts :			
Current Deposit	8,345,457,419	6,333,474,405	
Foreign Currency Deposit	1,805,360,585	1,834,634,619	
Non-Resident Taka account	28,422,736	30,628,559	
Sundry Deposit	2,123,116,081	1,389,542,968	
	12,302,356,822	9,588,280,551	
Bills Payable :			
Payment Order Issued	1,745,919,098	1,243,486,769	
Pay Slip Issued	530,527	1,548,843	
Demand Draft Payable	4,602,105	8,258,052	
	1,751,051,731	1,253,293,664	
Savings Bank Deposits	23,710,184,165	17,908,495,890	
Special Notice Deposits	11,966,383,586	13,956,739,643	
Fixed Deposits	55,803,465,444	55,707,789,090	
Deposit Products :			
Brick by Brick	9,237,253,792	7,542,769,245	
Save Everyday Deposit	521,371	534,608	
Festival Savings Plan	1,531,038	8,665,753	
Children Education Deposit Scheme	2,761,037	528,019	
Best invest Deposit	688,653	688,003	
Unique Savings Plan	5,670	12,701	
NRB Deposit Pension Scheme	157,936,750	123,464,939	
MTB Gift Cheque	7,461,407	5,987,770	
MTB Kotipati	1,432,987,050	806,841,620	
MTB Double Saver Plan	7,244,757,073	5,722,335,590	
MTB Triple Saver Plan	344,915,195	309,607,764	
MTB Millionaire Plan	2,884,691,552	2,225,087,356	
MTB Education Plan	204,230,256	194,552,131	
MTB Monthly Benefit Plan	4,540,408,753	3,331,073,665	
MTB Quarterly Benefit Plan	16,268	16,338	
	26,060,165,864	20,272,165,502	
Total	131,593,607,611	118,686,764,340	



11.03 Maturity grouping of Deposit and Other Accounts:

	Amount in BDT	
	2016	2015
On Demand	4,947,099,262	4,461,880,763
Repayable within one month	14,343,517,017	12,936,684,562
More than one month but within six months	30,749,278,641	27,733,345,861
More than six months but within one year	40,417,791,052	50,884,298,295
More than one year but within five years	36,149,970,905	18,173,633,233
More than five year but within ten years	4,234,987,816	3,819,614,215
More than ten years	750,962,918	677,307,412
	131,593,607,611	118,686,764,340

11.04 Demand & Time Deposit**a) Demand Deposit**

Current Deposit	8,345,457,419	6,333,474,405
Savings Bank Deposit (9%)	2,133,916,575	1,611,764,630
Foreign Currency Deposit non interest bearing	1,805,360,585	1,834,634,619
Non Resident Taka Deposit	28,422,736	30,628,559
Sundry Deposit	2,123,116,081	1,389,542,968
Bills Payable	1,751,051,731	1,253,293,664

b) Time Deposits

Savings Bank Deposit (91%)	21,576,267,590	16,296,731,260
Fixed Deposit	55,803,465,444	55,707,789,090
Short Term Deposit	11,966,383,586	13,956,739,643
Deposit Under Scheme	26,060,165,864	20,272,165,502

Total Demand & Time Deposits

	131,593,607,611	118,686,764,340
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11.05 Sectorwise Deposit

Government	437,125,000	384,276,000
Autonomous & Semi-Autonomous Bodies	483,671,000	548,425,000
Public Non- Financial Organisation	2,230,227,000	2,333,868,000
Other Public	590,216,000	528,233,000
Foreign Currency	1,805,360,585	1,834,634,619
Private	126,047,008,026	113,057,327,721
	131,593,607,611	118,686,764,340

11 (a) Consolidated deposits and other accounts**Current deposits and other accounts**

Mutual Trust Bank limited (Note-11.02)	12,302,356,822	9,588,280,551
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(880,745)	(8,018,394)
	12,301,476,077	9,580,262,157



		Amount in BDT	
		2016	2015
Bills Payable			
Mutual Trust Bank limited (Note-11.02)		1,751,051,731	1,253,293,664
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		1,751,051,731	1,253,293,664
Savings Bank Deposit			
Mutual Trust Bank limited (Note-11.02)		23,710,184,165	17,908,495,890
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		23,710,184,165	17,908,495,890
Special Notice Deposits			
Mutual Trust Bank limited (Note-11.02)		11,966,383,586	13,956,739,643
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
Less: Intragroup Deposit		(320,396,593)	(273,982,527)
		11,645,986,993	13,682,757,116
Fixed Deposit			
Mutual Trust Bank limited (Note-11.02)		55,803,465,444	55,707,789,090
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
Less: Intragroup Deposit		-	-
		55,803,465,444	55,707,789,090
Deposit Products			
Mutual Trust Bank limited (Note-11.02)		26,060,165,864	20,272,165,502
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		26,060,165,864	20,272,165,502
		131,272,330,273	118,404,763,419
12.00 Other Liabilities			
Provision for Loans and Advances (Note-12.01)		3,158,534,528	2,247,000,000
Provision for Off Balance Sheet Items (Note-12.02)		452,000,000	352,000,000
Provision against Shares in quoted companies (Note- 12.03)		55,267,667	225,507,667
Provision for Other Asset (Note-12.04)		21,000,000	10,000,000
Interest Suspense (Note- 12.05)		905,633,141	536,807,002
Provision for Income Tax (Note-12.06)		4,981,043,899	4,084,013,780
Payable for Good Borrower (Note- 12.03)		23,240,000	-
Payable for Bonus		221,817,656	206,106,072
Contribution to MTB Foundation		17,000,000	12,000,000
Contribution to MTB Employees Welfare Fund		6,055	29,143



		Amount in BDT	
		2016	2015
	Contribution to MTB Employees Medical Assistance Fund	10,000,000	5,013,888
	Payable for Expenses	20,012,992	10,737,868
	Deferred Tax Liability (Note-12.07)	179,933,711	147,634,136
	Interest Payable on Subordinated debt	170,493,021	119,712,329
	Liabilities Under Finance Lease	692,009	1,988,375
		10,216,674,680	7,958,550,259
	Offshore Banking Unit	34,916,327	20,747,235
	Less: Inter transaction with Offshore Banking Unit	(34,894,959)	(19,989,216)
		10,216,696,047	7,959,308,277
12.01	Provision for Loans and Advances		
	For Unclassified		
	Opening Balance	1,065,000,000	896,331,229
	Add: Provision made during the year	42,615,165	168,668,771
	Closing Balance	1,107,615,165	1,065,000,000
	For Classified		
	Opening Balance	1,182,000,000	955,282,513
	Add: Provision made during the year	721,919,363	226,717,487
	Add: Provision transferred from Shares in quoted companies	147,000,000	-
	Closing Balance	2,050,919,363	1,182,000,000
		3,158,534,528	2,247,000,000
12.02	Provision for Off Balance Sheet Items		
	Opening Balance	352,000,000	308,018,028
	Add: Provision made during the year	100,000,000	43,981,972
	Closing Balance	452,000,000	352,000,000
12.03	Provision against Shares in quoted companies		
	Opening Balance	225,507,667	225,507,667
	Less: Transferred to Provision for Classified Loans & Advance	(147,000,000)	-
	Less: Transferred to Provision for Good Borrower	(23,240,000)	-
	Closing Balance	55,267,667	225,507,667
12.04	Provision for Other Assets		
	Opening Balance	10,000,000	2,469,480
	Add: Provision made during the year	11,000,000	7,530,520
	Closing Balance	21,000,000	10,000,000
12.05	Interest suspense account		
	Opening Balance	536,807,002	381,689,510
	Add: Addition during the year	590,037,375	282,083,540
	Less: Adjustment made during the year	(221,211,235)	(126,966,048)
	Closing Balance	905,633,142	536,807,002
12.06	Provision for Income Tax*		
	Opening Balance	4,084,013,780	3,323,117,624
	Add: Provision made during the year	897,030,119	760,896,156
		4,981,043,899	4,084,013,780

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



		Amount in BDT	
		2016	2015
12.06(a) Consolidated Provision for Income Tax*			
Mutual Trust Bank limited (Note-12.06)		4,981,043,899	4,084,013,779
MTB Securities Limited		68,717,853	58,178,082
MTB Capital Limited		31,473,457	19,754,582
MTB Exchange (UK) Limited		-	-
		5,081,235,209	4,161,946,443
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .			
12.07 Deferred Tax Assets/ (Liabilities)			
Opening Balance		(147,634,135)	(47,379,551)
Add: Deferred Tax Income/(Expense) during the year (Note-12.07 (b))		(32,299,576)	(100,254,584)
Closing Balance		(179,933,711)	(147,634,135)
12.07 (a) Consolidated Deferred Tax Assets/ (Liabilities)			
Mutual Trust Bank limited (Note-12.07)		(179,933,711)	(147,634,135)
MTB Securities Limited		(4,100,994)	-
MTB Capital Limited		(206,087)	-
MTB Exchange (UK) Limited		-	-
		(184,240,792)	(147,634,135)
12.07(b) Computation of deferred tax			
Accounting written down value- Fixed Assets		3,006,497,083	3,046,767,002
Tax base written down value- Fixed Assets		2,556,662,803	2,677,681,663
Taxable temporary difference		(449,834,280)	(369,085,340)
Deductable temporary difference		-	-
Net taxable temporary difference		(449,834,280)	(369,085,340)
Effective tax rate		40.00%	40.00%
Deferred Tax Assets/(Liabilities)		(179,933,712)	(147,634,136)
Deferred Tax Income/(Expense)			
Closing Deferred Tax Assets/(Liabilities)		(179,933,712)	(147,634,136)
Opening Deferred Tax Assets/(Liabilities)		(147,634,136)	(47,379,552)
Deferred Tax Income/(Expense)		(32,299,576)	(100,254,584)
12 (a) Consolidated other liabilities			
Mutual Trust Bank limited (Note-12.00)		10,216,696,047	7,959,308,277
MTB Securities Limited		1,013,511,004	760,631,969
MTB Capital Limited		97,526,266	54,547,514
MTB Exchange (UK) Limited		31,607,819	36,204,204
Less: Intragroup receivable & payable		(40,776,231)	(42,288,808)
		11,318,564,906	8,768,403,158



Amount in BDT	
2016	2015

13.00 Subordinated Debts

The Bank floated 12% partially Convertible Subordinated debt through private placement for BDT 1,250 million. 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 Subordinated non convertible debt through private placement for BDT 3,000 million. 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.

12% Partially Convertible Subordinated Bond

Opening Balance	1,875,000,000	2,500,000,000
Less: Payment during the year	(625,000,000)	(625,000,000)
	1,250,000,000	1,875,000,000
MTB 2nd Subordinate Bond	3,000,000,000	3,000,000,000
	4,250,000,000	4,875,000,000

Detail list of Subordinated Bond holders are shown in Annexure-D

14.00 Capital

14.01 Authorized Capital:

1,000,000,000 ordinary shares of Tk. 10 each	10,000,000,000	10,000,000,000
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14.02 Issued, subscribed and Paid-up Capital:

In 2003 the bank has increased its paid up capital by 4,000,000 Ordinary shares of Taka 100 each amounting to Taka 400,000,000 through Pre-IPO placement arrangements and initial public offerings. The shares have been issued at Taka 125 per share including premium of Taka 25 each.

The issued, subscribed and paid-up capital of the Bank as on December 31, 2016 is BDT 4,431,791,600 divided into 443,179,160 Ordinary shares of BDT 10 each as follows:

60,000,000 Ordinary shares of BDT 10 each issued for cash	600,000,000	600,000,000
91,683,840 Ordinary shares of BDT 10 each issued as bonus shares up to the year of 2008	916,838,400	916,838,400
24,948,000 Ordinary shares of BDT 10 each issued as right shares in the year 2008	249,480,000	249,480,000
35,326,360 Ordinary shares of BDT 10 each issued as bonus shares in the year 2009	353,263,600	353,263,600
42,391,640 Ordinary shares of BDT 10 each issued as bonus shares in the year 2010	423,916,400	423,916,400
25,434,984 Ordinary shares of BDT 10 each issued as bonus shares in the year 2012	254,349,840	254,349,840
27,978,482 Ordinary shares of BDT 10 each issued as bonus shares in the year 2013	279,784,820	279,784,820
61,552,661 Ordinary shares of BDT 10 each issued as bonus shares in the year 2014	615,526,610	615,526,610
73,863,193 Ordinary shares of BDT 10 each issued as bonus shares in the year 2015	738,631,930	-
	4,431,791,600	3,693,159,670



14.03 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
Total		443,179,160	4,431,791,600	

14.04 Percentage of shareholdings at the closing date:

Particulars	No. of shares	Value of shares BDT	Dec 31, 2016 % of holding
Sponsors / Directors	164,784,063	1,647,840,630	37.18%
Institutions	99,362,178	993,621,780	22.42%
General	179,032,919	1,790,329,190	40.40%
Total	443,179,160	4,431,791,600	100.00%

14.05 Classification of Shareholders by holdings as at December 31, 2016

Holdings	No. of Shareholders	No. of Shares	Value of shares BDT	Total Holdings %
Less than 499 shares	3,424	572,185	5,721,850	0.13%
500 to 5,000 shares	4,639	8,609,547	86,095,470	1.94%
5,001 to 10,000 shares	723	5,190,708	51,907,080	1.17%
10,001 to 20,000 shares	493	6,743,384	67,433,840	1.52%
20,001 to 30,000 shares	178	4,260,662	42,606,620	0.96%
30,001 to 40,000 shares	99	3,414,187	34,141,870	0.77%
40,001 to 50,000 shares	67	3,048,917	30,489,170	0.69%
50,001 to 100,000 shares	140	10,403,409	104,034,090	2.35%
100,001 to 1,000,000 shares	181	50,608,736	506,087,360	11.42%
Over 1,000,000 shares	72	350,327,425	3,503,274,250	79.05%
Total	10,016	443,179,160	4,431,791,600	100.00%



14.06 Name of Directors and their shareholdings as at December 31, 2016

Name	Status	December 2016		
		No. of Shares held	BDT	Holding %
Mr. M. A. Rouf, JP	Chairman	8,880,142	88,801,420	2.00%
Mr. Md. Hedayetullah	Vice Chairman	8,868,675	88,686,750	2.00%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	16,341,942	163,419,420	3.69%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	14,772,607	147,726,070	3.34%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	22,158,936	221,589,360	5.00%
Mr. Md. Abdul Malek	Director	8,948,278	89,482,780	2.02%
Mr. Md. Wakiluddin	Director	8,871,672	88,716,720	2.00%
Mrs. Khwaja Nargis Hossain	Director	8,863,849	88,638,490	2.00%
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	11,079,433	110,794,330	2.50%
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	30,949,932	309,499,320	6.98%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
Total		139,735,466	1,397,354,660	31.53%

Amount in BDT	
2016	2015

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

Paid-up Capital	4,431,791,600	3,693,159,670
Statutory Reserve	3,187,766,825	2,721,143,746
General Reserve	616,777,324	446,777,324
Minority Interest	-	-
Retained Earnings	815,484,211	786,953,518
	9,051,819,960	7,648,034,258

Regulatory Adjustments:

Goodwill and all other Intangible Assets	65,805,338	47,320,123
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	2,462,968	1,543,800
	68,268,306	48,863,923

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

Additional Tier-1 Capital	-	-
Total Tier-1 Capital	8,983,551,654	7,599,170,335

Tier-2 Capital (Gone-Concern Capital):

General Provision including Off Balance Sheet items(Maximum 1.25% of CRWA)	1,559,615,165	1,138,166,432
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	3,000,000,000	3,500,000,000
	4,819,753,298	4,898,304,565

Regulatory Adjustments:

Revaluation Reserve for Fixed Assets , Securities & Equity Securities	104,055,253	52,027,627
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Total Tier-2 Capital (Gone-Concern Capital)

	4,715,698,045	4,846,276,938
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A. Total Regulatory Capital (Tier-1+Tier-2)

	13,699,249,699	12,445,447,273
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B. Risk Weighted Assets

	Amount in BDT	
	2016	2015
Credit Risk on		
Balance Sheet Exposure	94,057,106,198	80,778,387,078
Off Balance Sheet Exposure	12,883,138,418	10,274,927,492
	106,940,244,615	91,053,314,570
Market Risk	3,729,916,327	4,554,245,229
Operational Risk	8,321,733,273	6,493,909,709
Total Risk Weighted Assets	118,991,894,215	102,101,469,507
C. Required Capital on Risk Weighted Assets	11,899,189,422	10,210,146,951
D. Capital Surplus/(Shortfall) (A-C)	1,800,060,277	2,235,300,322
E. Capital Requirement		

	2016		2015	
	Required	Held	Required	Held
Capital to Risk Weighted Assets Ratio (CRAR)	10%	11.51%	10%	12.19%
Common Equity Tier-1	4.50%	7.55%	4.50%	7.44%
Tier-1 Capital	5.50%	7.55%	5.50%	7.44%
Tier-2 Capital	-	3.96%	-	4.75%

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

14.07 (a) 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	4,431,791,600	3,693,159,670
Statutory Reserve	3,187,766,825	2,721,143,746
General Reserve	616,777,324	446,777,324
Minority Interest	122,139	119,678
Retained Earnings	841,239,233	752,903,276
	9,077,697,121	7,614,103,695

Regulatory Adjustments:

Goodwill and all other Intangible Assets	65,805,338	47,320,123
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	2,462,968	1,543,800
	68,268,306	48,863,923

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

Additional Tier-1 Capital	-	-
Tier-1 Capital	9,009,428,815	7,565,239,772

Tier-2 Capital (Gone-Concern Capital):

General Provision including Off Balance Sheet items(Maximum 1.25% of CRWA)	1,559,615,165	1,139,243,557
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	3,000,000,000	3,500,000,000
	4,819,753,298	4,899,381,690

Regulatory Adjustments:

Revaluation Reserve for Fixed Assets , Securities & Equity Securities	104,055,253	52,027,627
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Total Tier-2 Capital (Gone-Concern Capital)

A. Total Regulatory Capital (Tier-1+Tier-2)	13,725,126,860	12,412,593,835
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	Amount in BDT	
	2016	2015
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	95,341,608,521	80,864,557,096
Off Balance Sheet Exposure	12,883,138,418	10,274,927,492
	108,224,746,939	91,139,484,588
Market Risk	4,399,847,002	5,055,177,767
Operational Risk	8,930,949,882	7,072,169,101
Total Risk Weighted Assets	121,555,543,823	103,266,831,455
C. Capital on Risk Weighted Assets	12,155,554,382	10,326,683,146
D. Capital Surplus/(Shortfall) (A-C)	1,569,572,477	2,085,910,689

E. Capital Requirement

	2016		2015	
	Required	Held	Required	Held
Capital to Risk Weighted Assets Ratio (CRAR)	10%	11.29%	10%	12.02%
Common Equity Tier-1	4.50%	7.41%	4.50%	7.33%
Tier-1 Capital	5.50%	7.41%	5.50%	7.33%
Tier-2 Capital	-	3.88%	-	4.69%

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

15.00 Statutory Reserve

Opening Balance	2,721,143,746	2,276,079,020
Add: Transferred during the year (20% of pretax profit)	466,623,080	445,064,726
Closing Balance	3,187,766,825	2,721,143,746

15 (a) Consolidated Statutory Reserve

Opening Balance	2,721,143,746	2,276,079,020
Add: Transferred during the year (20% of pretax profit)	466,623,080	445,064,726
Closing Balance	3,187,766,825	2,721,143,746

16.00 General Reserve

Opening Balance	446,777,324	276,777,324
Add: Transferred from Retained Earnings	170,000,000	170,000,000
Closing Balance	616,777,324	446,777,324

17.00 Retained Earnings

Opening Balance	786,953,518	653,371,965
Add: Profit made during the year	1,403,785,702	1,364,172,889
Less: Bonus Share Issued during the year	(738,631,930)	(615,526,610)
Less: Transferred to Statutory Reserve	(466,623,080)	(445,064,726)
Less: Transferred to General Reserve	(170,000,000)	(170,000,000)
Closing Balance	815,484,211	786,953,518



	Amount in BDT	
	2016	2015
17 (a) Consolidated Retained Earnings		
Opening Balance	752,903,276	617,298,134
Add: Consolidated Profit made during the year	1,463,590,966	1,366,196,478
Less: Bonus Share Issued during the year	(738,631,930)	(615,526,610)
Less: Bonus Share Issued by MTB Capital Limited	(14,999,400)	-
Less: Transferred to Statutory Reserve	(466,623,080)	(445,064,726)
Less: Transferred to General Reserve	(170,000,000)	(170,000,000)
	826,239,833	752,903,276
Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	14,999,400	-
Closing Balance	841,239,233	752,903,276
17 (b) Minority Interest		
Opening balance	119,678	119,146
Add: Profit made during the year	2,461	532
Closing balance	122,139	119,678
18.00 Contingent Liabilities & Commitments		
Letter of Guarantee	9,302,425,309	7,486,950,066
Irrevocable letters of credit		
Letter of Credit (Cash)	3,515,503,120	3,045,545,564
Letter of Credit (Back to Back)	2,270,892,766	1,641,771,089
Letter of Credit (EDF)	261,380,257	383,061,315
Letter of Credit (Deferred)	7,527,009,947	3,761,148,574
Letter of Credit (Inland)	716,487,925	1,203,551,406
	14,291,274,015	10,035,077,947
Bills for collection		
Inland	1,906,040,601	2,258,687
Foreign	1,390,440,811	2,616,573,788
	3,296,481,413	2,618,832,476
Acceptances and endorsements		
IFDBC (Back to Back)	554,500	554,500
Accepted Bill (Inland)	3,372,514,679	3,145,060,914
Accepted Bill (Foreign)	14,871,064,705	11,742,769,550
	18,244,133,884	14,888,384,964
Other Commitments		
Undrawn formal standby facilities, credit lines and other commitments	-	-
	45,134,314,620	35,029,245,452
18.01 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 favoring :		
Directors	-	-
Government	1,080,454,771	3,204,020,255
Bank and other Financial Institutions	96,346,387	86,572,500
Others	8,125,624,151	4,196,357,310
	9,302,425,309	7,486,950,066
Less: Margin	695,969,085	1,070,863,672
	8,606,456,224	6,416,086,394
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	8,606,456,224	6,416,086,394



18.02 Segregation of Commitment by Type

	Amount in BDT	
	2016	2015
Documentary Credit and Short Term Business Related Transaction	14,291,274,015	10,035,077,947
Forward Asset Purchased and Forward Deposit	-	-
Endorsed formal standby facilities, Credit facilities and other commitments:		
Less than one year	27,546,559,193	22,375,335,029
One year and above	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	3,296,481,413	2,618,832,476
	45,134,314,620	35,029,245,452

18 (a) Consolidated contingent liabilities**Letters of guarantee**

Mutual Trust Bank Limited (Note-18)	9,302,425,309	7,486,950,066
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	9,302,425,309	7,486,950,066

Irrevocable letters of credit

Mutual Trust Bank Limited (Note-18)	14,291,274,015	10,035,077,947
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	14,291,274,015	10,035,077,947

Bills for collection

Mutual Trust Bank Limited (Note-18)	3,296,481,413	2,618,832,476
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	3,296,481,413	2,618,832,476

Acceptances and endorsements

Mutual Trust Bank Limited (Note-18)	18,244,133,884	14,888,384,964
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	18,244,133,884	14,888,384,964

Other Commitments

Mutual Trust Bank Limited (Note-18)	-	-
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	45,134,314,620	35,029,245,452



		Amount in BDT	
		2016	2015
19.00 Income Statement			
Income			
Interest, Discount and Similar Income		13,181,696,621	12,713,022,155
Dividend income		54,132,093	57,164,924
Fee, Commission and Brokerage		608,003,652	533,196,488
Gain less losses arising from dealing in Foreign Currencies		458,772,561	305,782,752
Other Operating Income		349,575,901	627,534,404
		14,652,180,827	14,236,700,722
Expenses			
Interest, Fee and Commission		7,506,266,934	7,993,686,553
Administrative expenses		2,842,332,785	2,557,993,509
Other operating expenses		786,011,805	729,440,450
Depreciation on Banking Assets		308,919,377	283,357,831
		11,443,530,901	11,564,478,343
Operating profit		3,208,649,926	2,672,222,379
20.00 Interest Income			
Loans and Advances (Note-20.01)		10,938,134,404	10,350,625,656
Money at Call and Short Notice		95,627,031	100,648,500
Balance with Other Banks and Financial Institutions (Note-20.02)		242,298,554	197,419,465
Foreign Currency Lending		17,318,978	25,852,316
		11,293,378,967	10,674,545,937
Less: Inter transaction with Offshore Banking Unit		(17,063,626)	(24,806,356)
Less: Rebate for the good borrower		(25,755,000)	-
		11,250,560,341	10,649,739,581
20.01 Interest on Loans and Advances			
Term Loan		2,661,678,046	2,238,169,315
Small and Medium Enterprise Financing		1,231,212,991	1,122,073,263
Retail/Consumer Financing		453,628,428	418,166,677
General Loans		346,856,633	505,987,322
Demand Loan		259,289,977	113,664,174
Payment Against Documents (PAD)		33,616,166	36,928,966
Trust Receipts		1,103,978,968	1,182,075,249
Lease Finance		44,306,325	43,504,020
Export Development Fund		32,649,465	14,005,850
House Building Loan		438,160,322	379,963,943
Cash Credit		2,582,132,921	2,448,579,553
Packing Credit		7,614,274	3,010,750
Secured Overdraft		1,375,390,642	1,443,483,057
Bills Purchased and Discounted		274,655,459	311,149,970
Interest on Loans to Subsidiaries		-	40,347,458
		10,845,170,618	10,301,109,565
Offshore Banking Unit		92,963,786	49,516,091
		10,938,134,404	10,350,625,656



		Amount in BDT	
		2016	2015
20.02 Interest on Balance with other Bank and Financial Institution			
Interest on Balance with other Bank in Bangladesh		242,298,554	197,419,465
Interest on Balance held with outside Bangladesh		-	-
		242,298,554	197,419,465
20(a) Consolidated Interest Income			
Mutual Trust Bank Limited (Note-20.00)		11,250,560,341	10,649,739,581
MTB Securities Limited		109,948,362	179,721,516
MTB Capital Limited		27,630,841	18,024,091
MTB Exchange (UK) Limited		-	-
Less: Intragroup Interest Income (Loans)		-	(40,347,458)
Less: Intragroup Interest Income (Bank balance)		(6,766,654)	(13,762,186)
		11,381,372,890	10,793,375,544
21.00 Interest Paid on Deposits & Borrowings, etc.			
Interest on Deposit and Other Accounts (Note-21.01)		7,377,375,042	7,859,517,928
Interest on Borrowing from other Banks and Financial Institutions		87,214,823	128,064,243
		7,464,589,865	7,987,582,171
Offshore Banking Unit		58,740,695	30,910,738
Less: Inter transaction with Offshore Banking Unit		(17,063,626)	(24,806,356)
		7,506,266,934	7,993,686,553
21.01 Interest on Deposits and Other Accounts			
Savings Deposits		686,012,437	654,941,960
Short Term Deposits		413,085,559	612,886,163
Fixed Deposits		3,367,699,342	4,437,589,031
Deposit-Products		2,388,310,578	1,810,002,636
Interest on Subordinated Debt		522,267,125	344,098,137
		7,377,375,042	7,859,517,928
21(a) Consolidated Interest Paid on Deposits & Borrowings, etc.			
Mutual Trust Bank Limited (Note-21.00)		7,506,266,934	7,993,686,553
MTB Securities Limited		-	40,522,458
MTB Capital Limited		3,594,521	-
MTB Exchange (UK) Limited		-	-
Less: Intragroup Interest Expense (Borrowings)		-	(40,347,458)
Less: Intragroup Interest Expense (Deposits)		(6,766,654)	(13,762,186)
		7,503,094,801	7,980,099,367
22.00 Investment Income			
Interest income from investments (Note-22.01)		1,897,561,872	2,008,792,960
Other income from investments (Note-22.02)		76,703,757	364,205,132
		1,974,265,630	2,372,998,092
22.01 Interest income from investments			
Interest on Treasury Bond		1,862,845,446	1,952,489,838
Interest on reverse REPO		6,302,042	12,968,489
Interest on Commercial Paper		9,239,661	22,778,472
Other Investment		19,174,723	20,556,162
		1,897,561,872	2,008,792,960



		Amount in BDT	
		2016	2015
22.02 Other income from investments			
Discount on Treasury Bill		33,565,157	54,487,614
Capital Gain (net off loss) from Trading in Govt. Securities		697,660,180	566,547,732
Capital Loss on revaluation of treasury securities		(708,829,886)	(336,089,565)
Dividend on Investment in Shares		54,132,093	57,164,924
Capital Gain/(Loss) on Investment in shares of quoted companies		166,963	22,092,427
Prize Bond		9,250	2,000
		76,703,757	364,205,132
22(a) Consolidated Investment Income			
Mutual Trust Bank Limited (Note-22)		1,974,265,630	2,372,998,091
MTB Securities Limited		30,063,602	8,166,076
MTB Capital Limited		6,215,123	10,035,340
MTB Exchange (UK) Limited		-	-
		2,010,544,355	2,391,199,507
23.00 Commission, Exchange and Brokerage			
Commission (Note-23.01)		608,003,652	533,196,488
Exchange		458,772,561	305,782,752
Brokerage		-	-
		1,066,776,213	838,979,240
23.01 Commission			
Commission on Letter of Guarantee		84,187,394	73,356,017
Commission on Letter of Credit		223,743,666	197,851,788
Commission on Acceptance of Bills		214,632,680	188,075,574
Commission on LC Advising		11,362,050	10,939,800
Commission on PO, DD & TT		4,736,481	5,904,465
Exchange houses commission		13,086,029	11,543,052
On-line service commission		12,792,431	11,458,740
Commission on IBC		625,284	545,097
Underwriting Commission regarding Treasury Bill/Bond		31,309,695	20,598,799
Commission on IPO collection		68,728	3,786,755
Commission on POS		11,451,973	9,135,183
Commission on RTGS		7,242	1,218
		608,003,652	533,196,488
23(a) Consolidated Commission, Exchange and Brokerage			
Mutual Trust Bank Limited (Note-23)		1,066,776,213	838,979,240
MTB Securities Limited		150,165,334	124,508,494
MTB Capital Limited		331,250	-
MTB Exchange (UK) Limited		10,882,143	11,354,129
		1,228,154,940	974,841,863



		Amount in BDT	
		2016	2015
24.00 Other Operating Income			
Handling Charges		3,217,178	2,289,229
VISA Card		6,945,242	8,195,462
Service Charges		102,469,550	102,125,166
SWIFT Charge Recoveries		28,493,361	27,031,181
SME Fees and Charges		11,608,822	13,236,440
Management fees		11,847,588	41,083,434
Early Settlement Fee		4,395,299	3,673,509
Loan Processing Fee		24,430,048	23,532,642
Partial Payment Fee		288,272	308,201
Charges against cards		84,806,862	80,575,695
Recovery from written off loans		900,000	1,100,990
NPSB Acquirer Income		3,661,561	-
Locker Rent		3,578,835	3,359,006
Miscellaneous Earnings		68,774,558	66,888,883
		355,417,176	373,399,838
Offshore Banking Unit		5,161,467	1,583,972
		360,578,643	374,983,810
24 (a) Consolidated other operating income			
Mutual Trust Bank Limited (Note-24)		360,578,643	374,983,810
MTB Securities Limited		13,002,150	14,786,406
MTB Capital Limited		21,735,197	11,167,387
MTB Exchange (UK) Limited		2,586,588	-
		397,902,578	400,937,603
25.00 Salary & Allowances			
Basic Pay		903,888,480	774,212,992
Allowances		665,492,008	594,440,753
Bonus		321,294,587	324,263,990
Gratuity		120,000,000	100,000,000
Leave Fare Assistance		78,436,516	69,690,002
Provident Fund		79,669,110	68,369,356
		2,168,780,701	1,930,977,093
25 (a) Consolidated salaries and allowances			
Mutual Trust Bank Limited (Note-25)		2,168,780,701	1,930,977,093
MTB Securities Limited		71,895,379	74,885,893
MTB Capital Limited		10,840,421	9,865,670
MTB Exchange (UK) Limited		4,678,028	6,615,604
		2,256,194,529	2,022,344,260
25.01 Managing Director's Remuneration			
Basic		7,626,667	7,026,667
House Rent		1,980,000	1,928,000
House Maintenance		1,320,000	1,285,333
Entertainment		216,000	205,600
Festival Bonus		1,950,000	1,800,000
Incentive Bonus		1,000,000	1,000,000
Leave Fare Assistance		1,800,000	1,650,000
Security and personal wages		660,000	642,666
Provident Fund		762,666	702,667
		17,315,333	16,240,933



		Amount in BDT	
		2016	2015
26.00 Rent, Taxes, Insurance, Electricity, etc.			
Rent	367,425,834	345,570,977	
Rates & taxes	7,538,413	2,933,266	
Insurance	86,651,779	64,694,055	
Electricity & Utilities	97,169,557	93,492,765	
Lease Rent	247,774	628,824	
	559,033,357	507,319,887	
26 (a) Consolidated Rent, Taxes, Insurance, Electricity, etc.			
Mutual Trust Bank Limited (Note-26)	559,033,357	507,319,887	
MTB Securities Limited	40,107,501	34,366,136	
MTB Capital Limited	3,140,184	3,140,183	
MTB Exchange (UK) Limited	5,941,972	6,561,208	
	608,223,014	551,387,414	
27.00 Legal Expenses			
Legal Expenses	3,077,953	3,411,955	
	3,077,953	3,411,955	
27 (a) Consolidated Legal Expenses			
Mutual Trust Bank Limited (Note-27)	3,077,953	3,411,955	
MTB Securities Limited	3,300	-	
MTB Capital Limited	55,000	-	
MTB Exchange (UK) Limited	249,685	-	
	3,385,938	3,411,955	
28.00 Postage, Stamps & Telecommunication, etc			
Postage/Courier Service	663,090	3,097,496	
Telephone	7,947,366	10,939,335	
	8,610,456	14,036,831	
28 (a) Consolidated Postage, Stamps & Telecommunication, etc.			
Mutual Trust Bank Limited (Note-28)	8,610,456	14,036,831	
MTB Securities Limited	101,448	755,290	
MTB Capital Limited	81,487	89,210	
MTB Exchange (UK) Limited	157,940	91,057	
	8,951,331	14,972,388	
29.00 Stationery, Printing & Advertisements etc.			
Printing & Security Stationery	33,249,336	33,200,234	
Computer Stationery	16,576,241	11,635,776	
Petty & Table Stationery	12,805,602	12,979,143	
Publicity & Advertisement	19,218,706	25,792,757	
	81,849,885	83,607,910	
29 (a) Consolidated Stationery, Printing & Advertisements etc.			
Mutual Trust Bank Limited (Note-29)	81,849,885	83,607,910	
MTB Securities Limited	870,568	880,068	
MTB Capital Limited	96,917	211,501	
MTB Exchange (UK) Limited	357,899	237,343	
	83,175,269	84,936,822	



		Amount in BDT	
		2016	2015
30.00 Directors' Fees			
Meeting fee		1,775,600	1,450,400
		1,775,600	1,450,400
Bank has paid BDT 8,000 as Honarium according to the BRPD circular letter no. 11 dated 04 October 2015			
30 (a) Consolidated Directors' Fees			
Mutual Trust Bank Limited (Note-30)		1,775,600	1,450,400
MTB Securities Limited		692,683	569,250
MTB Capital Limited		562,750	448,500
MTB Exchange (UK) Limited		-	-
		3,031,033	2,468,150
31.00 Auditors' Fee			
Annual Account		1,759,500	805,000
NOSTRO Account		50,000	46,000
IPFF Account		30,000	57,500
Corporate Governance		50,000	40,000
		1,889,500	948,500
31 (a) Consolidated Auditors' Fee			
Mutual Trust Bank Limited (Note-31)		1,889,500	948,500
MTB Securities Limited		57,500	57,500
MTB Capital Limited		63,250	63,250
MTB Exchange (UK) Limited		570,105	357,086
		2,580,355	1,426,336
32.00 Depreciation & Repairs of Bank's properties			
Depreciation :			
Immovable Property		34,074,406	31,157,406
Furniture & Fixture		81,795,138	80,341,376
Office Equipments		180,832,146	162,282,148
Motor Vehicles		12,217,687	6,461,340
Books & Periodicals		-	-
Leasehold Property		-	3,115,561
		308,919,377	283,357,831
Repairs on Bank's property		70,112,155	67,387,919
		379,031,532	350,745,750
32 (a) Consolidated Depreciation and Repairs of Bank's properties			
Mutual Trust Bank Limited (Note-32)		379,031,532	350,745,750
MTB Securities Limited		9,781,984	10,891,228
MTB Capital Limited		1,336,169	1,779,718
MTB Exchange (UK) Limited		752,222	701,078
		390,901,907	364,117,774
32 (a.1) Consolidated Depreciation of Bank's properties			
Mutual Trust Bank Limited (Note-32)		308,919,377	283,357,831
MTB Securities Limited		9,273,484	10,076,968
MTB Capital Limited		1,124,480	974,243
MTB Exchange (UK) Limited		637,145	405,374
		319,954,486	294,814,417



		Amount in BDT	
		2016	2015
32 (a.2) Consolidated Repairs & Maintenance of Bank's properties			
Mutual Trust Bank Limited (Note-32)	70,112,155	67,387,919	
MTB Securities Limited	508,500	814,260	
MTB Capital Limited	211,689	805,475	
MTB Exchange (UK) Limited	115,077	295,704	
	70,947,421	69,303,357	
33.00 Other Expenses			
Security & Auxiliary Service	167,943,299	156,559,510	
Office Cleaning	40,363,513	36,649,131	
Office Maintenance	31,702,589	34,631,695	
Car Expense	158,223,887	152,486,641	
Entertainment	31,415,952	31,738,615	
Newspaper & Periodicals	1,736,766	1,373,763	
Clearing House Expense	860,870	915,455	
Traveling & Conveyance	46,040,682	38,323,165	
Bank Charge	4,199,320	4,752,043	
Training Expense	10,182,796	10,244,364	
Professional Fee	12,599,670	34,387,755	
AGM Expense	499,700	691,321	
Subscription & Donation	29,285,599	6,698,880	
Reuters Charge	1,949,475	1,940,562	
CDBL Charges	310,288	551,000	
Fees & Registration	14,870,510	15,928,702	
Business Development Expense	57,657,030	49,860,087	
Contribution to MTB Foundation	15,000,000	10,000,000	
Employees Medical Assistance Fund	10,000,000	5,000,000	
Honorarium	984,115	569,465	
Cash Carrying Expense	15,798,372	17,777,891	
Contact Point Verification (CPV) Charges	148,031	824,429	
Site Maintenance & Support Service	3,017,171	2,791,700	
On-line and connectivity charges	38,288,184	42,555,166	
NID Verification Charge	138,684	-	
Loss on Sale of Fixed Assets	18,088,645	4,601,085	
	711,305,148	661,852,425	
Offshore Banking Unit	4,594,503	200,106	
	715,899,651	662,052,531	
33 (a) Consolidated Other Expenses			
Mutual Trust Bank Limited (Note-33)	715,899,651	662,052,531	
MTB Securities Limited	11,204,131	37,794,307	
MTB Capital Limited	2,375,030	3,420,027	
MTB Exchange (UK) Limited	3,530,006	4,907,307	
	733,008,817	708,174,172	
34.00 Provision Against Loans and Advances			
Provision for Classified Loans & Advances	721,919,363	226,717,487	
Provision for Unclassified Loans and Advances	42,615,165	168,668,771	
Provision for Off Balance Sheet Items	100,000,000	43,981,972	
Total amount of provision made during the year	864,534,528	439,368,230	



		Amount in BDT	
		2016	2015
35.00 Current Tax Expenses			
Current tax		897,030,119	760,896,156
Total		897,030,119	760,896,156
35.01 Deferred Tax Expenses			
Deferred Tax (Note-12.07)		32,299,576	100,254,584
Total		32,299,576	100,254,584
* Deferred tax has been calculated as per "BAS:12 Income Taxes" and it is the timing differences arising from the carrying value of gratuity liability and fixed assets.			
35 (a) Consolidated Current Tax Expenses			
Mutual Trust Bank Limited (Note-35)		897,030,119	760,896,156
MTB Securities Limited		52,528,830	41,352,036
MTB Capital Limited		11,718,874	4,940,302
MTB Exchange (UK) Limited		-	-
		961,277,823	807,188,494
35(a.1) Consolidated Deferred Tax Expenses			
Mutual Trust Bank limited (Note-12.07)		32,299,576	100,254,584
MTB Securities Limited		4,100,994	-
MTB Capital Limited		206,087	-
MTB Exchange (UK) Limited		-	-
		36,606,657	100,254,584
36.00 Earnings Per Share (EPS)*			
Net Profit After Tax		1,403,785,702	1,364,172,889
Number of Ordinary Shares outstanding		443,179,160	443,179,160
Earnings Per Share (EPS)		3.17	3.08
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
36 (a) Consolidated Earnings Per Share (EPS)*			
Consolidated Net Profit After Tax		1,463,590,966	1,366,196,478
Number of Ordinary Shares outstanding		443,179,160	443,179,160
Earnings Per Share (EPS)		3.30	3.08
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
37.00 Received from Other Operational Income			
Handling charge		3,217,178	2,289,229
VISA		6,945,242	8,195,462
Service charge		102,469,550	102,125,166
SWIFT charge recovery		28,493,361	27,031,181
SME Fees and Charges		11,608,822	13,236,440
Management fees		11,847,588	41,083,434
Early settlement and Loan processing fees		29,113,619	27,514,352
Charges against cards		84,806,862	80,575,695
NPSB Acquirer Income		3,661,561	-
Locker rent		3,578,835	3,359,006



		Amount in BDT	
		2016	2015
	Discount on Treasury Bill	33,565,157	54,487,614
	Capital Gain (net off loss) from Trading in Govt. Securities	697,660,180	566,547,732
	Capital Loss on revaluation of treasury securities	(708,829,886)	(336,089,566)
	Capital Gain/(Loss) on Investment in shares of quoted companies	166,963	22,092,427
	Prize Bond	9,250	2,000
	Miscellaneous income	68,774,558	66,888,883
	Offshore Banking Unit	5,161,467	1,583,972
		382,250,308	680,923,027
37 (a)	Consolidated Received from Other Operational Income		
	Mutual Trust Bank Limited (Note-37)	382,250,308	680,923,027
	MTB Securities Limited	35,850,646	22,952,482
	MTB Capital Limited	23,204,729	17,442,010
	MTB Exchange (UK) Limited	2,586,588	-
		443,892,270	721,317,519
38.00	Payment for Other Operational Expenses		
	Rent, Tax, Insurance, Electricity, etc.	559,033,357	507,319,887
	Legal Expense	3,077,953	3,411,955
	Postage, Stamps & Telecommunication, etc.	8,610,456	14,036,831
	Directors' Fee	1,775,600	1,450,400
	Auditors' fee	1,889,500	948,500
	Repair & Maintenance	70,112,155	67,387,919
	Other Expenses	697,811,006	657,451,446
		1,342,310,026	1,252,006,938
38 (a)	Consolidated Payment for Other Operational Expenses		
	Rent, Tax, Insurance, Electricity, etc.	608,223,014	551,387,414
	Legal Expense	3,385,938	3,411,955
	Postage, Stamps & Telecommunication, etc.	8,951,331	14,972,388
	Directors' Fee	3,031,033	2,468,150
	Auditors' fee	2,580,355	1,426,336
	Repair & Maintenance	70,947,421	69,303,357
	Other Expenses	714,833,884	691,563,197
		1,411,952,975	1,334,532,797
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 1,889.		
40.00	Number of Branches	110	106
41.00	Number of Meeting		
	Board Meeting	13	13
	Executive Committee Meeting	9	9
	Audit Committee Meeting	5	4
	Risk Management Committee Meeting	5	4



42.00 Auditors' Work Hour

The external auditors of the bank, M.J.ABEDIN & Co., Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 4,125 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).

43.00 Related Party Disclosures of the Bank

i) Name of the Directors together with a list of entities in which they have interest

Annexure-E

ii) Significant contracts where Bank is a party and wherein Directors have Interest during the year 2016

Name of Directors	Relationship with the Bank	Nature of Transaction	Approved Limit	Outstanding Amount
Mr. M. A. Rouf,JP	Chairman	Credit Card	500,000	51,950
Mr. Md. Hedayetullah	Vice Chairman	Credit Card	500,000	-
Mr. Syed Manzur Elahi	Director (Founding Chairman)	Credit Card	1,575,000	-
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	Credit Card	500,000	-
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	Credit Card	592,800	39,991
Mr. Md. Wakiluddin	Director	Credit Card	500,000	187
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	490,000	-
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	Credit Card	500,000	11,169

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

Nil

iv) Related Party Transactions

Name of party	Related with	Nature of Transactions	Outstanding balance BDT Million	Nature of Security
Mrs. Banesa Khatun	Mr. Md. Wakiluddin Director	House Building Loan (General)	1.653	Registered Mortgage (RM) of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2. Mr. Syed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	SOD (General)	46.528	RM of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2.Mr. Syed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	Term Loan	1.656	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 (as amended in 2013).



vi) Business other than banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991 (as amended in 2013).

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		
	Square Textile ATM Booth		Approved by Board of MTB
	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 Pragati Sarani Branch ATM Booth	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
Lease agreement	Apex Adelchi Footwear Ltd. ATM Booth	Syed Manzur Elahi	Approved by Board of MTB

vii) Business with subsidiary

Name of party	Relationship	Nature of transaction	Outstanding balance BDT Million
MTB Securities Limited	Subsidiary Company	Loan facility	345.00
MTB Exchange (UK) Limited	Subsidiary Company	Loan facility	40.78

44.00 Events after the Balance Sheet Date

Subsequent to the balance sheet date, The Board of Directors recommended Stock Dividend @ 15% for the year 2016 which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting (AGM).

45.00 Financial Highlights as at December 31, 2016 are shown in Annexure-F



MUTUAL TRUST BANK LIMITED

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 December 31, 2016

Name of the Bank	Currency	2016			2015		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreq Bank Psc, New York	US\$	362,362	78.70	28,518,682	1,708,022	78.50	134,079,755
Standard Chartered Bank, New York	US\$	1,522,873	78.70	119,853,479	596,260	78.50	46,806,407
Habib American Bank, New York	US\$	1,046,879	78.70	82,391,715	1,424,737	78.50	111,841,870
Commerz Bank AG, Germany	US\$	132,199	78.70	10,404,369	135,483	78.50	10,635,442
Mashreq Bank Psc, London	US\$	90,005	78.70	7,083,628	162,096	78.50	12,724,537
ICICI Bank Ltd., Hong Kong	US\$	212,383	78.70	16,715,010	203,504	78.50	15,975,045
National Commercial Bank, Jeddha	US\$	-	-	-	569,297	78.50	44,689,779
Sonali Bank (UK) Ltd., London	US\$	483,223	78.70	38,030,741	356,330	78.50	27,971,939
KB Kookmin Bank, South Korea	US\$	135,649	78.70	10,675,868	-	-	-
Standard Chartered Bank, Singapore	SGD	41,084	54.31	2,231,309	10,009	78.50	555,830
Mashreq Bank Psc, London	GBP	26,006	96.47	2,508,704	180,676	116.36	21,023,577
Standard Chartered Bank, London	GBP	66,112	96.47	6,377,540	198,981	116.36	23,153,571
Sonali Bank (UK) Ltd., London	GBP	455	96.47	43,846	6,307	116.36	733,838
Habib American Bank, Zurich	CHF	20,699	76.84	1,590,578	16,004	79.39	1,270,519
Standard Chartered Bank, Tokyo	JPY	2,390,352	0.67	1,613,361	380,265	0.65	247,941
UBAF, Tokyo	JPY	684,543	0.67	462,030	116,765	0.65	76,133
Mashreq Bank Psc, London	EUR	13,901	82.29	1,143,902	8,256	85.81	708,427
Standard Chartered Bank, Germany	EUR	39,704	82.29	3,267,281	7,627	85.81	654,435
Sonali Bank (UK) Ltd., London	EUR	283	82.29	23,267	4,708	85.81	404,006

MUTUAL TRUST BANK LIMITED

Annexure- A

BALANCE WITH OTHER BANKS- OUT SIDE BANGLADESH (NOSTRO ACCOUNT)

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at December 31 2016

Name of the Bank	Currency	2016			2015		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
ICICI Bank Ltd., Mumbai	EUR	6,164	82.29	507,276	1,664	85.81	142,820
Unicredit Bank AG, Germany	EUR	21,921	82.29	1,803,889	20,578	85.81	1,765,726
Commerzbank AG, Germany	EUR	478,087	82.29	39,342,287	120,444	85.81	10,335,069
United Bank of India, Kolkata	EUR	4,226	82.29	347,725	4,226	85.81	362,587
Standard Chartered Bank, Mumbai	ACU	275,712	78.70	21,699,178	92,124	78.50	7,231,755
Standard Chartered Bank, Kolkata	ACU	500,482	78.70	39,389,071	265,482	78.50	20,840,374
Standard Chartered Bank, Pakistan	ACU	49,678	78.70	3,909,800	18,790	78.50	1,475,028
Standard Chartered Bank, Colombo	ACU	62,093	78.70	4,886,884	4,610	78.50	361,859
Habib Metropolitan Bank, Karachi	ACU	58,582	78.70	4,610,513	16,131	78.50	1,266,305
Mashreq Bank Psc, Mumbai	ACU	230,411	78.70	18,133,856	427,136	78.50	33,530,198
AB Bank Ltd., Mumbai	ACU	582,179	78.70	45,818,747	215,444	78.50	16,912,334
ICICI Bank Ltd., Mumbai	ACU	384,960	78.70	30,297,204	490,023	78.50	38,466,802
Himalayan Bank Ltd., Kathmandu	ACU	109,490	78.70	8,617,104	68,510	78.50	5,378,035
Nepal Bangladesh Bank Limited	ACU	131,974	78.70	10,386,652	250	78.50	19,625
United Bank of India, Kolkata	ACU	322,830	78.70	25,407,392	247,229	78.50	19,407,509
HDFC Bank, Mumbai	ACU	243,567	78.70	19,169,222	342,626	78.50	26,896,141
Habib Bank Ltd., Pakistan	ACU	199,988	78.70	15,739,512	50,000	78.50	3,925,000
Axis Bank Ltd., Mumbai	ACU	238,604	78.70	18,778,685	-	-	-
Sonali Bank Ltd, Kolkata	ACU	80,521	78.70	6,337,199	-	-	-
Mashreq Bank Psc, UAE	AED	6,804,611	21.42	145,788,056	-	-	-
ICICI Bank Ltd., Mumbai	ACU	-	-	28,032,607	-	-	28,032,607
		18,054,794		821,938,166	8,470,595		669,902,826



MUTUAL TRUST BANK LIMITED

INVESTMENT IN SHARES

As at December 31, 2016

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 Dec 31, 2016	Total Market Value as at Dec 31, 2016	Unrealised Gain/Loss
A. Quoted Share								
1	Active Fine Chemicals Limited	10	6,422.00	308,897.00	48.10	43.30	278,073.00	(30,824.00)
2	Appollo Ispat Complex Limited	10	80,000.00	1,548,000.00	19.35	20.50	1,640,000.00	92,000.00
3	Bata Shoe Company (Bangladesh) Limited	10	293.00	368,171.00	1,256.56	1,142.00	334,606.00	(33,565.00)
4	Bangladesh Building Systems Ltd.	10	40,000.00	2,201,600.00	55.04	51.80	2,072,000.00	(129,600.00)
5	Bangladesh Shipping Corporation	10	5,000.00	2,410,350.00	482.07	470.20	2,351,000.00	(59,350.00)
6	Bangladesh Submarine Cable Company Limited	10	55,000.00	9,348,350.00	169.97	118.60	6,523,000.00	(2,825,350.00)
7	Confidence Cement Ltd.	10	125,960.00	16,892,858.80	134.11	109.40	13,780,024.00	(3,112,834.80)
8	Dhaka Electric Supply Company Ltd.	10	28,638.00	2,907,902.52	101.54	46.30	1,325,939.40	(1,581,963.12)
9	Eastern Bank Ltd.	10	115,046.00	4,123,248.64	35.84	29.00	3,336,334.00	(786,914.64)
10	Envoy Textiles Limited	10	10,000.00	405,300.00	40.53	38.80	388,000.00	(17,300.00)
11	Far East Knitting & Dyeing Industries Limited	10	2,750.00	59,206.00	21.53	25.90	71,225.00	12,019.00
12	First Finance Limited	10	115,500.00	3,461,535.00	29.97	10.20	1,178,100.00	(2,283,435.00)
13	Fortune Shoes Limited	10	6.00	60.00	10.00	50.83	305.00	245.00
14	Fu-Wang Ceramic Industries Ltd.	10	60,000.00	1,013,400.00	16.89	18.20	1,092,000.00	78,600.00
15	GBB Power Ltd.	10	216,356.00	4,393,145.60	20.31	20.30	4,392,026.80	(1,118.80)
16	Golden Harvest Agro Industries Ltd.	10	14,000.00	439,740.00	31.41	53.50	749,000.00	309,260.00
17	Global Heavy Chemicals Limited	10	10,000.00	614,200.00	61.42	40.40	404,000.00	(210,200.00)
18	Grameenphone Ltd.	10	1,400.00	353,630.00	252.59	284.10	397,740.00	44,110.00
19	IDLC Finance Ltd.	10	270,000.00	14,893,000.00	55.16	57.00	15,390,000.00	497,000.00
20	IFAD Autos Limited	10	30,000.00	2,847,900.00	94.93	100.20	3,006,000.00	158,100.00
21	IFIC Bank Ltd.	10	28,808.00	664,312.48	23.06	20.90	602,087.20	(62,225.28)
22	Islami Bank Bangladesh Limited	10	110,013.00	3,888,959.55	35.35	29.70	3,267,386.10	(621,573.45)
23	Jamuna Oil Company Limited	10	66,000.00	15,467,760.00	234.36	181.60	11,985,600.00	(3,482,160.00)

MUTUAL TRUST BANK LIMITED

INVESTMENT IN SHARES

As at December 31, 2016

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 Dec 31, 2016	Total Market Value as at Dec 31, 2016	Unrealised Gain/Loss
24	Khan Brothers PP Woven Bag Industries Limited	10	50,000.00	1,021,500.00	20.43	21.30	1,065,000.00	43,500.00
25	Keya Cosmetics Ltd.	10	100,000.00	1,286,000.00	12.86	13.30	1,330,000.00	44,000.00
26	LankaBangla Finance Ltd.	10	132,825.00	7,096,839.75	53.43	34.80	4,622,310.00	(2,474,529.75)
27	Linde Bangladesh Limited	10	5,000.00	7,033,150.00	1,406.63	1,296.00	6,480,000.00	(553,150.00)
28	Matin Spinning Mills Ltd.	10	100,000.00	4,733,000.00	47.33	40.20	4,020,000.00	(713,000.00)
29	Mercantile Bank Ltd.	10	120,536.00	2,407,103.92	19.97	15.10	1,820,093.60	(587,010.32)
30	Mozaffar Hossain Spinning Mills Ltd.	10	45,000.00	927,450.00	20.61	21.20	954,000.00	26,550.00
31	Meghna Petroleum Limited	10	32,670.00	7,510,506.30	229.89	170.40	5,566,968.00	(1,943,538.30)
32	Navana CNG Limited	10	40,000.00	2,655,200.00	66.38	72.90	2,916,000.00	260,800.00
33	National Bank Ltd.	10	210,116.00	4,464,965.00	21.25	10.20	2,143,183.20	(2,321,781.80)
34	Northern General Insurance Company Ltd	10	33,880.00	1,174,280.80	34.66	20.30	687,764.00	(486,516.80)
35	One Bank Limited	10	160,101.00	3,194,014.95	19.95	18.30	2,929,848.30	(264,166.65)
36	Orion Pharma Ltd.	10	50,000.00	3,551,000.00	71.02	42.10	2,105,000.00	(1,446,000.00)
37	Phoenix Insurance Company Ltd	10	42,750.00	2,579,107.50	60.33	27.80	1,188,450.00	(1,390,657.50)
38	Pragati Life Insurance Ltd.	10	115,500.00	25,524,345.00	220.99	101.20	11,688,600.00	(13,835,745.00)
39	Premier Cement Mills Limited	10	25,000.00	2,940,500.00	117.62	91.20	2,280,000.00	(660,500.00)
40	Prime Bank Ltd.	10	54,340.00	1,729,642.20	31.83	17.70	961,818.00	(767,824.20)
41	Paramount Textile Limited	10	10,000.00	197,700.00	19.77	20.20	202,000.00	4,300.00
42	Pubali Bank Ltd.	10	31,500.00	1,040,160.00	33.02	24.00	756,000.00	(284,160.00)
43	RAK Ceramics (Bangladesh) Limited	10	15,000.00	1,114,500.00	74.30	61.90	928,500.00	(186,000.00)
44	R.N. Spinning Mills Limited	10	100,000.00	3,711,000.00	37.11	25.10	2,510,000.00	(1,201,000.00)
45	Ratanpur Steel Re-Rolling Mills Limited	10	25,000.00	1,826,000.00	73.04	73.40	1,835,000.00	9,000.00
46	Saiham Cotton Mills Limited	10	50,000.00	864,000.00	17.28	17.20	860,000.00	(4,000.00)
47	Singer Bangladesh Limited	10	75,000.00	13,983,750.00	186.45	192.50	14,437,500.00	453,750.00
48	Square Pharmaceuticals Ltd.	10	126,762.90	22,091,621.00	174.28	249.10	31,576,638.00	9,485,017.00



Amount in BDT

SL No.	Name of the Company		No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share Dec 31, 2016	85% NAV	Total Market Value as at Dec 31, 2016	Provision Req. as per BB Guideline	
B. Mutual Fund (Quoted)										
1	DBH First Mutual Fund	10	33,800.00	238,432.00	7.05	7.30	8.94	246,740.00	-	
2	Green Delta Mutual Fund	10	10,000.00	71,249.00	7.12	7.30	9.00	73,000.00	-	
3	First Bangladesh Fixed Income Fund	10	34,019,755.00	249,927,253.00	7.35	6.00	9.52	204,118,530.00	-	
4	AB Bank 1st Mutual fund	10	27,277,017.00	196,019,132.24	7.19	5.90	9.74	160,934,400.30	-	
5	EBL NRB Mutual Fund	10	16,334,902.00	125,265,959.52	7.67	6.90	9.15	112,710,823.80	-	
6	Grameen One : Scheme Two	10	182,148.00	2,875,271.08	15.79	12.30	14.72	2,240,420.40	(193,688.22)	
7	MBL 1st Mutual Fund	10	4,160,000.00	41,600,000.00	10.00	7.20	9.25	29,952,000.00	(3,128,320.00)	
8	PHP First Mutual Fund	10	5,086,195.00	39,529,813.14	7.77	5.40	9.03	27,465,453.00	-	
Sub-Total				87,103,817.00	655,527,109.98	537,741,367.50				(3,322,008.22)

MUTUAL TRUST BANK LIMITED

INVESTMENT IN SHARES

As at December 31, 2016

Annexure- B

Amount in BDT

SL No.	Name of the Company	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share Dec 31, 2016	85% NAV	Total Market Value as at Dec 31, 2016	Provision Req. as per BB Guideline
C. Unquoted Share								
1	BD Venture Limited	10	2,000,000.00	20,000,000.00			20,000,000.00	-
2	Central Depository (BD) Limited	10	5,711,804.00	15,694,430.00			15,694,430.00	-
3	Energypack Power Generation Limited	10	1,192,800.00	50,000,000.00			50,000,000.00	
4	Industrial & Infrastructure Development Finance Company Limited	10	7,329,110.00	42,453,820.00			42,453,820.00	
5	LIC Bangladesh	10	3,000,000.00	30,000,000.00			30,000,000.00	-
7	The Bangladesh Rating Agency Limited	100	49,155.00	4,915,500.00			4,915,500.00	-
	Sub-Total			163,063,750.00			163,063,750.00	-
D. Fund (Unquoted)								
1	MTB First Mutual Fund	10	10,000,000.00	100,000,000.00			100,000,000.00	-
2	MTB Unit Fund	10	21,760,000.00	217,600,000.00			217,600,000.00	-
	Sub-Total			317,600,000.00			317,600,000.00	-
E Bonds:								
1	Prime Bank Bond			45,000,000.00			45,000,000.00	
2	Uttara Finance & Investment Limited-Zero Coupon Bond			60,000,000.00			60,000,000.00	
3	One Bank Bond			100,000,000.00			100,000,000.00	
4	Trust Bank Bond			100,000,000.00			100,000,000.00	
5	AB Bank Subordinate Bond (note 6.04)			80,000,000.00			80,000,000.00	-
	Sub-Total			385,000,000.00			385,000,000.00	-
	Total			1,795,421,267.51			1,626,083,793.26	54,873,739.99

Particular	Provision Required	Provision Maintained	Excess/Shortfall
Quoted Share	51,551,731.77		
Mutual Funds	3,322,008.22	55,267,667.23	393,927.24
	54,873,739.99	55,267,667.23	393,927.24



MUTUAL TRUST BANK LIMITED

CONSOLIDATED FIXED ASSET SCHEDULE

As at December 31, 2016

Annexure-C (i)

Particulars	Cost				Depreciation				Written down value as at 31.12.2016	
	Balance as at 01.01.2016	Addition during the year	Disposal during the year	Balance as at 31.12.2016	Rate	Balance as at 01.01.2016	Charged for the year	Adjustment made during the year		Balance as at 31.12.2016
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.50%	102,840,635	36,075,083	-	138,915,718	1,363,190,077
Furniture & Fixture	1,330,803,287	90,511,725	72,260,912	1,349,054,099	10%	428,769,586	95,486,623	43,873,204	480,383,005	868,671,094
Office Equipments	1,431,256,826	160,143,294	20,044,669	1,571,355,451	20%	735,650,533	161,546,159	16,903,670	880,293,021	691,062,430
Motor Vehicles	74,744,415	26,798,258	-	101,542,673	20%	41,335,683	12,217,687	-	53,553,370	47,989,303
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	10,500,000	37,955,000	20%	48,454,999	-	10,500,000	37,954,999	1
Intangible Asset	79,037,424	33,171,312	-	112,208,736	20%	31,774,464	14,628,934	-	46,403,398	65,805,338
Total 2016	4,571,079,721	310,624,589	102,805,581	4,778,898,729		1,389,249,874	319,954,486	71,276,875	1,637,927,486	3,140,971,243
Total 2015	3,607,430,006	1,007,530,037	43,880,323	4,571,079,721		1,118,642,448	294,934,993	24,327,566	1,389,249,874	3,181,829,846

MUTUAL TRUST BANK LIMITED

FIXED ASSET SCHEDULE

As at December 31, 2016

Annexure-C

Amount in BDT

Particulars	Cost			Depreciation					Written down value as at 31.12.2016	
	Balance as at 01.01.2016	Addition during the year	Disposal during the year	Balance as at 31.12.2016	Rate	Balance as at 01.01.2016	Charged for the year	Adjustment made during the year		Balance as at 31.12.2016
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,455,740,795	-	-	1,455,740,795	2.50%	96,489,182	34,074,406	-	130,563,588	1,325,177,207
Furniture & Fixture	1,255,140,278	87,266,937	64,992,652	1,277,414,563	10%	407,705,668	89,826,738	41,454,729	456,077,677	821,336,886
Office Equipments	1,390,897,474	159,767,842	19,597,039	1,531,068,277	20%	711,985,120	158,171,612	16,578,329	853,578,403	677,489,874
Motor Vehicles	74,744,415	26,798,258	-	101,542,673	20%	41,335,683	12,217,687	-	53,553,370	47,989,303
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	10,500,000	37,955,000	20%	48,454,999	-	10,500,000	37,954,999	1
Intangible Asset	79,037,424	33,171,312	-	112,208,736	20%	31,774,464	14,628,934	-	46,403,398	65,805,338
Total 2016	4,408,692,360	307,004,349	95,089,691	4,620,607,018		1,338,169,090	308,919,377	68,533,058	1,578,555,409	3,042,051,609
Total 2015	3,442,466,783	991,584,467	25,358,890	4,408,692,360		1,072,693,849	283,357,831	17,882,590	1,338,169,090	3,070,523,270



MUTUAL TRUST BANK LIMITED

LIST OF SUBORDINATED DEBT HOLDERS

As at December 31, 2016

Annexure-D

		Amount in BDT	
		2016	2015
A.	12% Partially Convertible Subordinate Bond		
SL	Name of party	Investment Amount	Investment Amount
1	Ak Khan & Co. Limited	180,000,000	270,000,000
2	Agrani Bank Limited	150,000,000	225,000,000
3	Sonali Bank Limited	125,000,000	187,500,000
4	Rupali Bank Limited	100,000,000	150,000,000
5	Dhaka Bank Limited	95,000,000	142,500,000
6	IPDC of Bangladesh Limited	75,000,000	112,500,000
7	Dutch Bangla Bank Limited	75,000,000	112,500,000
8	Bank Asia Limited	75,000,000	112,500,000
9	Trust Bank Limited	55,000,000	82,500,000
10	Janata Bank Limited	50,000,000	75,000,000
11	BASIC Bank Limited	35,000,000	52,500,000
12	National Life Insurance Co. Limited	35,000,000	52,500,000
13	Central Depository Bangladesh Limited	35,000,000	52,500,000
14	Investment Corporation of Bangladesh (ICB)	25,000,000	37,500,000
15	NCC Bank Limited	20,000,000	30,000,000
16	Pubali Bank Limited	20,000,000	30,000,000
17	Prime Bank Employees Provident Fund	20,000,000	30,000,000
18	Popular Life Insurance Co. Limited	20,000,000	30,000,000
19	Delta Life Insurance Co. Limited	20,000,000	30,000,000
20	Grameen Mutual Fund One-Scheme Two	20,000,000	30,000,000
21	Pragati Life Insurance Limited	10,000,000	15,000,000
22	Pacific Jeans Limited	10,000,000	15,000,000
Sub-Total (A)		1,250,000,000	1,875,000,000
B.	MTB 2nd Subordinate Bond		
SL	Name of party	Investment Amount	Investment Amount
1	Sonali Bank Limited	1,000,000,000	1,000,000,000
2	BRAC Provident Fund	500,000,000	500,000,000
3	Bank Asia Limited	400,000,000	400,000,000
4	Uttara Bank Limited	300,000,000	300,000,000
5	BRAC	250,000,000	250,000,000
6	BRAC Bank Limited	250,000,000	250,000,000
7	NRB Commercial Bank Limited	200,000,000	200,000,000
8	United Finance Limited	100,000,000	100,000,000
Sub-Total (B)		3,000,000,000	3,000,000,000
Total (A+B)		4,250,000,000	4,875,000,000



MUTUAL TRUST BANK LIMITED

CORPORATE HEAD OFFICE

Annexure-E

Name of Companies in which the Directors of the Bank have interest

No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	Mr. M.A. Rouf, JP Chairman	Chairman <ul style="list-style-type: none"> • Britannia Properties Ltd., Bangladesh • Britannia Holdings & Management Ltd. • Britannia Developments Limited • Britannia Asset & Equity Management Ltd. • Diamond Properties (BD) Ltd., • Diamond Properties, (UK) St. Andrews • MTB Securities Limited (MTBSL) • MTB Capital Limited (MTBCL) • MTB Exchange (UK) Director <ul style="list-style-type: none"> • Tiger Tours Ltd.
2	Mr. Md. Hedayetullah Vice- Chairman	Chairman <ul style="list-style-type: none"> • Hedayetullah Securities Ltd. Director <ul style="list-style-type: none"> • Apex Tannery Ltd. • Apex Property Development Ltd. • MTB Securities Limited (MTBSL) Managing Director <ul style="list-style-type: none"> • Footbed Footwear Ltd. • FB Footwear Ltd.
3	Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman <ul style="list-style-type: none"> • Apex Tannery Ltd. • Apex Footwear Ltd. • Apex Pharma Ltd. • Blue Ocean Footwear Ltd. • Apex Enterprise Ltd. • Apex Investments Ltd. • Grey Advertising (Bangladesh) Ltd. • Quantum Market Research • Manusher Jonno Foundation Director <ul style="list-style-type: none"> • International Publications Limited • Credit Rating Agency of Bangladesh Limited (CRAB) • Central Depository Bangladesh Ltd. (CDBL) • MTB Exchange (UK) Member of the Board of Trustees <ul style="list-style-type: none"> • East West University • Centre for Policy Dialogue (CPD) • Diabetic Association of Bangladesh
4	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	Chairman <ul style="list-style-type: none"> • Tetley ACI (Bangladesh) Ltd. • ACI Godrej Agrovet Private Limited Vice Chairman <ul style="list-style-type: none"> • ACI Healthcare Limited Managing Director <ul style="list-style-type: none"> • Advanced Chemical Industries Ltd. • ACI Pure Flour Ltd. • ACI Foods Ltd. • ACI Motors Ltd. • ACI Logistics Ltd. • ACI Agrolink Ltd. • Premiaflex Plastics Ltd. • Stochastic Logic Ltd.



MUTUAL TRUST BANK LIMITED

CORPORATE HEAD OFFICE

Annexure-E

Name of Companies in which the Directors of the Bank have interest

No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
		Director <ul style="list-style-type: none"> • ACI Formulations Limited • ACI Chemicals Limited • Infolytx Bangladesh Limited • ACI Salt Limited • ACI Biotech Limited • ACI Edible Oils Limited • Creative Communication Limited • Consolidated Chemicals Limited • Bangladesh Business Publications Limited • ACI Healthcare USA Inc. • MTB Capital Limited (MTBCL) Member of the Board of Governors <ul style="list-style-type: none"> • Society for Promotion of Bangladesh Art (SPBA)
5	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corp. Ltd.)	Chairman <ul style="list-style-type: none"> • ABC Building Products Ltd. • Banga Garments Ltd. Director <ul style="list-style-type: none"> • Associated Builders Corporation Ltd. • ABC Real Estate Ltd. • Shamsuddin Tawels Ltd. • MTB Exchange (Uk)
6	Mr. Md. Abdul Malek Director	Proprietor <ul style="list-style-type: none"> • Gardenia
7	Mr. Md. Wakiluddin Director	Chairman <ul style="list-style-type: none"> • Baridhara Corporation Ltd. Managing Director <ul style="list-style-type: none"> • Swadesh Properties Ltd. • Swadesh Global Media Ltd. Director <ul style="list-style-type: none"> • HARDCO International School
8	Mrs. Khawaja Nargis Hossain Director	Director <ul style="list-style-type: none"> • SAHCO International Ltd. Managing Director <ul style="list-style-type: none"> • SAHCO Securities Ltd.
9	Mr. Anjan Chowdhury Director (Representing ASTRAS Ltd.)	Chairman <ul style="list-style-type: none"> • Maasranga Productions Ltd • Oracle Travels Ltd. Managing Director <ul style="list-style-type: none"> • 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 Director <ul style="list-style-type: none"> • Square Pharmaceuticals Limited • Square Hospitals Ltd. • Square Formulations Ltd. • Square Herbal and Nutraceuticals Ltd.



MUTUAL TRUST BANK LIMITED

CORPORATE HEAD OFFICE

Annexure-E

Name of Companies in which the Directors of the Bank have interest

No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
		<ul style="list-style-type: none"> • 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
10	Mr. Q. A. F. M. Serajul Islam Director (Representing Pioneer Insurance Co. Ltd.)	Managing Director <ul style="list-style-type: none"> • Pioneer Insurance Co. Ltd. Director <ul style="list-style-type: none"> • Life Insurance Corporation (LIC) of Bangladesh Ltd.
11	Mr. Anwarul Amin Independent Director	Chairman <ul style="list-style-type: none"> • Kayfin Consultants Ltd. (Management Consultancy Firm) Independent Director <ul style="list-style-type: none"> • MTB Securities Ltd. (MTBSL) • MTB Capital Ltd. (MTBCL)
12	Dr. Sultan Hafeez Rahman Independent Director	Executive Director <ul style="list-style-type: none"> • BRAC Institute of Governance and Development (BIGD) Independent Director <ul style="list-style-type: none"> • MTB Exchange (Uk)



MUTUAL TRUST BANK LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS

As at December 31, 2016

Annexure-F (i)

BDT in Million

Sl. No.	Items	2016	2015
1	Paid up Capital	4,431.79	3,693.16
2	Total Capital (Tier-1 & 2)	13,725.13	12,412.59
3	Surplus / (shortage) Capital	1,569.57	2,085.91
4	Total Asset	165,370.69	146,059.30
5	Total Deposit	131,272.33	118,404.76
6	Total Loans and Advances	114,355.76	97,588.78
7	Total Contingent Liabilities	45,134.31	35,029.25
8	Lending-Deposit Ratio	87.11%	82.42%
9	Classified Loans as % of Total Loans and Advances	4.36%	2.08%
10	Profit After Provision and Tax	1,463.59	1,366.20
11	Total Classified loans and advances	4,983.09	2,034.42
12	Total Provision Maintained against Classified Loans	2,050.92	1,182.00
13	Surplus/(deficit) in Provision against Classified Loans	-	373.57
14	Cost of Fund	8.71%	10.28%
15	Earning Asset	139,610.23	126,053.42
16	Non-Interest Earning Asset	25,760.45	20,005.88
17	Return on Investments (ROI)	8.34%	9.77%
18	Return on Asset (ROA)	0.94%	1.04%
19	Income from Investment	2,010.54	2,391.20
20	Earnings per Share (BDT)	3.30	3.08
21	Operating Profit per Share (BDT)	7.69	6.34
22	Price-Earning Ratio (Times)	6.99	6.33



MUTUAL TRUST BANK LIMITED

FINANCIAL HIGHLIGHTS

As at December 31, 2016

Annexure-F

BDT in Million

Sl. No.	Items	2016	2015
1	Paid up Capital	4,431.79	3,693.16
2	Total Capital (Tier-1 & 2)	13,699.25	12,445.45
3	Surplus/(shortage) Capital	1,800.06	2,235.30
4	Total Assets	164,480.42	145,562.77
5	Total Deposits	131,593.61	118,686.76
6	Total Loans and Advances	110,834.55	96,216.72
7	Total Contingent Liabilities	45,134.31	35,029.25
8	Lending-Deposit Ratio	84.22%	81.10%
9	Classified Loans as % of Total Loans and Advances	4.50%	2.11%
10	Profit After Provision and Tax	1,403.79	1,364.17
11	Total Classified loans and advances	4,983.09	2,034.42
12	Total Provision Maintained against Classified Loans	2,050.92	1,182.00
13	Surplus/(deficit) in Provision against Classified Loans	-	373.57
14	Cost of Fund	8.57%	10.06%
15	Earning Asset	135,421.01	124,894.53
16	Non-Interest Earning Asset	29,059.41	20,668.24
17	Return on Investments (ROI)	8.36%	9.93%
18	Return on Asset (ROA)	0.91%	1.04%
19	Income from Investment	1,974.27	2,373.00
20	Earnings per Share (BDT)	3.17	3.08
21	Operating Profit per Share (BDT)	7.24	6.03
22	Price-Earning Ratio (Times)	7.29	6.33



OFF SHORE BANKING UNIT (OBU)

BALANCE SHEET

As at December 31, 2016

Annexure-G

Particulars	Notes	2016		2015	
		USD	BDT	USD	BDT
<u>Property and Assets</u>					
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	502,953	39,583,506	77,855	6,111,586
In Bangladesh		-	-	-	-
Outside Bangladesh		502,953	39,583,506	77,855	6,111,586
Loans and advances	4	39,715,310	3,125,682,279	16,385,787	1,286,284,262
Loans, cash credits, overdrafts, etc.		37,557,625	2,955,867,717	13,869,507	1,088,756,289
Bills purchased and discounted		2,157,685	169,814,562	2,516,280	197,527,973
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets		-	-	-	-
Non - banking assets		-	-	-	-
Total assets		40,218,263	3,165,265,785	16,463,641	1,292,395,848
<u>Liabilities and Capital</u>					
Liabilities					
Borrowings from other banks, financial institutions and agents	5	39,774,612	3,130,349,458	16,199,345	1,271,648,613
Deposits and other accounts		-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
Other liabilities	6	443,651	34,916,327	264,296	20,747,235
Total liabilities		40,218,263	3,165,265,785	16,463,641	1,292,395,848
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain/ (loss)		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
Total Shareholders' equity		-	-	-	-
Total Liabilities and Shareholders' equity		40,218,263	3,165,265,785	16,463,641	1,292,395,848



Particulars	Notes	2016		2015	
		USD	BDT	USD	BDT
Off-Balance Sheet Items					
<u>Contingent liabilities</u>		-	-	-	-
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<u>Other commitments</u>		-	-	-	-
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		-	-	-	-



OFF SHORE BANKING UNIT (OBU)

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2016

Annexure-G

Particulars	Notes	2016		2015	
		USD	BDT	USD	BDT
Interest income	7	1,184,771	92,963,786	635,100	49,516,091
Less: Interest on deposits, borrowings, etc.	8	748,617	58,740,695	396,465	30,910,738
Net Interest Income		436,154	34,223,092	238,635	18,605,353
Other operating income	9	65,780	5,161,467	20,316	1,583,970
Total Operating Income (A)		501,934	39,384,559	258,951	20,189,323
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication, etc.		-	-	-	-
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses	10	58,554	4,594,503	2,567	200,106
Total operating expenses (B)		58,554	4,594,503	2,567	200,106
Profit / (loss) before provision (C=A-B)		443,380	34,790,056	256,384	19,989,216
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)		443,380	34,790,056	256,384	19,989,216
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Net profit / (loss) after taxation		443,380	34,790,056	256,384	19,989,216
Retained earnings brought forward from previous years		-	-	-	-
		443,380	34,790,056	256,384	19,989,216



OFF SHORE BANKING UNIT (OBU)

STATEMENT OF CASH FLOW

As at December 31, 2016

Annexure-G

Particulars	2016		2015	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest receipts in cash	1,184,771	92,963,786	635,100	49,516,091
Interest payments	(748,617)	(58,740,695)	(396,465)	(30,910,738)
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	65,780	5,161,467	20,316	1,583,970
Payments for other operating activities	(58,554)	(4,594,503)	(2,567)	(200,106)
Cash generated from operating activities before changes in operating assets and liabilities	443,380	34,790,056	256,384	19,989,216
Increase / (decrease) in operating assets and liabilities				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(23,329,523)	(1,839,398,017)	(8,714,066)	(688,278,215)
Other assets	-	-	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	179,355	14,169,092	264,296	20,747,235
	(23,150,168)	(1,825,228,925)	(8,449,770)	(667,530,980)
Net cash from operating activities	(22,706,788)	(1,790,438,870)	(8,193,385)	(647,541,764)
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	23,575,266	1,858,700,845	8,570,668	676,997,855
Net profit transferred to main operation	(443,380)	(34,790,056)	(299,428)	(23,344,505)
Net Cash from financing activities	23,131,886	1,823,910,789	8,271,240	653,653,350
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	425,098	33,471,920	77,855	6,111,587
E) Effects of exchange rate changes on cash and cash equivalents	-	-	-	-
F) Cash and cash equivalents at beginning of the year	77,855	6,111,586	-	-
G) Cash and cash equivalents at end of the year (D+E+F)	502,953	39,583,506	77,855	6,111,587
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	502,953	39,583,506	77,855	6,111,586
	502,953	39,583,506	77,855	6,111,586



OFF SHORE BANKING UNIT (OBU)

NOTES TO THE FINANCIAL STATEMENTS

Annexure-G

As at December 31, 2016

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Foreign currency transaction

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

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

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2016.

2.5 Loans and advances / investments

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

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

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

2.6 Provision for liabilities

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



2.7 Interest income

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

2.8 Interest paid and other expenses

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

2.9 Allocation of common expenses

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

2.10 General

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 = Taka 78.7022 (closing rate as at December 31, 2016) and BDT 78.4656 (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 Accounts of the main operation of the bank.

		2016		2015	
		USD	BDT	USD	BDT
3	Balance with other banks and financial institutions				
	In Bangladesh	-	-	-	-
	Outside Bangladesh	502,953	39,583,506	77,855	6,111,586
		502,953	39,583,506	77,855	6,111,586
4	Loans and advances				
	i) Loans, cash credits, overdrafts etc.				
	Term Loan	5,183,552	407,956,926	5,871,498	460,912,598
	Usance Payable at Sight (UPAS)	32,374,073	2,547,910,792	7,998,009	627,843,692
		37,557,625	2,955,867,717	13,869,507	1,088,756,289
	ii) Bills purchased and discounted				
	Inland documentary bills purchased	2,145,685	168,870,136	2,432,435	190,946,173
	Foreign documentary bills purchased	12,000	944,426	83,845	6,581,800
		2,157,685	169,814,562	2,516,280	197,527,973
		39,715,310	3,125,682,279	16,385,787	1,286,284,262
4.01	Loans and Advances to Industries				
	Food	-	-	315,881	24,796,678
	Power & Energy	8,305,879	653,690,963	-	-
	RMG & Textile FDBP	4,675,901	368,003,720	4,662,876	366,035,743
	Agribusiness	3,800,231	299,086,510	-	-
	Building Materials & Equipment	1,936,333	152,393,667	-	-
	Ceramic	66,192	5,209,456	-	-
	Dairy	876,089	68,950,098	-	-
	Electronics Manufacturing & Equipment	666,951	52,490,499	-	-
	Iron, Steel & Other Base Metals	456,200	35,903,915	-	-
	Medical	382,281	30,086,316	-	-
	Poultry & Eggs	1,887,128	148,521,102	-	-
	Paper, Paper Products & Printing	1,305,466	102,743,017	-	-
	Pharmaceuticals	437,800	34,455,823	229,201	17,992,311
	Plastic & Rubber	5,108,138	402,021,735	68,974	5,414,490



		2016		2015	
		USD	BDT	USD	BDT
	Chemical & Chemical Products	1,245,348	98,011,588	-	-
	Engineering, Metal & Metal Products	7,720,228	607,598,964	570,530	44,786,605
	Electricity & Gas Industry	-	-	5,466,476	429,118,371
	Service Industries	202,984	15,975,287	405,022	31,794,227
	Others	642,163	50,539,619	4,666,826	366,345,837
		39,715,310	3,125,682,279	16,385,787	1,286,284,262
4.02	Classification of Loans and Advances including bill discounted				
	Unclassified (UC):				
	Standard	39,715,310	3,125,682,279	16,385,787	1,286,284,262
	Special Mention Account (SMA)	-	-	-	-
	Sub total	39,715,310	3,125,682,279	16,385,787	1,286,284,262
	Classified:				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Bad & Loss	-	-	-	-
	Sub total	-	-	-	-
	Total	39,715,310	3,125,682,279	16,385,787	1,286,284,262
4.04	Geographical Location wise Loans and Advances				
	Urban				
	Dhaka Division	23,211,370	1,826,785,884	12,513,330	982,296,380
	Chittagong Division	6,588,653	518,541,486	2,352,511	184,672,094
	Rajshahi Division	-	-	1,519,946	119,315,788
	Sylhet Division	1,936,333	152,393,667	-	-
	Khulna Division	7,978,954	627,961,233	-	-
	Barishal Division	-	-	-	-
		39,715,310	3,125,682,271	16,385,787	1,286,284,262
	Rural				
	Dhaka Division	-	-	-	-
	Chittagong Division	-	-	-	-
	Rajshahi Division	-	-	-	-
	Sylhet Division	-	-	-	-
	Khulna Division	-	-	-	-
	Barishal Division	-	-	-	-
		-	-	-	-
		39,715,310	3,125,682,271	16,385,787	1,286,284,262



		2016		2015	
		USD	BDT	USD	BDT
5	Borrowings from other banks, financial institutions and agents				
	In Bangladesh	7,443,489	585,818,996	12,222,624	959,475,946
	Outside Bangladesh	32,331,122	2,544,530,462	3,976,722	312,172,668
		39,774,612	3,130,349,458	16,199,345	1,271,648,613
	In Bangladesh:				
	Borrowing from Bank:				
	Bangladesh Bank	4,985,435	392,364,702	5,440,045	427,043,533
	Other Bank	2,458,054	193,454,294	6,782,579	532,432,413
		7,443,489	585,818,996	12,222,624	959,475,946
	Outside Bangladesh	32,331,122	2,544,530,462	3,976,722	312,172,668
		39,774,612	3,130,349,458	16,199,345	1,271,648,613
6	Other Liabilities				
	Provision for Expenses	272	21,368	7,912	621,058
	Due to Head Office	443,380	34,790,056	256,384	19,989,216
	Translation gain/(loss)	-	104,904	-	136,961
		443,651	34,916,327	264,296	20,747,235
7	Interest Income				
	Interest on term loan	201,638	15,821,659	183,929	14,340,183
	Interest on UPAS	760,954	59,708,714	362,389	28,253,921
	Inland documentary bills purchased	215,134	16,880,588	79,447	6,194,121
	Foreign documentary bills purchased	7,045	552,825	9,336	727,866
	Total Interest on loans and advances	1,184,771	92,963,786	635,100	49,516,091
8	Interest on deposits, borrowings, etc.				
	Interest paid on deposits	-	-	-	-
	Interest paid on borrowings	748,617	58,740,695	396,465	30,910,738
		748,617	58,740,695	396,465	30,910,738
9	Other Operating Income				
	Rebate & Other	65,780	5,161,467	20,316	1,583,970
		65,780	5,161,467	20,316	1,583,970
10	Other Expenses				
	Bank Charge	58,554	4,594,503	2,567	200,106
		58,554	4,594,503	2,567	200,106



**INDEPENDENT AUDITOR'S REPORT
TO
THE SHAREHOLDERS OF
MTB SECURITIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of MTB Securities Limited which comprises the Statement of Financial Position as at 31 December 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of MTB Securities Ltd. as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report that:

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Dated : 25 January 2017
Place : Dhaka



AHMAD & AKHTAR
Chartered Accountants

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Chittagong-4000
(M): 01716429860



MTB SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
SOURCES OF FUNDS			
A. Shareholders' Equity		3,306,327,260	1,280,492,130
Share capital	3	3,250,000,000	1,270,000,000
Retained earnings	4	56,327,260	10,492,130
B. Loan from MTB	5	345,000,000	2,460,000,000
Total sources of funds (A+B)		3,651,327,260	3,740,492,130
APPLICATION OF FUNDS			
C. Investment and Advances		365,705,846	294,142,349
Membership at cost	6	8,000,000	8,000,000
Investment in securities	7	328,845,422	257,281,925
Investment in DSE	8	28,860,424	28,860,424
D. Current Assets		4,209,422,278	4,105,330,813
Advances and prepayments	9	36,241,359	37,220,367
Margin loan to clients	10	3,654,054,026	3,716,976,374
Accounts receivable	11	42,925,451	28,665,256
Advance Income Tax (AIT)	12	35,681,960	35,990,033
Cash & cash equivalents	13	440,519,482	286,478,783
E. Current Liabilities		1,013,511,004	760,631,969
Accounts payable	14	485,357,410	308,743,952
Provision for expenses	15	21,093,114	25,117,332
Payable for income tax	16	68,717,853	58,178,082
Deferred tax liability	17	4,100,994	-
Provision for investment	18	405,381,209	339,732,179
Investment suspense's accounts	19	28,860,424	28,860,424
F. Net Current Asset (D-E)		3,195,911,274	3,344,698,844
G. Property, plant & equipment	20	89,710,140	101,650,937
Total application of funds (C+F+G)		3,651,327,260	3,740,492,130

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



M.A. Rouf, JP
Chairman



Anis A. Khan
Vice Chairman



Md. Nazrul Islam Mazumder
Chief Executive Officer

Signed as per our annexed report of even date

25 January 2017
Dhaka



AHMAD & AKHTAR
Chartered Accountants



MTB SECURITIES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
Operating Income		329,043,510	352,520,498
Brokerage commission	21	176,385,166	150,004,680
Interest income	22	109,948,362	179,721,516
Income from investment	23	30,063,602	8,166,076
Margin account maintenance	24	1,772,500	1,875,500
Depository participant	25	10,873,880	12,752,726
Less: Operating expenses		26,219,832	25,496,186
Laga charge		11,357,907	9,317,786
CDBL charge	26	14,861,925	16,178,400
Net operating income		302,823,678	327,024,312
Add: Other income	27	355,770	158,180
Total income		303,179,448	327,182,492
Less: Office & Administrative expenses	28	134,714,494	160,199,672
Less: Financial expenses	29	-	40,522,458
Profit before provision		168,464,954	126,460,362
Less: Provision on investment	30	66,000,000	83,000,000
Net profit/(loss) before income tax		102,464,954	43,460,362
Less: Income tax expenses	31	56,629,824	41,352,036
Net profit after tax		45,835,130	2,108,326

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



M.A. Rouf, JP
Chairman



Anis A. Khan
Vice Chairman



Md. Nazrul Islam Mazumder
Chief Executive Officer

Signed as per our annexed report of even date

25 January 2017
Dhaka



AHMAD & AKHTAR
Chartered Accountants



MTB SECURITIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

Particulars	Amount in BDT	
	2016	2015
Cash flow from operating activities:		
Net profit during the year (after tax)	45,835,130	2,108,326
Add : Amount considered as non cash items :		
Increase/(decrease) in provision for expenses	(4,024,218)	(58,640,159)
Increase in provision for investment in securities	65,649,030	81,749,057
Depreciation	9,273,484	10,076,968
Loss on sale of fixed assets	86,288	5,009,890
Increase/(decrease) in provision for income tax	10,539,771	(76,833,187)
Increase/(decrease) in deferred tax liability	4,100,994	-
Sub total of non cash items	85,625,349	(38,637,431)
Changes in working capital components		
Increase/(decrease) in accounts payable	176,613,458	50,731,142
(Increase)/decrease in accounts receivable	(14,260,195)	(10,483,465)
(Increase)/decrease in advance income tax	308,073	13,395,056
(Increase)/decrease in advance & prepayment	979,008	(16,567,221)
A) Net cash inflow from operating activities	295,100,823	546,407
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	(71,563,497)	(62,380,074)
(Increase)/decrease in purchase of premises & fixed asset	(2,304,760)	(11,904,131)
(Increase)/decrease in margin loan to clients	62,922,348	278,780,427
Cash sale of fixed asset	4,885,785	4,628,114
B) Net cash outflow from investing activities	(6,060,124)	209,124,336
Cash flow from financing activities :		
Cash in Paid up Capital	730,000,000	-
Decrease in short term borrowing	(865,000,000)	(174,788,736)
Dividend paid	-	(95,250,000)
C) Net cash outflow from financing activities	(135,000,000)	(270,038,736)
D) Net cash increase / (decrease) (A+B+C)	154,040,699	(60,367,993)
E) Opening cash and cash equivalents	286,478,783	346,846,776
F) Closing cash and cash equivalents (D+E)	440,519,482	286,478,783



M.A. Rouf, JP
Chairman



Anis A. Khan
Vice Chairman



Md. Nazrul Islam Mazumder
Chief Executive Officer

25 January 2017
Dhaka



MTB SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016

Amount in BDT

Particulars	Paid-up Capital	Retained Earnings	Total
Balance as at January 01, 2016	1,270,000,000	10,492,130	1,280,492,130
Paid-up capital Increased:			
- Cash consideration	730,000,000	-	730,000,000
- Through loan conversion	1,250,000,000	-	1,250,000,000
Net profit for the year after tax	-	45,835,130	45,835,130
Less: Dividend paid	-	-	-
Balance as at December 31, 2016	3,250,000,000	56,327,260	3,306,327,260
Balance as at December 31, 2015	1,270,000,000	10,492,130	1,280,492,130



M.A. Rouf, JP
Chairman



Anis A. Khan
Vice Chairman



Md. Nazrul Islam Mazumder
Chief Executive Officer

25 January 2017
Dhaka



MTB SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

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 1st 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.

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 Flows and notes to the financial statements and disclosures. These Financial Statements 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

Statement of cash flows 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 Standards (BASs) 18: "Revenue".

2.05 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2016.

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 01 January 2016 to 31 December 2016.

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	
		2016	2015
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	1,270,000,000
3.03 Paid-up capital:			
Opening Balance		1,270,000,000	1,270,000,000
Cash consideration		730,000,000	-
Loan converted into Paid up capital		1,250,000,000	-
Closing balance		3,250,000,000	1,270,000,000
3.04 Shareholding Position of the Company			
Shareholders	Number of Share	Percentage	Percentage
Mutual Trust Bank Limited	324,987,300	99.996%	99.99%
Mr. M. A. Rouf, JP	6,700	0.004%	0.01%
Mr. Md. Hashem Chowdhury	1,000		
Mr. Md. Zakir Hussain	1,000		
Mr. Syed Rafiqul Hossain	1,000		
Mr. Goutam Prosad Das	1,000		
Mr. Swapan Kumar Biswas	1,000		
Mr. Md. Nazrul Islam Mazumder	1,000		
Total	325,000,000	100%	100%
4.00 Retained earnings			
Opening balance		10,492,130	8,383,804
Adjustment during the year		-	-
Net profit during the year		45,835,130	2,108,326
Dividend paid during the year		-	-
Closing balance		56,327,260	10,492,130
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 Ltd.			
Opening balance		2,460,000,000	2,634,788,736
Addition during the year		-	40,347,458
Loan converted into Paid up capital		(1,250,000,000)	-
Cash Paid during the year		(865,000,000)	(215,136,194)
Closing balance		345,000,000	2,460,000,000
6.00 Membership at cost			
Dhaka Stock Exchange Limited (DSE)		8,000,000	8,000,000
		8,000,000	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.



		Amount in BDT	
		2016	2015
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		268,869,422	207,305,925
Unquoted share		59,976,000	49,976,000
Total		328,845,422	257,281,925
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 in BDT
Dhaka Stock Exchange Limited (DSE)	7,215,106	72,151,060

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

Valuation of 40% shares:

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

Valuation of 60% shares:

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

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

9.00 Advances and prepayments

It represents advance for office rent and other advances for the Head office and other branches of MTB Securities Limited.

10.00 Margin loan to clients

This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan during the year 2016. The detail is as follows:

Opening balance	3,716,976,374	3,995,756,801
Addition during the year	21,366,101	6,228,659
Interest during the year	103,614,296	163,017,372
Adjustment during the year	(187,902,745)	(448,026,458)
Closing balance	3,654,054,026	3,716,976,374



			Amount in BDT	
			2016	2015
11.00	Accounts receivable			
	Receivable from Dhaka Stock Exchange (DSE)-Broker (Note 11.1)		39,703,545	5,399,074
	Receivable from Dhaka Stock Exchange (DSE)-Dealer (Note 11.2)		530,646	1,048,783
	Other receivable		2,691,260	22,217,399
	Total		42,925,451	28,665,256
11.01	Receivable from Dhaka Stock Exchange (DSE)-Broker			
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Broker.			
11.02	Receivable from Dhaka Stock Exchange (DSE)-Dealer			
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Dealer.			
12.00	Advance income tax			
	Opening balance		35,990,033	49,385,089
	Addition during the year (Note 12.01)		41,680,986	76,104,877
	Adjusted during the year		(41,989,059)	(89,499,933)
	Closing balance		35,681,960	35,990,033
12.01	Addition during the year			
	Brokerage commission		22,953,558	18,613,582
	Bank interest		633,407	1,691,593
	Dividend income		1,443,021	799,702
	Gain on Investment		1,151,000	-
	Advance tax		15,500,000	55,000,000
	Total		41,680,986	76,104,877
13.00	Cash and cash equivalents			
	Mutual Trust Bank Ltd.	0002-0320000724	65,117	2,457,353
	Mutual Trust Bank Ltd.	0002-0320001438	99,633	762,171
	Mutual Trust Bank Ltd.	0002-0320001081	297,421,068	265,485,415
	Mutual Trust Bank Ltd.	0002-0320002080	78,584	142,149
	Mutual Trust Bank Ltd.	0002-0320001634	762,337	78,878
	IFIC Bank Ltd.	1090358680041	228,200	289,855
	Standard Chartered Bank	01114647901	128,517,195	8,715,138
	Standard Chartered Bank	02114647901	47,986	21,213
	Cash in hand (Cheque in hand)		13,299,362	8,526,611
	Total		440,519,482	286,478,783
14.00	Accounts Payable			
	It represents money deposited by client for trading purpose .The details are as follows:			
	Payable to clients (Note 14.1)		447,897,040	255,051,550
	Payable to Dhaka Stock Exchange (DSE) (Note 14.2)		4,711,872	25,452,505
	Payable to Dhaka Stock Exchange (DSE) -dealer (Note 14.2)		433,079	1,480
	Others payable (Note 14.3)		32,315,419	28,238,417
	Total		485,357,410	308,743,952
14.01	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.			



14.02 Payable to Dhaka Stock Exchange (DSE)

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

14.03 Others payable

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

		Amount in BDT	
		2016	2015
15.00 Payable for expenses			
The details are as follows:			
CDBL Charge		1,393,410	1,000,000
Other Rent		855,025	1,500,000
Marketing & Business Development cost		550,817	4,300,000
Annual Business Conference		-	500,000
Salary & Remuneration		7,800,000	6,700,000
Security Service Bill		976,676	450,000
Postage Telephone & Mobile bill		-	86,494
Utility bill		1,578,589	1,000,000
Cleaning of Office Premises		306,665	284,364
Audit Fee		57,500	57,500
Software Maintenance		372,350	500,000
Advertisement		150,567	70,000
Travelling Expenses		10,000	20,000
Office Maintenance		286,397	300,000
Repair & Maintenance		131,075	150,000
Entertainment		178,000	200,000
Others Expenses		6,446,043	7,998,974
Total		21,093,114	25,117,332
16.00 Provision for income tax			
Opening balance		58,178,082	135,011,269
Addition during the year (Note: 16.1)		52,528,830	41,352,036
Payment during the year		(41,989,059)	(118,185,223)
Closing balance		68,717,853	58,178,082
16.01 Addition during the year			
Current tax expenses		52,528,830	41,352,036
Total		52,528,830	41,352,036
17.00 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 .			
Deffered tax liability		4,100,994	-
Total		4,100,994	-
18.00 Provision for investment			
Opening balance		339,732,179	257,983,122
Addition during the year		66,000,000	83,000,000
Adjustment during the year		(350,970)	(1,250,943)
Closing balance		405,381,209	339,732,179



		Amount in BDT	
		2016	2015
19.00 Investment Suspense Account			
Dhaka Stock Exchange Limited (DSE)		28,860,424	28,860,424
Total		28,860,424	28,860,424
20.00 Property, plant & equipment			
Cost:			
Furniture		1,654,855	1,348,475
Office equipment		30,246,662	30,544,262
Fixture & fittings		59,495,343	64,915,253
Premises		46,365,000	46,365,000
Total cost value of the asset		137,761,860	143,172,990
Accumulated depreciation		48,051,720	41,522,053
Total carrying amount		89,710,140	101,650,937
The detail has been shown in Annexure - A.			
21.00 Brokerage commission			
This amount is charged on daily turnover during the year as per rate decided by the management of the company.			
22.00 Interest Income			
Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank.			
Interest on margin loan		103,614,296	163,017,372
Interest on bank deposit		6,334,066	16,704,144
Total		109,948,362	179,721,516
23.00 Income From Investment			
Gain/ (loss) on sale of securities		22,848,496	8,166,076
Dividend Income from DSE		7,215,106	-
Total		30,063,602	8,166,076
24.00 Margin account maintenance			
It represents service charges on margin account, which were received from the customer during the year.			
25.00 Depository participant			
This amount represents BO opening, maintenance, dematerization charge and CDS charges. The detail is as follows:			
BO maintenance fee		10,081,000	11,010,000
BO opening fee		-	191,500
Dematerization charge		4,871	14,815
CDS charge		788,009	1,536,411
Total		10,873,880	12,752,726
26.00 CDBL charge			
This amount represent BO opening, maintenance, CDS charge and other expenses charged by CDBL			
27.00 Other income			
Other income represents Cheque return charge & IPO application fee charged on the customer.			
Other Income		355,770	158,180
Total		355,770	158,180



		Amount in BDT	
		2016	2015
28.00 Office & administrative expenses			
Salary & Allowance		71,895,379	74,885,893
Office rent		29,914,802	28,664,276
Postage & Stamp		101,448	755,290
Car expenses		871,870	1,268,342
Securities service		3,442,600	4,029,069
Office Cleaning		2,373,880	2,316,893
Utility Bill		9,893,236	5,463,367
Conveyance		190,968	247,735
Entertainment -Refreshment/Party Diner		1,329,361	1,459,785
Periodical, Magazine, News paper		50,135	69,922
Computer stationary		327,379	-
Table/Petty Stationary		404,536	880,068
Maintenance of office premises		344,655	1,004,180
Repair & Maintenance		408,500	814,260
Advertisement -Company's Own		138,653	-
Insurance expenses		299,463	238,493
Training expenses		254,688	319,582
Other Rent		-	6,233,892
Traveling expenses		39,246	39,050
Software maintenance		100,000	-
Audit fee		57,500	57,500
Business Development Expenses		650,817	4,789,708
Directors' fee		692,683	569,250
Legal Charge		3,300	-
Registration Charge, Fees and renewal		1,569,623	2,985,613
Fuel for generator		-	1,020,646
Loss on sale of fixed asset		86,288	12,009,890
Depreciation		9,273,484	10,076,968
Total		134,714,494	160,199,672

29.00 Financial expenses

Financial expenses represent interest expense on Loan from Mutual Trust Bank (MTB) Limited.

30.00 Provision for investment

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

31.00 Income tax expenses

Current tax expenses	52,528,830	41,352,036
Deferred tax expenses	4,100,994	-
	56,629,824	41,352,036

32.00 Related party transactions

Name of the party	Nature of transactions	BDT
Mutual Trust Bank Limited	Loan	345,000,000

32.01 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 68 persons.



MTB SECURITIES LIMITED

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2016

Annexure-A

Amount in BDT

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Disposal during the year	Balance as on 31.12.2016		Balance as on 01.01.2016	Charge for the year	Disposal for the year	Balance as on 31.12.2016	
Furniture	1,348,475	306,380	-	1,654,855	10%	481,623	92,384	-	574,007	1,080,848
Fixture & fittings	64,915,253	1,848,350	7,268,260	59,495,343	10%	16,863,781	4,629,791	2,418,475	19,075,097	40,420,246
Office equipment	30,544,262	150,030	447,630	30,246,662	20%	17,825,196	2,550,632	325,342	20,050,486	10,196,176
Premises	46,365,000	-	-	46,365,000	5%	6,351,453	2,000,677	-	8,352,130	38,012,870
Total 2016	143,172,990	2,304,760	7,715,890	137,761,860		41,522,053	9,273,484	2,743,817	48,051,720	89,710,140
Total 2015	46,574,442	11,904,131	15,305,583	143,172,990		37,112,664	10,076,968	5,667,579	41,522,053	101,650,937

MTB SECURITIES LIMITED

STATEMENT OF INVESTMENT IN SECURITIES

As at December 31, 2016

Annexure-B

			Amount in BDT
Name of the Company	Quantity	Cost Value	Market Value
ACI Formulations Limited	20,000	3,340,400	3,040,000
Al-Arafah Islami Bank	82,540	1,568,260	1,312,386
AL-HAJTEX	215,000	20,117,550	19,113,500
ALLTEX	280,000	5,854,800	3,080,000
Ambee Pharma	7,540	3,350,399	2,923,258
Apex Tannery Ltd	34,000	4,750,820	4,610,400
APEXFOODS	41,000	7,061,430	5,637,500
ARAMITCEM	200,000	8,188,000	7,440,000
Argon Denims Limited	201,400	6,468,968	6,263,540
Asia Pacific Ins. Co	40,000	2,962,800	768,000
Bangladesh Shipping	500	224,520	235,100
Bank Asia Limited	85,000	1,754,400	1,521,500
BATBC	2,000	5,382,200	4,966,000
BD Submarine Cable	35,000	4,181,800	4,151,000
BDTHAI	50,000	1,261,000	1,250,000
Beximco Pharma	20,000	1,619,200	1,616,000
Delta Life Insurance	40,000	4,321,200	4,024,000
DESCO LTD.	27,000	1,467,990	1,250,100
Dhaka Bank Ltd.	33,541	840,202	600,384
Eastern Bank Ltd.	28,750	1,013,150	833,750
Emerald Oil Ind. Ltd	6,000	225,300	236,400
EXIM Bank Ltd.	200,000	3,058,000	2,340,000
First Finance Ltd.	100,000	2,004,000	1,020,000
Generation Next Ltd.	20,000	170,200	198,000
Heidelberg Cement	5,000	2,746,450	2,761,500
IAMCL 2nd NRB MF	60,240	482,522	506,016



MTB SECURITIES LIMITED

STATEMENT OF INVESTMENT IN SECURITIES

As at December 31, 2016

Annexure-B

Amount in BDT			
Name of the Company	Quantity	Cost Value	Market Value
IBNSINA	15,000	3,025,650	2,977,500
ICB	17,000	1,802,170	1,776,500
IFIC	515,200	12,282,368	10,767,680
Islami Bank BD Ltd.	200,000	6,758,000	5,940,000
Jamuna Bank Limited	54,740	1,272,158	853,944
Khulna Power Co. Ltd	100,000	6,451,000	6,250,000
Marico Bangladesh	4,100	4,940,336	3,785,120
Meghna Cement	98,800	13,178,932	10,482,680
Meghna Petroleum Ltd.	127,233	31,253,514	21,680,503
NTC	1,500	983,430	1,092,900
Orion Pharma Limited	60,000	2,576,400	2,526,000
Padma Oil Co. Ltd	50,000	14,939,000	9,010,000
Pragati Life Ins.	70,000	10,924,900	7,084,000
Premier Cement Mills	18,000	1,746,540	1,641,600
Pubali Bank Ltd.	84,000	3,677,520	2,016,000
Quasem Drycells Ltd.	135,000	13,016,700	12,717,000
Renata Limited	225	256,383	244,238
Saif Power	8,100	384,831	409,860
Standard Bank Ltd.	364,741	4,617,621	4,340,418
Summit Alliance Port	18,000	936,360	927,000
Summit Power Ltd.	21,200	827,648	784,400
Tallu Spinning Mills	300,000	9,132,000	3,270,000
The ACME Laboratories Ltd.	109,000	12,165,490	10,791,000
Titas Gas T&D Co. Ltd.	61,000	2,973,140	3,013,400
UCBL	400,000	10,420,000	8,520,000
Uttara Finance	51,656	3,911,769	3,166,513
Total		268,869,422	217,766,589



**INDEPENDENT AUDITOR'S REPORT
TO
THE SHAREHOLDERS OF
MTB CAPITAL LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **MTB Capital Limited** which comprises the Statement of Financial Position as at 31 December 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of MTB Capital Ltd. as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report that:

- (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purpose of the company's business.

Dated : 25 January 2017
Place : Dhaka



AHMAD & AKHTAR
Chartered Accountants

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 Chittagong-4000
 (M): 01715429860



MTB CAPITAL LIMITED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2016

Particulars	Notes	Amount in BDT	
		December 31, 2016	December 31, 2015
<u>SOURCES OF FUNDS</u>			
A. Shareholders' Equity			
Share capital	4	265,000,000	250,000,000
Retained Earnings	5	17,668,192	15,926,471
Total shareholders' Equity		282,668,192	265,926,471
B. Short term loan	6	75,000,000	-
Total sources of funds (A+B)		357,668,192	265,926,471
<u>APPLICATION OF FUNDS</u>			
C. Investment and Advances		173,539,384	160,010,892
Investment in securities	7	173,513,252	159,684,760
Advances	8	26,132	326,132
D. Current Assets		275,079,464	152,911,254
Margin loan to clients	9	212,160,322	115,075,243
Accounts receivable	10	28,825,966	14,411,906
Advance income tax	11	11,242,321	10,336,624
Cash & cash equivalents	12	22,850,856	13,087,480
E. Current Liabilities		97,526,265	54,547,514
Accounts payable	13	45,139,721	19,185,931
Payable for expenses		1,200,000	1,200,000
Provision on investment	14	19,507,001	14,407,001
Liability for current tax	15	31,473,457	19,754,582
Deferred tax liability	16	206,087	-
F. Net current asset (D-E)		177,553,200	98,363,740
G. Property, plant & equipment	17	6,575,609	7,551,839
Total application of funds (C+F+G)		357,668,192	265,926,471

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



Anis A. Khan
Vice-Chairman



Md. Hashem Chowdhury
Director



Khairul Basher A.T. Mohammed
Chief Executive Officer

Signed as per our annexed report of even date

25 January 2017
Dhaka



AHMAD & AKHTAR
Chartered Accountants



MTB CAPITAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2016

Particulars	Notes	Amount in BDT	
		2016	2015
Operating income			
Interest income	18	27,630,841	18,024,091
Income from investment	19	6,215,123	10,035,340
Underwriting commission	20	331,250	-
Issue management fee	21	4,675,000	3,800,000
Settlement fee and documentation charge	22	7,180,520	4,393,898
Portfolio management fee	23	9,222,190	2,591,869
Income from operation		55,254,924	38,845,198
Add: Other income	24	657,487	381,620
Total income		55,912,411	39,226,818
Less: Office & administrative expenses	25	18,551,208	19,018,059
Less: Interest expense		3,594,521	-
Profit before provision and tax		33,766,682	20,208,759
Less: Provision on investment	26	5,100,000	7,236,109
Net profit before tax		28,666,682	12,972,650
Less: Income tax expenses	27	11,924,961	4,940,302
Current tax		11,718,874	4,940,302
Deferred tax		206,087	-
Net profit after tax		16,741,721	8,032,347

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



Anis A. Khan
Vice-Chairman

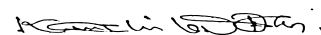


Md. Hashem Chowdhury
Director



Khairul Basher A.T. Mohammed
Chief Executive Officer

Signed as per our annexed report of even date



AHMAD & AKHTAR
Chartered Accountants

25 January 2017
Dhaka



MTB CAPITAL LIMITED

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

Particulars	Amount in BDT	
	2016	2015
Cash flow from operating activities		
Net profit during the year (after tax)	16,741,721	8,032,347
Add: Amount consider as non cash items		
Increase/(decrease) in provision for expenses	-	(400,000)
Increase in provision for investment	5,100,000	7,236,109
Depreciation	1,124,480	974,243
Increase/(decrease) in provision for income tax	11,718,874	4,940,302
Increase/(decrease) in deferred tax liability	206,087	-
Sub total of non cash items	18,149,441	12,750,654
Changes in working capital components		
Increase/(decrease) in accounts payable	25,953,790	8,096,109
(Increase)/decrease in accounts receivable	(14,414,060)	(8,180,076)
(Increase)/decrease in advance income tax	(905,697)	(6,152,238)
(Increase)/decrease in advance & prepayment	300,000	300,000
A Net cash flow from operating activities	45,825,196	14,846,795
Cash flow from investing activities		
(Increase)/decrease in Investment in securities	(13,828,492)	7,201,772
(Increase)/decrease in purchase of premises & fixed asset	(148,250)	(4,041,439)
(Increase)/decrease in margin loan to clients	(97,085,079)	(9,049,652)
Cash sale of fixed asset	-	2,438,455
B Net cash flow from investing activities	(111,061,820)	(3,450,864)
Cash flow from financing activities		
Short term borrowing	75,000,000	-
Dividend paid	-	(23,750,000)
C Net cash flow from financing activities	75,000,000	(23,750,000)
D Net cash increase / (decrease) (A+B+C)	9,763,376	(12,354,069)
E Opening cash and cash equivalents	13,087,480	25,441,549
F Closing cash and cash equivalents (D+E)	22,850,856	13,087,480



Anis A. Khan
Vice-Chairman



Md. Hashem Chowdhury
Director



Khairul Basher A.T. Mohammed
Chief Executive Officer

25 January 2017
Dhaka



MTB CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016

Amount in BDT

Particulars	Paid-up Capital	Retained Earnings	Total
Balance as at January 01, 2016	250,000,000	15,926,471	265,926,471
Net profit for the year after tax	-	16,741,721	16,741,721
Stock dividend	15,000,000	(15,000,000)	-
Balance as at December 31, 2016	265,000,000	17,668,192	282,668,192
Balance as at December 31, 2015	250,000,000	15,926,471	265,926,471



Anis A. Khan
Vice-Chairman



Md. Hashem Chowdhury
Director



Khairul Basher A.T. Mohammed
Chief Executive Officer

25 January 2017
Dhaka



MTB CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1.00 Legal status of the company

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

The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Banglamotor, 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 2016 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 1 January 2016 to 31 December 2016.

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 liabilities as reported in the financial statements.

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.

		Amount in BDT	
		2016	2015
4.00 Authorized capital			
50,00,000 ordinary Shares of Tk. 100 each		500,000,000	500,000,000
Issued, subscribed and paid-up capital			
26,50,000 ordinary Shares of Tk. 100 each		265,000,000	250,000,000
Shareholding Position			
Particulars	No. of Shares	Amount	Percentage
Mutual Trust Bank Limited	2,649,894	264,989,400	99.996%
Mr. M. A. Rouf, JP	106	10,600	0.004%
Total	2,650,000	265,000,000	100%
5.00 Retained earnings			
Opening balance		15,926,471	7,894,123
Add: Net profit during the year		16,741,721	8,032,348
Less: Stock Dividend		(15,000,000)	-
Closing retained earnings		17,668,192	15,926,471



		Amount in BDT	
		2016	2015
6.00 Short term loan			
United Finance Limited		75,000,000	-
		75,000,000	-
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 shares (Annexure - B)		170,513,252	156,684,760
Unquoted shares		3,000,000	3,000,000
		173,513,252	159,684,760
8.00 Advances and prepayment			
Loan to employees		26,132	326,132
		26,132	326,132
9.00 Margin loans to clients			
Margin loan to investors - Non- Discretionary Account (NDA)		211,893,145	115,075,243
Margin loan to investors - Discretionary Account (DA)		267,177	-
		212,160,322	115,075,243
10.00 Accounts receivable			
Underwriting commission		331,250	-
Issue management fee		3,925,000	700,000
Dividend receivable		2,448,594	1,756,190
Management fee		1,945	1,945
Unicap Company Ltd		3,582,836	3,610,459
Square Securities Management Ltd		791,624	985,924
MTB Securities Ltd		3,748,417	7,206,310
City Brokerage Ltd		252,554	113,577
CSML Securities		3,513,551	-
Rental income		95,750	37,500
Interest receivable		34,447	-
IPO		10,100,000	-
		28,825,966	14,411,906
11.00 Advance income tax			
Opening balance		10,336,624	4,184,386
Addition during the Year		905,697	6,152,238
Total		11,242,321	10,336,624



		Amount in BDT	
		2016	2015
12.00	Cash & cash equivalents		
A.	Cash in hand	257	12,525
B.	Cash at Bank (Mutual Trust Bank)		
	MTB-0012-0210010492 (DA)	213	213
	MTB-0012-0210010572 (CD)	678	678
	MTB-0012-0210010607 (Own Portfolio)	-	1
	MTB-0012-0320001007 (SND)	-	7,085
	MTB-0012-0320001614 (GA)	-	9,751
	MTB Tower 0087-0210000191 (DA)	-	669,606
	MTB Tower 0087-0210000164 (CD)	1,526	6,376
	MTB Tower 0087-0210000208 (Own Portfolio)	878,329	-
	MTB Tower 0087-0210000173 (NDA)	-	1,648,972
	MTB Tower 0087-0320000045 (SND)	7,865	5,036,625
	MTB Tower 0087-0210000182 (GA)	-	5,692,550
	MTB Tower 0087-0320000054 (IPO)	16,131	1,204
	MTB Tower 0087-0320000214 (NDA)	18,143,792	-
	MTB Tower 0087-0320000205 (DA)	1,167,429	-
	MTB Tower 0087-0320000223 (GA)	2,632,741	-
	MTB 0012-0320001598 (IPO)	1,896	1,896
		22,850,599	13,074,955
	Total Cash & cash equivalents (A+B)	22,850,856	13,087,480
13.00	Accounts payable		
	LeadSoft BD Ltd. and others	450,901	414,556
	Audit fees payable	50,000	63,250
	Payable to brokers	27,616,902	8,094,724
	Client deposits - NDA	13,443,828	3,400,191
	Client deposits - DA	995,682	584,231
	Client deposits - GC	627,236	3,431,114
	Cheque in transit	-	2,150,000
	Accrued interest	885,000	-
	VAT payable	1,057,719	1,047,865
	Source tax payable	12,450	-
		45,139,721	19,185,931
14.00	Provision for investment		
	Opening balance	14,407,001	7,170,892
	Addition during the year	5,100,000	7,236,109
	Closing balance	19,507,001	14,407,001
15.00	Liability for current tax		
	Opening balance	19,754,582	14,814,280
	Addition during the year	11,718,874	4,940,302
	Closing balance	31,473,457	19,754,582



		Amount in BDT	
		2016	2015
16.00 Deferred tax liability			
Opening balance	-	-	
Add: Provision made during the year (Note-27.02)	206,087	-	
Closing balances	206,087	-	
17.00 Property, plant & equipment			
Opening balance	7,551,839	6,923,097	
Addition during the year	148,250	4,041,439	
Total	7,700,089	10,964,536	
Less: Depreciation charged during the year	1,124,480	974,244	
Less: Write off - Interior Decoration	-	2,438,453	
Written down value	6,575,609	7,551,839	
Detail is shown in Annexure - A			
18.00 Interest income			
Interest on margin loan-Non-Discretionary Account (NDA)	27,173,861	17,179,743	
Interest on margin loan-Discretionary Account (DA)	16,865	2,429	
Interest on bank accounts	440,115	841,919	
	27,630,841	18,024,091	
19.00 Income from investment			
Dividend income (Note-19.01)	4,745,592	3,760,717	
Capital gain on sale of securities	1,469,532	6,274,623	
	6,215,123	10,035,340	
19.01 Dividend income			
Padma Oil Co. Ltd	701,000	701,000	
Grameen Phone Limited	1,344,469	1,308,219	
Shahjibazar Power Co. Ltd	-	35,000	
BD Submarine Cable Co. Ltd	11,000	-	
Lafarge Surma Cement	-	15,000	
Titas Gas Co. Ltd	430,720	300,240	
Meghna Petroliam Ltd.	578,550	578,550	
Paramount Textile Ltd.	203,401	325,442	
Hwa Well Textiles BD Ltd	37,650	37,650	
RSRM Steel Ltd.	52,000	17,500	
ACI Limited	342,000	221,600	
ACI Formulations Limited	88,000	-	
Mobile Jumuna Limited	247,275	15,000	
Takaful Insurance Ltd.	40,013	-	
Rupali Life Limited	13,172	-	
Shasha Denims Limited	22,500	-	
Khulna Power Company Ltd.	128,000	-	
Other Company Dividend	37,990	93,134	
United Power Generation & Distribution Company Ltd.	363,025	-	
Far Chemical Limited	43,125	-	
Beximco Pharma Limited	61,702	-	
Pragati Life Insurance Ltd.	-	112,382	
	4,745,592	3,760,717	



		Amount in BDT	
		2016	2015
20.00 Underwriting commission			
Pacific Denims Limited	281,250	-	
IDLC Finance Limited	50,000	-	
	331,250	-	
21.00 Issue management fee			
Zaheen Spinning Limited	1,000,000	-	
R. A. Spinning Mills Ltd	150,000	-	
Sigma Capital Management Ltd	200,000	-	
Star Ceramics Limited	500,000	-	
Electro Battery Co. Limited	2,025,000	-	
R.K. Fashion Limited	500,000	-	
Sikder Apparel Hosiery Ltd	300,000	-	
Excursion & Resorts Bangladesh Ltd	-	350,000	
Electro Battery Company Ltd	-	200,000	
Mashud Fish Processing & Ice Complex Ltd	-	100,000	
Mahid Expo. Int. Tex Ltd	-	100,000	
Apex Pharma Ltd	-	100,000	
Sagar Jute Spinning Mills Ltd.	-	500,000	
R.A. Spinning Mills Ltd	-	50,000	
Oimex Electrode Limited	-	2,400,000	
	4,675,000	3,800,000	
22.00 Settlement fee & documentation charge			
Settlement fee	7,162,020	4,372,398	
Documentation charge	18,500	21,500	
	7,180,520	4,393,898	
23.00 Portfolio management fee			
Non-discretionary account	8,939,230	2,545,374	
Discretionary account	282,960	46,495	
	9,222,190	2,591,869	
24.00 Other income			
IPO charge	140	220	
Annual BO account charge	141,800	81,400	
BO account closing fee	9,957	-	
Share transfer fee	1,000	-	
Rental income	504,590	300,000	
	657,487	381,620	



		Amount in BDT	
		2016	2015
25.00 Office & administrative expenses			
Salary and remuneration	10,840,421	9,865,670	
Rent, taxes, insurance, electricity, water etc.	3,140,184	3,140,183	
Fees & registration	179,010	284,385	
Postage, telephone, fax, stamps	81,487	89,210	
Printing & stationery	96,917	211,501	
Repairs and maintenance	211,689	805,475	
Depreciation	1,124,480	974,243	
Auditors' fees	63,250	63,250	
Directors' fee	562,750	448,500	
Car expenses	714,491	713,774	
CDBL charges	579,517	510,646	
Internet expense (Dhakacom Ltd.)	34,000	28,600	
Security services charges	341,799	345,658	
Books & newspaper	12,826	10,763	
Holiday working bill	3,900	5,300	
Bank charge	65,264	46,877	
Entertainment	375,026	204,152	
Expenses for fees & commission	-	1,047,865	
Conveyance	45,750	26,280	
Domain and hosting charge	8,000	16,295	
Staff Training	5,250	106,057	
Business promotion expenses	-	45,339	
Travelling expenses	7,387	22,200	
Legal and consultancy fee	55,000	-	
Office maintenance	2,810	-	
Miscellaneous	-	5,836	
	18,551,208	19,018,059	
26.00 Provision on investment	5,100,000	7,236,109	
This provision is made as per BSEC guideline and to reduce the risk of investment.			
27.00 Income tax expenses			
Current tax (Note-27.01)	11,718,874	4,940,302	
Deferred tax (Note-27.02)	206,087	-	
	11,924,961	4,940,302	
27.01 Current tax	11,718,874	4,940,302	
Income tax expenses is calculated as per guideline of Income Tax Ordinance and Rules.			
27.02 Deferred tax	206,087	-	
28.00 Events after the balance sheet date			
Subsequent to the balance sheet date, the Board of Directors recommended 6% stock dividend.			



MTB CAPITAL LTD

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2016

Annexure-A

Particulars	Cost			Rate	Depreciation				Written down value as on 31.12.2016
	Opening balance 01.01.2016	Addition during the year	Disposal during the year		Balance as on 31.12.2016	Opening balance 01.01.2016	Charged during the year	Disposal for the year	Accumulated depreciation
Furniture & Fixture	1,348,194	-	-	10%	1,348,194	41,868	130,632	-	172,500
Office Equipment	8,267,494	148,250	-	20%	8,415,744	4,787,620	717,284	-	5,504,904
Interior Decoration	2,765,639	-	-	10%	2,765,639	-	276,564	-	276,564
Total 2016	12,381,327	148,250	-		12,529,577	4,829,488	1,124,480	-	5,953,968
Total 2015	11,555,738	4,041,439	3,215,850		12,381,327	4,632,641	974,244	777,397	4,829,488
									7,551,839



MTB CAPITAL LIMITED

INVESTMENT IN QUOTED SECURITIES

As at December 31, 2016

Annexure-B

Amount in BDT

Name of the company	No. of shares	Total cost	Market rate per share	Market value	Difference
ACI Formulations Limited	16,000	3,328,323	152.00	2,432,000	(896,323)
ACI Limited	19,800	10,980,967	385.50	7,632,900	(3,348,067)
BD Submarine Cable co. Ltd	11,000	1,719,200	118.60	1,304,600	(414,600)
National Tubes	100	12,297	126.20	12,620	323
RD Food Products Ltd	128,247	2,818,190	18.90	2,423,868	(394,322)
Fortune Shoes Limited	10,063	100,630	50.80	511,200	410,570
Yeakin Polymer Limited	1,141	10,376	30.40	34,699	24,322
BD. Building System Ltd	110,000	6,000,873	51.80	5,698,000	(302,873)
Beximco Limited	52,000	1,592,527	26.00	1,351,988	(240,538)
Familytex (BD) Ltd	96,674	2,430,091	9.80	947,400	(1,482,691)
Far Chemical Ind. Ltd	103,500	3,590,467	23.90	2,473,650	(1,116,817)
Grameen Phone Limited	92,722	34,891,735	284.10	26,342,320	(8,549,415)
Hwa Well Textiles BD Ltd	25,100	1,306,625	41.90	1,051,690	(254,935)
United Power G & D Co.	29,042	4,779,858	141.60	4,112,347	(667,511)
Meghna Petroleum Ltd	55,100	13,539,849	170.40	9,389,040	(4,150,809)
Padma Oil Co. Ltd.	70,100	23,943,183	180.20	12,632,020	(11,311,163)
Paramount Textile Ltd	217,639	8,258,813	20.20	4,396,309	(3,862,504)
Pragati Life Insurance	70,000	14,407,059	101.20	7,084,000	(7,323,059)
Ratanpur Steel Re-rolling Mills	5,200	266,050	73.40	381,680	115,630
Rupali Life Insurance Co. Ltd.	13,172	817,397	36.80	484,730	(332,667)
Beximco Pharma	58,404	5,020,626	80.80	4,719,043	(301,583)
Zaheen Spinning Limited	419,815	9,399,943	18.90	7,934,508	(1,465,435)
Takaful Islami Insurance Co. Ltd.	84,026	2,568,824	18.10	1,520,871	(1,047,954)
Titas Gas T & D Co. Ltd	215,360	18,729,349	49.40	10,638,784	(8,090,565)
Total		170,513,252		115,510,268	(55,002,984)



MTB EXCHANGE (UK) LIMITED

DIRECTORS' REPORT

For the year ended December 31, 2016

The directors present their report and accounts for the year ended December 31, 2016

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was MONEY REMITTANCE & BUREAU DE CHANGE.

DIRECTORS INTERESTS

The directors who served during the year and their interests in the share capital of the company were as follows:

	2016 No	2015 No
RASHED AHMED CHOWDHURY	0	0
SYED MANZUR ELAHI	0	0
MOHAMED ABDUR ROUF	0	0
DR SULTAN HAFEEZ RAHMAN	0	0
ANISUDDIN AHMED KHAN	0	0

DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the board on January 26, 2017



ANISUDDIN AHMED KHAN

Director



MTB EXCHANGE (UK) LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF MTB EXCHANGE (UK) LTD, FOR THE YEAR ENDED DECEMBER 31, 2016

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of MTB EXCHANGE (UK) LTD for the year ended December 31, 2016 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

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

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

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

We have not been instructed to carry out an audit or a review of the accounts of MTB EXCHANGE (UK) LTD, 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

January 26, 2017



MTB EXCHANGE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended December 31, 2016

	Notes	2016 £	2015 £
TURNOVER	2	103,075	95,390
GROSS PROFIT		103,075	95,390
Distribution costs		(5,104)	(2,678)
Administrative expenses		(148,700)	(160,902)
Other operating income		24,500	-
OPERATING LOSS		(26,229)	(68,190)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(26,229)	(68,190)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(26,229)	(68,190)
LOSS FOR THE FINANCIAL YEAR		(26,229)	(68,190)



MTB EXCHANGE (UK) LTD

BALANCE SHEET

As at December 31, 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible Assets	5	24,144	18,080
CURRENT ASSETS			
Debtors(amount falling due within one year)	6	-	629
Debtors(amount falling due after more than one year)	6	8,750	8,750
Cash at bank and in hand		22,863	38,005
		31,613	47,384
Creditors: Amounts falling due within one year	7	327,660	311,138
NET CURRENT LIABILITIES		(296,047)	(263,754)
TOTAL ASSETS LESS CURRENT LIABILITIES		(271,903)	(245,674)
CAPITAL AND RESERVES			
Called up share capital	8	230,000	230,000
Profit and loss account	9	(501,903)	(475,674)
SHAREHOLDERS' FUNDS		(271,903)	(245,674)

For the year ending December 31, 2016 the company was entitled to exemption under section 477 of the Companies Act, 2006 relating to small companies.

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

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

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

Approved by the Board on January 26, 2017 and signed on their behalf by



ANISUDDIN AHMED KHAN
Director



MD. ANISUR RAHMAN
Chief Executive Officer & Manager



MTB EXCHANGE (UK) LIMITED

NOTES TO THE ACCOUNTS

For the year ended December 31, 2016

1. Accounting Policies

1a. Basis of Accounting

The accounts have prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1b. Cash flow Statement

The company is exempt from including statement of cash flows in its accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1c. Depreciation

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

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

1d. Turnover

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

2. Turnover

The turnover and pre-tax result is attributable to MONEY REMITTANCE & BUREAU DE CHANGE.

	2016 £	2015 £
Remittance Commissions	51,795	64,714
Bureau DE Change Commission	9,709	9,645
Exchange Gains	41,571	21,031
	103,075	95,390
3. Operating Profit		
Operating Profit is started after charging:		
Depreciation	6,035	4,520
Auditors' remuneration	2,400	-
	8,435	4,520
4. Tax on Ordinary Activities	-	-

5. Tangible Fixed Assets

	Plant and Machinery £	Fixtures and Fittings £	TOTAL £
Cost			
At 1 January 2016	13,300	45,423	58,723
Additions	800	11,300	12,100
At 31 December 2016	14,100	56,723	70,823
Depreciation			
At 1 January 2016	9,046	31,597	40,643
For the year	1,011	5,025	6,036
At 31 December 2016	10,057	36,622	46,679
Net Book Amounts			
At 31 December 2016	4,043	20,101	24,144
At 31 December 2015	4,254	13,826	18,080



	2016 £	2015 £
6. Debtors		
Amount falling due within one year:		
Other debtors	-	629
	-	629
Amount falling due after more than one year:		
Rent Deposit	8,750	8,750
Total Debtors	8,750	8,750
7. Creditors: Amounts falling due within one year		
TT payable	324,510	310,388
Other Creditors	3,150	750
	327,660	311,138
8. Share Capital		
Allotted, issued and fully paid		
230000 Ordinary shares of £ 1 each	230,000	230,000
	230,000	230,000
9. Profit and Loss Reserve		
Opening balance	(475,674)	(407,484)
Loss for the year	(26,229)	(68,190)
	(501,903)	(475,674)
10. Controlling Party		
The company being 100% Subsidiary of Mutual Trust Bank Ltd, Bangladesh is under common control from the parent company.		



