

# FINANCIAL INFORMATION

MTB aims to build the best quality bank in Bangladesh by adhering to the two bottom line philosophy i.e. People and Profit. Thereby creating an enduring value, competitive advertising and sustainable leadership.

## Director's Responsibilities for Financial Reporting

The Directors are required to present a report along with financial statements and placed them before a general meeting as per Companies Act, 1994. The financial statements of the Bank give a true and fair view of:

- a) the state of affairs as at balance sheet date; and
- b) the profit and loss of the bank for the financial year ended on the balance sheet date.

In preparing these financial statements, the Directors are required to ensure that:

- a) the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- b) estimates and judgments have been made which are reasonable and prudent; and
- c) all applicable accounting standards, as relevant, have been followed

The Directors are also required to declare following matters in their report as per SEC's notification dated February 20, 2006:

- ◆ The financial statements prepared by the management of the issuer company present fairly, its state of affairs, the result of its operations, cash flows and changes in equity
- ◆ Proper books of accounts of the issuer company have been maintained
- ◆ Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the estimates are based on reasonable and prudent judgment
- ◆ International Accounting Standards (IAS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed
- ◆ The system of internal control is sound in design and has been effectively implemented and monitored
- ◆ There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed
- ◆ Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained
- ◆ Key operating and financial data of at least preceding three years should be summarized
- ◆ If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof should be given
- ◆ The number of Board meetings held during the year and attendance by each director should be disclosed

The Directors confirm that the Annual Report together with the Directors' Report and Consolidated Financial Statements have been prepared in compliance with the laws, rules and regulatory guidelines and SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board.



**Dr. Arif Dowla**  
Chairman



## Report on CEO's and CFO's Responsibilities

The financial statements of the MTB Group, Bank and its subsidiaries, are prepared in compliance with Bangladesh Accounting Standards issued by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Bank Companies Act, 1991 and the Securities and Exchange Rules, 1987. The Accounting policies used in the preparation of financial statements are appropriate and are consistently used by the group. All material departures (if any) have been disclosed and explained in the notes to the financial statements. There are no departures from the prescribed accounting standards. Comparative information has been reclassified wherever necessary to comply with the current year's presentation.

The audit committee of the Banks meets periodically with the internal audit team to review their audit plans, to assess the process of their responsibilities and to discuss internal controls and financial reporting issues. The Audit committee pre-approves the audited and non-audited services provided by our external auditors, A. Qasem & Co., in order to ensure that the provision of such services does not impair the auditor's independence. The financial statements of the Bank were audited by A. Qasem & Co., Chartered Accountants, and their report is given on page 139 of the Annual Report.

The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view. The form and substance of transactions and the Bank's state of affairs is reasonably presented. To ensure this, the Bank has taken proper and adequate care in installing a system of internal control and accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

We confirm that the MTB group has complied with all applicable laws and regulations and guidelines and that there are no material litigations against the MTB group.



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



**Meer Sajed-Ul-Basher, FCA**  
Group Chief Financial Officer

## Independent Auditors' Report

### TO THE SHAREHOLDERS OF MUTUAL TRUST BANK LIMITED

We have audited the accompanying consolidated financial statements of **Mutual Trust Bank Limited (the Bank)** and its subsidiaries as well as financial statements of the Bank, which comprises the Balance Sheet as at December 31, 2011 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Bank Companies Act 1991, the Companies Act 1994 and relevant BRPD circulars issued by Bangladesh Bank. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an 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 the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of the subsidiaries have been audited by the other auditors and in our opinion the related amount included in respect of the Bank's subsidiaries is based solely on the reports of the other auditors.

#### Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as on December 31, 2011 and of the results of its operations and cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.



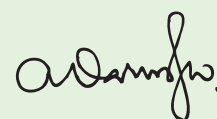


## Independent Auditors' Report

### We also report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;
- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (c) The Bank's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns;
- (d) The expenditure incurred was for the purposes of the Bank's business;
- (e) The financial position of the Bank as on December 31, 2011 and the profit/loss for the period from January 01, 2011 to December 31, 2011 have been properly reflected in the financial statements and have been prepared in accordance with the generally accepted accounting principles;
- (f) The financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the rules and regulations issued by Bangladesh Bank;
- (g) The financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (h) Adequate provisions have been made for loans and advances and other assets which are, in our opinion, doubtful of recovery;
- (i) The records and statements submitted by the branches have been fairly maintained and consolidated in the financial statements;
- (j) The information and explanations required by us have been received and found satisfactory;
- (k) No benami and doubtful bank accounts came to our notice in the course of our audit;
- (l) 80% of the risk-weighted assets of the Bank have been audited.

Dated Dhaka  
March 01, 2012



A. Qasem & Co.  
Chartered Accountants

# Consolidated Balance Sheet

As at December 31, 2011

<b>Property and Assets</b>	<b>Note</b>	<b>2011 BDT</b>	<b>2010 BDT</b>
<b>Cash</b>	3 (a)	<b>4,716,134,564</b>	<b>3,456,112,220</b>
In Hand (Including Foreign Currency)		751,226,912	520,003,549
With Bangladesh Bank and its agent Bank (including Foreign Currency)		3,964,907,652	2,936,108,671
<b>Balance with Other Banks &amp; Financial Institutions</b>	4 (a)	<b>703,907,854</b>	<b>2,480,922,682</b>
In Bangladesh		331,202,955	2,118,788,032
Outside Bangladesh		372,704,899	362,134,650
<b>Money at Call and Short Notice</b>		-	-
<b>Investments</b>	5 (a)	<b>20,148,719,663</b>	<b>9,216,332,760</b>
Government		18,242,031,897	8,070,955,596
Others		1,906,687,766	1,145,377,164
<b>Loans and Advances</b>	6 (a)	<b>47,005,479,862</b>	<b>39,676,121,484</b>
Loans, Cash Credit, Overdrafts, etc.		44,887,866,922	37,704,921,351
Bills Purchased and Discounted		2,117,612,940	1,971,200,133
Fixed Asset including Premises, Furniture & Fixture	7 (a)	1,552,927,489	765,260,620
Other Assets	8 (a)	2,204,196,757	1,934,455,329
Non-Banking Asset		-	-
<b>Total Property and Assets</b>		<b>76,331,366,189</b>	<b>57,529,205,095</b>
<b>Liabilities and Capital</b>			
Borrowing from other Banks, Financial Institutions & Agents	9 (a)	5,780,734,592	2,329,576,556
<b>Deposit and Other Accounts</b>	10 (a)	<b>59,050,804,354</b>	<b>45,129,483,249</b>
Current Deposit & Other Accounts		8,782,345,701	7,873,676,270
Bills Payable		602,193,277	529,737,722
Savings Deposit		7,839,511,192	6,355,801,810
Fixed Deposit		35,193,347,473	25,576,314,337
Deposit-Products		6,633,406,711	4,793,953,110
Other Liabilities	11 (a)	4,184,857,033	3,191,314,461
Subordinated Debt	12.00	2,500,000,000	2,500,000,000
<b>Total Liabilities</b>		<b>71,516,395,979</b>	<b>53,150,374,266</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.00	2,543,498,400	2,119,582,000
Statutory Reserve	14 (a)	1,473,576,620	1,278,436,492
Revaluation Reserve on Investment in Securities		122,327,379	89,590,794
Foreign Currency Translation gain		2,298,010	235,052
General Reserve	15.00	361,777,324	361,777,324
Retained Earnings	16 (a)	311,451,467	529,187,624
<b>Total Shareholders' Equity</b>		<b>4,814,929,200</b>	<b>4,378,809,286</b>
Minority Interest		41,010	21,543
<b>Total Liabilities and Shareholders' Equity</b>		<b>76,331,366,189</b>	<b>57,529,205,095</b>
Net Asset Value (NAV) per share		18.93	17.22



# Consolidated Balance Sheet

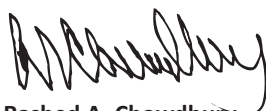
As at December 31, 2011

<b>Off-Balance Sheet Items</b>	<b>Note</b>	<b>2011 BDT</b>	<b>2010 BDT</b>
Contingent Liabilities	17.00		
Letter of Guarantee		3,728,887,570	3,723,340,283
Irrevocable Letter of Credit		3,884,813,778	4,683,910,229
Bills for Collection		1,867,834,766	760,653,590
Other Contingent Liabilities		5,846,281,138	3,847,663,096
		<b>15,327,817,252</b>	<b>13,015,567,198</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,883,300,000	2,483,300,000
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		<b>1,883,300,000</b>	<b>2,483,300,000</b>
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>17,211,117,252</b>	<b>15,498,867,198</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



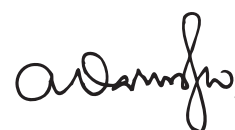
**Syed Manzur Elahi**  
Director



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

Signed as per annexed report on even date

Dated Dhaka  
March 01, 2012



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

# Consolidated Profit & Loss Account

For the year ended December 31, 2011

Particulars	Note	2011 BDT	2010 BDT
Interest Income	19 (a)	6,097,523,435	4,455,024,409
Less: Interest Paid on Deposit and Borrowing, etc.	20 (a)	5,209,827,446	3,209,919,174
<b>Net Interest Income</b>		<b>887,695,989</b>	<b>1,245,105,235</b>
Income from Investments	21 (a)	1,130,774,700	965,129,077
Commission, Exchange and Brokerage	22 (a)	774,091,846	1,007,594,209
Other Operating Income	23 (a)	311,291,349	180,818,634
		<b>2,216,157,895</b>	<b>2,153,541,920</b>
<b>Total Operating Income</b>		<b>3,103,853,884</b>	<b>3,398,647,155</b>
<b>Less: Operating Expenditure</b>			
Salary and Allowances	24 (a)	812,313,769	546,220,380
Rent, Tax, Insurance, Electricity	25 (a)	384,701,224	284,773,521
Legal Expense	26 (a)	1,716,710	2,029,129
Postage, Stamps and Telephone	27 (a)	62,667,456	49,070,197
Printing, Stationery, Advertisement	28 (a)	92,831,920	75,513,845
Managing Director's Remuneration	24.01	9,120,000	9,120,000
Directors' Fee	29.00	630,000	654,000
Audit Fee	30 (a)	1,132,220	653,000
Depreciation on and Repair to Bank's Property	31 (a)	168,214,947	96,544,891
Other Expenditure	32 (a)	365,268,712	332,351,700
		<b>1,898,596,958</b>	<b>1,396,930,663</b>
<b>Profit Before Provision</b>		<b>1,205,256,926</b>	<b>2,001,716,492</b>
Less: Provision against Loans & Advances including Off Balance Sheet Items	33.00	200,049,000	508,837,012
Less: Provision against Investment in Quoted Shares		29,507,284	2,325,075
Less: Provision against Other Asset		-	-
<b>Total Provision</b>		<b>229,556,284</b>	<b>511,162,087</b>
<b>Profit Before Tax</b>		<b>975,700,642</b>	<b>1,490,554,405</b>
<b>Less: Provision for Tax</b>	34 (a)	<b>571,477,943</b>	<b>502,192,345</b>
Current Tax		589,589,884	500,000,000
Deferred Tax		(18,111,941)	2,192,345
<b>Net Profit After Tax</b>		<b>404,222,699</b>	<b>988,362,060</b>

# Consolidated Profit & Loss Account

For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>Attributable to:</b>			
Shareholders of the Bank		404,203,232	988,340,517
Minority Interest		19,467	21,543
		<b>404,222,699</b>	<b>988,362,060</b>
<b>Retained Surplus Brought Forward</b>		<b>526,304,763</b>	<b>392,221,588</b>
		<b>930,507,995</b>	<b>1,380,562,105</b>
<b>Appropriation:</b>			
Bonus Share Issued during the year		423,916,400	353,263,600
Transferred to Statutory Reserve		195,140,128	298,110,881
Transferred to General Reserve		-	200,000,000
		<b>619,056,528</b>	<b>851,374,481</b>
<b>Retained Surplus, Carried Forward</b>		<b>311,451,467</b>	<b>529,187,624</b>
<b>Earnings Per Share</b>	35 (a)	1.59	3.89

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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

Signed as per annexed report on even date

Dated Dhaka  
March 01, 2012



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

# Consolidated Statement of Cash Flow

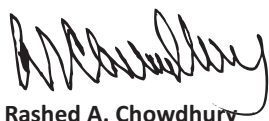
For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>A) Cash Flow From Operating Activities:</b>			
Interest Received		7,316,852,653	5,350,087,631
Interest Paid on Deposits, Borrowings, etc.		(4,453,745,724)	(3,354,319,923)
Dividend Income		16,084,636	16,832,850
Fees & Commission Income		507,611,150	802,643,141
Recoveries of Loans previously written off		79,391,616	1,000,000
Cash Paid to Employees as Salaries and Allowances		(713,776,774)	(478,449,569)
Advance Income Tax Paid		(363,654,442)	(625,663,553)
Cash Received From Other Operational Income	36 (a)	498,380,429	384,769,702
Cash Paid for Other Operational Expenses	37 (a)	(921,790,260)	(752,776,912)
<b>Cash Flow From Operating Activities Before Changes in Net Current Asset</b>		<b>1,965,353,284</b>	<b>1,344,123,367</b>
<b>Changes in Net Current Asset :</b>			
Investment in Treasury Bond		(8,461,832,808)	(680,595,898)
Loans & Advances		(7,433,997,532)	(5,738,964,774)
Other Asset	8 (a)	93,473,923	(234,149,677)
Bank Deposit		500,020,000	(116,451,597)
Customers' Deposit		12,740,835,820	3,118,461,468
Subordinated debt		-	2,500,000,000
Borrowing from Other Banks, Financial Institutions & Agents	9 (a)	3,451,158,036	(1,220,423,444)
Other Liabilities	11 (a)	4,626,289	(45,788,670)
		<b>894,283,728</b>	<b>(2,417,912,592)</b>
<b>Net Cash Flow From Operating Activities</b>		<b>2,859,637,012</b>	<b>(1,073,789,225)</b>
<b>B) Cash Flow From Investing Activities:</b>			
Investments in Shares & Bonds		(761,310,602)	(569,392,391)
Purchase of Premises & Fixed Asset (net)		(941,109,996)	(408,497,111)
<b>Net Cash Flow From Investing Activities</b>		<b>(1,702,420,598)</b>	<b>(977,889,502)</b>
<b>C) Cash Flow From Financing Activities:</b>			
Receipts From Issue of Right Shares		-	-
Dividend Paid		-	-
Net Cash Flow From Financing Activities		-	-
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>1,157,216,414</b>	<b>(2,051,678,727)</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>2,298,010</b>	<b>235,052</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>6,736,762,570</b>	<b>8,788,206,245</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>7,896,276,994</b>	<b>6,736,762,570</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		751,226,912	520,003,549
Balance with Bangladesh Bank and its Agent Bank		3,964,907,652	2,936,108,671
Balance with Other Banks & Financial Institutions		703,907,854	2,480,922,682
Money at Call and Short Notice		-	-
Treasury Bill		2,474,018,726	798,263,268
Prize Bond		2,215,850	1,464,400
		<b>7,896,276,994</b>	<b>6,736,762,570</b>
<b>Net Operating Cash Flow Per Share</b>		<b>11.24</b>	<b>-4.22</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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

## Consolidated Statement of Changes in Equity

For the year ended December 31, 2011

Annexure-C (i)

Particulars	Paid up Capital		Share Premium		Statutory Reserve		General Reserve		Revaluation Surplus on Investments		Foreign Currency Translation Gain		Profit & Loss Account		Total		Minority Interest		Total	
	BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT	
<b>Balance as on 01 January 2011</b>	<b>2,119,582,000</b>	-	-	-	<b>1,278,436,492</b>	-	<b>361,777,324</b>	-	<b>89,590,794</b>	-	<b>235,052</b>	-	<b>529,187,624</b>	-	<b>4,378,809,286</b>	-	<b>21,543</b>	-	<b>4,378,830,829</b>	-
Prior year loss of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(2,882,861)	-	(2,882,861)	-	-	-	(2,882,861)	-
<b>Restated Balance</b>	<b>2,119,582,000</b>	-	-	-	<b>1,278,436,492</b>	-	<b>361,777,324</b>	-	<b>89,590,794</b>	-	<b>235,052</b>	-	<b>526,304,763</b>	-	<b>4,375,926,425</b>	-	<b>21,543</b>	-	<b>4,375,947,968</b>	-
Bonus Share Issued during the year	423,916,400	-	-	-	-	-	-	-	-	-	-	-	(423,916,400)	-	-	-	-	-	-	-
Right Share Issued during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency Translation differences	-	-	-	-	-	-	-	-	-	-	2,062,958	-	-	-	2,062,958	-	-	-	2,062,958	-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve transferred during the year	-	-	-	-	-	-	-	-	32,736,585	-	-	-	-	-	32,736,585	-	-	-	32,736,585	-
Net Profit for the year After Tax	-	-	-	-	-	-	-	-	-	-	-	-	404,203,232	-	404,203,232	-	19,467	-	404,222,699	-
Appropriation made during the year	-	-	-	-	-	-	195,140,128	-	-	-	-	-	(195,140,128)	-	-	-	-	-	-	-
<b>Balance as on 31 December 2011</b>	<b>2,543,498,400</b>	-	-	-	<b>1,473,576,620</b>	-	<b>361,777,324</b>	-	<b>122,327,379</b>	-	<b>2,298,010</b>	-	<b>311,451,467</b>	-	<b>4,814,929,200</b>	-	<b>41,010</b>	-	<b>4,814,970,210</b>	-

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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

## Consolidated Liquidity Statement

As at December 31, 2011

Annexure-C (i)

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>ASSET :</b>						
Cash	4,716,134,564	-	-	-	-	4,716,134,564
Balance with other Banks and Financial Institutions	423,659,958	156,481,416	55,778,970	67,987,510	-	703,907,854
Money at Call & Short notice	-	-	-	-	-	-
Investments	2,215,850	424,114,796	3,067,758,996	7,574,036,160	9,080,593,861	20,148,719,663
Loans and Advances	3,495,422,597	16,964,133,156	11,448,589,357	11,134,733,680	3,962,601,072	47,005,479,862
Premises and Fixed Asset	7,652,606	15,305,212	68,873,454	367,325,088	1,093,771,129	1,552,927,489
Other Asset	96,192,196	286,596,594	288,011,514	1,173,356,305	360,040,148	2,204,196,757
Non-Banking Asset	-	-	-	-	-	-
<b>Total Asset</b>	<b>8,741,277,771</b>	<b>17,846,631,174</b>	<b>14,929,012,291</b>	<b>20,317,438,743</b>	<b>14,497,006,210</b>	<b>76,331,366,189</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	5,780,734,592	-	-	-	-	5,780,734,592
Deposit and Other Account	15,724,037,602	23,247,290,561	13,939,482,171	3,808,070,962	2,331,923,058	59,050,804,354
Provision & Other Liabilities	11,345,977	638,739,647	715,951,989	1,260,003,283	1,483,199,700	4,109,240,596
Subordinated Debt	-	75,616,437	-	-	2,500,000,000	2,575,616,437
<b>Total Liability</b>	<b>21,516,118,171</b>	<b>23,961,646,645</b>	<b>14,655,434,160</b>	<b>5,068,074,245</b>	<b>6,315,122,758</b>	<b>71,516,395,979</b>
<b>Net Liquidity</b>	<b>(12,774,840,400)</b>	<b>(6,115,015,471)</b>	<b>273,578,131</b>	<b>15,249,364,498</b>	<b>8,181,883,452</b>	<b>4,814,970,210</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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



# Balance Sheet

As at December 31, 2011

<u>Property and Asset</u>	Note	2011 BDT	2010 BDT
<b>Cash</b>	3.00	<b>4,716,133,240</b>	<b>3,456,112,220</b>
In Hand (Including Foreign Currency)		751,225,588	520,003,549
With Bangladesh Bank and its agent Bank (including Foreign Currency)		3,964,907,652	2,936,108,671
<b>Balance with other Banks &amp; Financial Institutions</b>	4.00	<b>668,352,839</b>	<b>2,480,922,682</b>
In Bangladesh		302,549,985	2,118,788,032
Outside Bangladesh		365,802,854	362,134,650
Money at Call and Short Notice		-	-
<b>Investments</b>	5.00	<b>19,960,429,511</b>	<b>9,098,954,386</b>
Government		18,242,031,897	8,070,955,596
Others		1,718,397,614	1,027,998,790
<b>Loans and Advances</b>	6.00	<b>46,189,739,532</b>	<b>39,002,139,163</b>
Loans, Cash Credit, Overdrafts, etc.		44,072,126,592	37,030,939,030
Bills Purchased and Discounted		2,117,612,940	1,971,200,133
Fixed Asset including Premises, Furniture & Fixture	7.00	1,468,706,530	722,053,009
Other Asset	8.00	3,500,455,353	2,774,849,697
Non-Banking Asset		-	-
<b>Total Property and Asset</b>		<b>76,503,817,005</b>	<b>57,535,031,157</b>
<u>Liabilities and Capital</u>			
Borrowing from other Banks, Financial Institutions & Agents	9.00	5,780,734,592	2,329,576,556
<b>Deposit and Other Accounts</b>	10.00	<b>59,705,258,361</b>	<b>45,846,309,207</b>
Current Deposit & Other Accounts		9,206,185,578	8,590,502,228
Bills Payable		602,193,277	529,737,722
Savings Deposit		7,839,511,192	6,355,801,810
Fixed Deposit		35,423,961,603	25,576,314,337
Deposit-Products		6,633,406,711	4,793,953,110
Other Liabilities	11.00	3,683,475,926	2,695,742,111
Subordinated Debt	12.00	2,500,000,000	2,500,000,000
<b>Total Liabilities</b>		<b>71,669,468,879</b>	<b>53,371,627,874</b>
Capital/Shareholders' Equity			
Paid up Capital	13.00	2,543,498,400	2,119,582,000
Statutory Reserve	14.00	1,473,576,620	1,278,436,492
Revaluation Reserve on Investment in Securities		122,327,379	89,590,794
Foreign Currency Translation gain		3,052,314	235,052
General Reserve	15.00	361,777,324	361,777,324
Retained Earnings	16.00	330,116,089	313,781,621
<b>Total Shareholders' Equity</b>		<b>4,834,348,126</b>	<b>4,163,403,283</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>76,503,817,005</b>	<b>57,535,031,157</b>
<b>Net Asset Value (NAV) per share</b>		<b>19.01</b>	<b>16.37</b>

# Balance Sheet

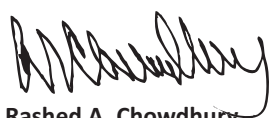
## As at December 31, 2011

<b>Off-Balance Sheet Items</b>	<b>Note</b>	<b>2011 BDT</b>	<b>2010 BDT</b>
Contingent Liabilities	17.00		
Letter of Guarantee		3,728,887,570	3,723,340,283
Irrevocable Letter of Credit		3,884,813,778	4,683,910,229
Bills for Collection		1,867,834,766	760,653,590
Other Contingent Liabilities		5,846,281,138	3,847,663,096
		<b>15,327,817,252</b>	<b>13,015,567,198</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,883,300,000	2,483,300,000
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		<b>1,883,300,000</b>	<b>2,483,300,000</b>
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>17,211,117,252</b>	<b>15,498,867,198</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



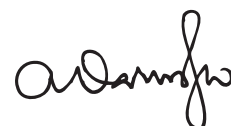
**Syed Manzur Elahi**  
Director



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

Signed as per annexed report on even date

Dated Dhaka  
March 01, 2012



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

# Profit and Loss Account

For the year ended December 31, 2011

<u>Particulars</u>	<u>Note</u>	<b>2011</b> <b>BDT</b>	<b>2010</b> <b>BDT</b>
Interest Income	19.00	5,919,227,383	4,384,533,260
Less: Interest Paid on Deposit and Borrowing, etc.	20.00	5,279,866,439	3,209,919,174
<b>Net Interest Income</b>		<b>639,360,944</b>	<b>1,174,614,086</b>
Income from Investments	21.00	1,546,687,899	932,208,191
Commission, Exchange and Brokerage	22.00	554,026,617	796,946,740
Other Operating Income	23.00	279,343,376	170,405,464
		<b>2,380,057,892</b>	<b>1,899,560,395</b>
<b>Total Operating Income</b>		<b>3,019,418,836</b>	<b>3,074,174,481</b>
Less: Operating Expenditure:			
Salary and Allowances	24.00	758,752,722	539,036,803
Rent, Tax, Insurance, Electricity	25.00	348,644,064	277,794,761
Legal Expense	26.00	1,401,257	2,019,129
Postage, Stamps and Telephone	27.00	61,357,676	47,339,116
Printing, Stationery, Advertisement	28.00	89,063,079	70,418,235
Managing Director's Remuneration	24.01	9,120,000	9,120,000
Directors' Fee	29.00	630,000	654,000
Audit Fee	30.00	582,500	623,000
Depreciation on and Repair to Bank's Property	31.00	157,729,594	94,685,176
Other Expenditure	32.00	320,379,746	310,971,396
<b>Total Operating Expenses</b>		<b>1,747,660,638</b>	<b>1,352,661,616</b>
<b>Profit Before Provision</b>		<b>1,271,758,198</b>	<b>1,721,512,865</b>
Less: Provision against Loans & Advances including Off Balance Sheet Items	33.00	200,049,000	508,837,012
Less: Provision against Investment in Quoted Shares		6,195,143	413,713
Less: Provision against Other Asset		-	-
<b>Total Provision</b>		<b>206,244,143</b>	<b>509,250,725</b>
<b>Profit Before Tax</b>		<b>1,065,514,055</b>	<b>1,212,262,140</b>
<b>Less: Provision for Tax</b>	34.00	<b>430,123,059</b>	<b>439,327,626</b>
Current Tax		448,235,000	437,135,281
Deferred Tax		(18,111,941)	2,192,345
<b>Net Profit After Tax</b>		<b>635,390,996</b>	<b>772,934,514</b>
<b>Retained Surplus Brought Forward</b>		<b>313,781,621</b>	<b>392,221,588</b>
		<b>949,172,617</b>	<b>1,165,156,102</b>

## Profit and Loss Account

For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>Appropriation:</b>			
Bonus Share Issued during the year		423,916,400	353,263,600
Transferred to Statutory Reserve		195,140,128	298,110,881
Transferred to General Reserve		-	200,000,000
		<b>619,056,528</b>	<b>851,374,481</b>
<b>Retained Surplus, Carried Forward</b>		<b>330,116,089</b>	<b>313,781,621</b>
<b>Earnings Per Share</b>	35.00	<b>2.50</b>	<b>3.04</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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

Signed as per annexed report on even date

Dated Dhaka  
March 01, 2012



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



# Statement of Cash Flow

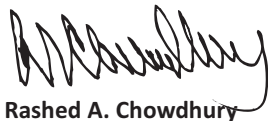
For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>A) Cash Flow From Operating Activities:</b>			
Interest Received		7,060,833,683	5,492,876,332
Interest Paid on Deposits, Borrowings, etc.		(4,523,784,717)	(3,354,319,923)
Dividend Income		426,162,667	16,832,850
Fees & Commission Income		287,545,921	591,995,672
Recoveries of Loans previously written off		79,391,616	1,000,000
Cash Paid to Employees as Salaries and Allowances		(670,015,727)	(471,265,992)
Advance Income Tax Paid		(315,673,592)	(595,774,687)
Cash Received From Other Operational Income	36.00	466,432,456	374,356,532
Cash Paid for Other Operational Expenses	37.00	(833,520,889)	(717,442,456)
<b>Cash Flow From Operating Activities Before Changes in Net Current Asset</b>		<b>1,977,371,418</b>	<b>1,338,258,328</b>
<b>Changes in Net Current Asset :</b>			
Investment in Treasury Bond		(8,461,832,808)	(680,595,898)
Loans & Advances		(7,208,681,437)	(5,311,183,189)
Other Asset	8.00	(380,482,289)	(1,074,544,045)
Bank Deposit		500,020,000	(116,451,597)
Customers' Deposit		12,678,463,869	3,640,371,987
Subordinated debt		-	2,500,000,000
Borrowing from Other Banks, Financial Institutions & Agents	9.00	3,451,158,036	(1,025,508,005)
Other Liabilities	11.00	146,208,354	(506,473,805)
		<b>724,853,725</b>	<b>(2,574,384,552)</b>
<b>Net Cash Flow From Operating Activities</b>		<b>2,702,225,143</b>	<b>(1,236,126,224)</b>
<b>B) Cash Flow From Investing Activities:</b>			
Investments in Shares & Bonds		(690,398,824)	(452,014,017)
Purchase of Premises & Fixed Asset ( net )		(890,920,548)	(363,538,486)
<b>Net Cash Flow From Investing Activities</b>		<b>(1,581,319,372)</b>	<b>(815,552,503)</b>
<b>C) Cash Flow From Financing Activities:</b>			
Receipts From Issue of Right Shares		-	-
Dividend Paid		-	-
<b>Net Cash Flow From Financing Activities</b>		<b>-</b>	<b>-</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>1,120,905,771</b>	<b>(2,051,678,727)</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>3,052,314</b>	<b>235,052</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>6,736,762,570</b>	<b>8,788,206,245</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>7,860,720,655</b>	<b>6,736,762,570</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		751,225,588	520,003,549
Balance with Bangladesh Bank and its Agent Bank		3,964,907,652	2,936,108,671
Balance with Other Banks & Financial Institutions		668,352,839	2,480,922,682
Money at Call and Short Notice		-	-
Treasury Bill		2,474,018,726	798,263,268
Prize Bond		2,215,850	1,464,400
		<b>7,860,720,655</b>	<b>6,736,762,570</b>
<b>Net Operating Cash Flow Per Share</b>		<b>10.62</b>	<b>(4.86)</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director




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

## Statement of Changes in Equity

For the year ended December 31, 2011

Particulars	Paid up Capital		Share Premium		Statutory Reserve		General Reserve		Revaluation Surplus on Investments		Foreign Currency Translation Gain		Profit & Loss Account		Total	
	BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT	
<b>Balance as on 01 January 2011</b>	<b>2,119,582,000</b>		-		<b>1,219,222,616</b>		<b>361,777,324</b>		<b>89,590,794</b>		<b>235,052</b>		<b>355,218,384</b>		<b>4,145,626,170</b>	
Transferred to Statutory Reserve	-		-		59,213,876		-		-		-		(59,213,876)		-	
Profit earned from Off-shore Banking Unit	-		-		-		-		-		-		17,777,113		<b>17,777,113</b>	
<b>Restated Balance</b>	<b>2,119,582,000</b>		-		<b>1,278,436,492</b>		<b>361,777,324</b>		<b>89,590,794</b>		<b>235,052</b>		<b>313,781,621</b>		<b>4,163,403,283</b>	
Bonus Share Issued during the year	423,916,400		-		-		-		-		-		(423,916,400)		-	
Right Share Issued during the year	-		-		-		-		-		-		-		-	
Currency Translation differences	-		-		-		-		-		2,817,262		-		<b>2,817,262</b>	
Cash Dividend Paid during the year	-		-		-		-		-		-		-		-	
Transferred to General Reserve	-		-		-		-		-		-		-		-	
Revaluation Reserve transferred during the year	-		-		-		-		32,736,585		-		-		<b>32,736,585</b>	
Net Profit for the year after tax	-		-		-		-		-		-		635,390,996		<b>635,390,996</b>	
Appropriation made during the year	-		-		195,140,128		-		-		-		(195,140,128)		-	
<b>Balance as on 31 December 2011</b>	<b>2,543,498,400</b>		-		<b>1,473,576,620</b>		<b>361,777,324</b>		<b>122,327,379</b>		<b>3,052,314</b>		<b>330,116,089</b>		<b>4,834,348,126</b>	

The annexed notes form an integral part of these accounts

  
Dr. Arif Dowla  
Chairman

  
Rashed A. Chowdhury  
Vice Chairman

  
Syed Manzur Elahi  
Director

  
Anis A. Khan  
Managing Director & CEO

## Liquidity Statement

As at December 31, 2011

Particulars	Time Period					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
	BDT	BDT	BDT	BDT	BDT	BDT
<b>ASSET :</b>						
Cash	4,716,133,240	-	-	-	-	4,716,133,240
Balance with other Banks and Financial Institutions	423,659,958	156,481,416	20,223,955	67,987,510	-	668,352,839
Money at Call & Short notice	-	-	-	-	-	-
Investments	2,215,850	243,824,644	3,067,758,996	7,574,036,160	9,072,593,861	19,960,429,511
Loans and Advances	2,679,682,267	16,964,133,156	11,448,589,357	11,134,733,680	3,962,601,072	46,189,739,532
Premises and Fixed Asset	14,687,065	29,374,131	132,183,588	704,979,134	587,482,612	1,468,706,530
Other Asset	96,192,196	286,596,594	468,215,110	1,173,356,305	1,476,095,148	3,500,455,353
Non-Banking Asset	-	-	-	-	-	-
<b>Total Asset</b>	<b>7,932,570,577</b>	<b>17,680,409,941</b>	<b>15,136,971,006</b>	<b>20,655,092,789</b>	<b>15,098,772,693</b>	<b>76,503,817,005</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	5,780,734,592	-	-	-	-	5,780,734,592
Deposit and Other Account	15,724,037,602	23,477,904,691	14,363,322,048	3,808,070,962	2,331,923,058	59,705,258,361
Provision & Other Liabilities	11,345,977	359,211,414	494,099,115	1,260,003,283	1,483,199,700	3,607,859,489
Subordinated Debt	-	75,616,437	-	-	2,500,000,000	2,575,616,437
<b>Total Liability</b>	<b>21,516,118,171</b>	<b>23,912,732,542</b>	<b>14,857,421,163</b>	<b>5,068,074,245</b>	<b>6,315,122,758</b>	<b>71,669,468,879</b>
<b>Net Liquidity</b>	<b>(13,583,547,594)</b>	<b>(6,232,322,602)</b>	<b>279,549,843</b>	<b>15,587,018,544</b>	<b>8,783,649,935</b>	<b>4,834,348,126</b>

The annexed notes form an integral part of these accounts



**Dr. Arif Dowla**  
Chairman



**Rashed A. Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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

# Notes to the Financial Statements

For the year ended December 31, 2011

## 1.0 Legal status and nature of the Bank

Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994. All types of commercial banking services are provided by the bank within the stipulations laid down by the Bank Companies Act, 1991 and directive as received from the Bangladesh Bank from time to time. The bank started its commercial business from October 24, 1999. The shares of the bank are listed with the Dhaka and Chittagong Stock Exchange, as a publicly quoted company for its shares. Authorized Capital of the Bank is BDT 10 billion. The Bank has 62 (sixty two) branches, 14 (fourteen) SME/Agri Branches and 1 (one) Booth all over Bangladesh. The bank has no overseas branch as on December 2011. The booth is located at Hazrat Shahjalal International Airport, Dhaka.

The registered office of the Bank is located at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212.

## 1.1 Principal Activities

The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh such as accepting deposits, corporate and retail banking, personal financial services, project finance, etc.

## 1.2 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 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 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.

## 1.3 Subsidiary Companies

### 1.3.1 MTB Securities Limited (MTBSL)

MTBSL is engaged in buying and selling of securities for its customer 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 guideline. It also undertakes investment of the bank's fund in the capital market. Separate Financial Statements of MTB Securities Limited has been drawn up in the reports.

### 1.3.2 MTB Exchange (UK) Limited (MTBUK)

Bangladesh Bank vide their letter No: BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name and style of MTB Exchange (UK) Limited. The Company was incorporated on June 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

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





# Notes to the Financial Statements

## 1.3.3 MTB Capital Limited (MTBCL)

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

MTBCL will offer the following services to the market:

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

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

## 2.0 Significant Accounting Policies and Basis of preparation of Financial Statements

### 2.1 Basis of Accounting

The financial statements of the Bank are made up to December 31, 2011 and are prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec- 38) of the Bank Companies Act, 1991 as amended by the Bangladesh Bank vide BRPD circular No. 14 dated June 25, 2003 and other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the Corporate Head Office and the branch have been taken into accounts.

References have been made according to International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) and Interpretations as approved at 01 January 2010.

### 2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units and its subsidiaries, MTB Securities Limited, MTB Capital Limited & MTB Exchange (UK) Limited, made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ending 31 December 2011.

### Subsidiary

Subsidiary is that enterprise controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that the control effectively commences until the date that it control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting. The MTB subsidiaries i.e. MTB Securities Limited, MTB Capital Limited & MTB Exchange (UK) Limited has a common financial year ending 31 December 2011.

# Notes to the Financial Statements

## 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	123.50	81.85
For income & expenses	Average price	117.10	74.20

## Transactions eliminated on consolidation

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

## 2.3 Use of Estimates & Judgments

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

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

## 2.4 Cash Flow Statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No.14, dated June 25 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

## 2.5 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term.
- ii) Investments are on the basis of their repayment schedule
- iii) Loans and advances/investments are on the basis of their repayment schedule
- iv) Fixed assets are on the basis of their useful lives
- v) Other assets are on the basis of their realization/amortization
- vi) Borrowing from other Banks, financial institutions and agents, etc are as per their maturity/repayment terms
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors
- viii) Provision and other liabilities are on the basis of their payment/ adjustments schedule

## 2.6 Reporting Period

These financial statements cover one calendar year from January 1 to December 31, 2011



# Notes to the Financial Statements

## 2.7 Assets and Basis of their Valuation

### 2.7.1 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.

### 2.7.2 Investments

All investment securities are 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 method of investments used is:

#### Held to Maturity (HTM)

The government securities under HTM category are valued at present value of amortized cost at the end of the year. The HTM securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains/ (losses) are credited to revaluation of reserve account and are shown in the equity.

#### 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. These investments are subsequently measured at present value as per the Bangladesh Bank Guideline. Investments in securities have been revalued as mark to market as at December 31, 2011, and have been shown in the equity. Value of investments has been enumerated as follows:

Items	Applicable accounting value
Government treasury bill	Present value
Government treasury bond	Present value
Prize bond	At cost

#### Investment in Securities

Investment in marketable securities has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis under Bangladesh Accounting Standard (BAS) 25 “ Accounting for Investment”.

Investment in non-marketable securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

### 2.7.3 Loans and Advances

1. Loans and advances have been stated at gross value as per The Bank Companies Act, 1991.
2. Interest is calculated in a daily product basis but charged quarterly.
3. Interests on good loans and advances have been accounted for as income on accrual basis.

## Notes to the Financial Statements

Provision for loans and advances and Off Balance Sheet items are made on the basis of information furnished by the branches and instructions contained in Bangladesh Bank. BCD Circular No. 12 dated 4 September 1995, BRPD Circular No.16 dated 6 December 1998, BRPD Circular No. 9 dated 14 May 2001, BRPD Circular No. 20 dated 20 December 2005, BRPD circular No. 5 dated 05 June 2006, BRPD Circular no. 10 dated 18 September 2007 and BRPD circular No. 5 dated 29 April 2008 at the following rates:

Classification Criteria on General / Specific Provision	Rates of provision
Unclassified loans and advances	1%
Unclassified small enterprise financing	2%
Unclassified loans for housing finance and on loans for professional	2%
Unclassified consumer financing other than housing finance and loans for professionals	5%
Special Mentioned Account	5%
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/ loss loans and advances	100%

### i) Security against Loans:

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

### ii) Bills Purchased and Discounted

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

### 2.7.4 Property, Plant and Equipment

- All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- The bank recognizes the cost of replacing part of an item of property, plant and equipment in the carrying amount of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.
- 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	10%
Interior Decoration	10%
Office Equipment	20%
Motor Vehicles	20%
Books & Periodicals	10%
Leased Assets	20%



## Notes to the Financial Statements

d) Assets purchased during the year are depreciated from the date of acquisition and for disposal depreciation is charged up to the date of disposal.

e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

f) 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.

g) 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.

### 2.7.5 Other Assets

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

### 2.7.6 Receivables

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

### 2.7.7 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-6.03). 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.

### 2.7.8 Non-Banking Assets

There are no assets acquired in exchange for loan during the period of financial statements.

### 2.7.9 Reconciliation of Inter-Bank and Inter-Branch Account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/ balances in the case of inter-branch transactions as on the reporting date are not material (note-8.01)

### 2.7.10 Foreign Currency

#### i) Foreign Currency Transaction

Items include 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. functional currency. The Financial statements of the Bank are presented in taka which is the Bank's functional and presentation currency.

# Notes to the Financial Statements

## ii) Foreign Currency Translation

Foreign Currency Transaction is converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effect of Changes in Foreign Exchange Rates". Foreign Currency balance held in US Dollar is converted into Taka 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 price of the previous day and converted into Taka equivalent.

## iii) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in BDT terms at the rates of exchange ruling on the balance sheet date.

## iv) Transaction & Translation Gains and Losses

The resulting exchange transaction gains and losses are included in the profit and loss account.

## 2.8 Dividend payments

Interim dividends are recognized when paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2011 has not been recognized as a liability in the Balance Sheet in accordance with the BAS 10 "Events after the Reporting Period".

Dividend payable to the Bank's shareholders are recognized as a liability and deducted from the Shareholders' Equity in the period in which the shareholders' right to receive payment is established.

## 2.9 Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

## 2.10 Statutory Reserve

The Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

## 2.11 Deposits from Customers

Deposits include non-interest bearing deposits, saving deposits, term deposits, etc. They are brought to account at the gross value of the outstanding balance. Interest paid is charged to the Income Statement.

## 2.12 Basis for valuation of liabilities and provisions

### 2.12.1 Provision for Tax

#### a. Current Tax

Provision for Income Tax has been made @ 42.5% as prescribed in the Finance Ordinance, 2011 on the accounting profit made by the Bank after considering some of the taxable add backs of income and disallowance of expenditures as per income tax laws in compliance with BAS-12 "Income Taxes".

#### b. Deferred Tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying value of assets, liabilities, income and expenditures and their respective tax basis. Deferred tax assets and liabilities are measured using tax rate and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account a per BAS-12 "Income taxes".



## Notes to the Financial Statements

### 2.12.2 Employees Benefit Obligation

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 Trustees consisting as of 5 (five) members. All confirmed employees of the Bank are contributing 10% of their basic salary 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 an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. Full provision for gratuity has been made in the accounts for the existing employees based on their years of services with the Bank.

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

Particulars	Equivalent Basic
8 years	2 months last drawn basic
7 years	1.70 months last drawn basic
6 years	1.35 months last drawn basic
5 years	1 month last drawn basic

#### c) MTB Welfare Fund

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

#### d) MTB Employees Medical Assistance Fund

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

#### e) MTB Employees Death Benefit Plan

The plan has been formed to provide financial benefit to the bereaved family of a deceased employee. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of five 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 ranges from 3 (three) lac to 10 (ten) lac.

#### 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 eleven members



# Notes to the Financial Statements

## 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, normally first quarter of every following year and costs are accounted for the period to which it relates.

### 2.12.3 Provision for Liabilities

A provision is recognized if, as a result of past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 2.12.4 Provision for Off - Balance Sheet Exposures

Off-balance sheet items have been disclosed under contingent liabilities and other commitments according to Bangladesh Bank guidelines. As per BRPD Circular # 10, dated September 18, 2007, the Banks are advised to maintain provision @ 1% against off-balance sheet exposures.

### 2.12.5 Provision for Nostro Accounts

As per instructions contained in the circular letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, the Bank is not required to make 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.

## 2.13 Revenue Recognition

### 2.13.1 Interest Income

According to the BAS -18 "Revenue", the interest income is recognized on an accrual basis. Interest from loans and advances ceases to be accrued when they are classified as non-performing. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

### 2.13.2 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.

### 2.13.3 Fees and Commission Income

Fees and commission income arising on services provided by the Bank are recognized on a cash basis. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

### 2.13.4 Dividend Income on Shares

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

## 2.14 Earnings per Share

The Bank presents Basic and Diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank calculates EPS in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning Per Share" which has been shown in the profit and loss account and computation is stated in Note 35 and Note 35(a).

Diluted earning per share is not required to be calculated for the year as there is no scope for dilution during the year under review.





## Notes to the Financial Statements

### 2.15 Risk Management

Risk is an integral part of banking business and MTBL 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. The management intimates the compliance issues of Bangladesh Bank to the Board. The Board accord approval to the policy guidelines developed in line with the instructions and guidelines of Bangladesh Bank. The risk management of the Bank covers all areas of risk issues. The major areas are Credit Risk, Foreign Exchange Risk, Internal Control and Compliance Risk, Money Laundering Risk, Asset Liability Management Risk and Information Technology Risk and these are handled proficiently by the Bank. The concerned divisions/departments are headed by senior executives with vast knowledge. To put this in effect, the Bank took the following steps under the guidelines of Bangladesh Bank.

#### (a) Credit Risk Management

Credit risk is the risk due to a borrower's lack of ability 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.

##### 1) 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 high degree of expertise that is difficult to achieve in the transaction 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 risk management of the organization's overall balance sheet as well as the capital of the Bank.

# Notes to the Financial Statements

## 2) 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 banks to form "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 calls for a meeting once every month to set and review strategies on ALM.

MTB ALM desk performs Money Market activities, manage liquidity and interest rate risk of the bank, understanding of the market dynamics i.e. competition, potential target markets etc, update the balance sheet movement and also comply the statutory obligations as well as the risk elements involved with the business.

## 3) Equity Risk

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

## (c) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, 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 regularly analyzed by cause and actions taken to improve system and controls to prevent recurrence in the future.

MTB has restructured Internal Control and Compliance Division 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 interest of the Bank.

The Compliance & Monitoring Units of this division ensure timely and proper compliances 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 challenge 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.



## Notes to the Financial Statements

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) Reputation 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. In place of the Money Laundering Prevention Act, 2002, the government re-enacted Money Laundering Prevention Ordinance, 2008 (ordinance 12 of 2008) on 13.04.08. The government enacted Anti Terrorism Ordinance, 2008 on 09.06.2008 in order to combat terrorism and financing of terrorism. These two Ordinances entrust some duties and responsibilities with financial institutions. Bangladesh Bank, the regulatory authority, has issued 20 (twenty) circulars so far which includes, among others, KYC procedure, STR, CTR, Money Laundering Prevention Ordinance, 2008, Anti Terrorism Ordinance, 2008 and their implementation process.

MTB, in line with the said ordinances, circulars and guidelines of Bangladesh Bank, has developed two separate guidelines on policies and procedures on prevention of Money Laundering and on Combating Financing of Terrorism. As per the provisions of these two ordinances the employees of the Bank have to carry out some duties and responsibilities under the supervision of Bangladesh Bank. In order to ensure the compliance of all the instructions given on different occasions by Bangladesh Bank, Central Compliance Unit (CCU) has been established and Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Branch Anti-Money Laundering Compliance Officers (BAMLCO) have been designated.

### 2.16 Post Balance Sheet Events

No material events after the Balance Sheet date came to our notice, which could affect the values, reported in the financial statements.

The Board has recommended the Cash Dividend @ 12% the year 2011 subject to the approval of shareholders at Annual General Meeting (AGM).

### 2.17 Audit Committee

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 5 (Five) Directors of the Board.

SL.	Name of the Director	Status With the Bank	Status with the committee	Educational Qualification
01.	Mr. Syed Manzur Elahi	Director	Chairman	MA in Economics from Dhaka University
02.	Mr. Rashed A. Chowdhury	Director	Member	Post Graduate in Business Management from Kingston University, England
03.	Mr. M.A. Rouf	Director	Member	Associate Degree in Textile Engineering
04.	Mr. Md. Wakiluddin	Director	Member	-
05.	Mrs. Khwaja Nargis Hossain	Director	Member	-

During the year 4 (four) meetings of the audit committee were held.

Audit committee reviewed 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 is placing their report regularly to the board meeting 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.

## Notes to the Financial Statements

### 2.18 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Mutual Trust Bank Limited applied most of IASs and IFRSs as adopted by the ICAB. Details are given below:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Event 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
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosures 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: Disclosure and 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	N/A
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of the BFRS	BFRS no	Status
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied



## Notes to the Financial Statements

### 2.19 Approval of Financial Statements

The financial statements were approved by the Board of Directors on March 01, 2012.

### 2.20 General

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

# Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>3.00 Cash</b>		
<b>3.01 In Hand (Including foreign currency)</b>		
Local Currency	742,347,863	501,575,509
Foreign Currency	8,877,725	18,428,040
	<b>751,225,588</b>	<b>520,003,549</b>
<b>3.02 Balance with Bangladesh Bank and its Agent Bank</b>		
With Bangladesh Bank		
Local Currency	3,667,708,135	2,675,029,249
Foreign Currency	127,447,162	60,770,116
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	169,752,355	200,309,306
	<b>3,964,907,652</b>	<b>2,936,108,671</b>

Bangladesh Bank Adjustment Account represents outstanding transactions(net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as of 31.12.2011 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	4	8	8,522,467	21,593,656
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
<b>Total</b>	<b>4</b>	<b>8</b>	<b>8,522,467</b>	<b>21,593,656</b>

All unadjusted entries are subsequently adjusted on regular basis.

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

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of The Bank Companies Act, 1991 and BRPD circular no.11 and 12 , dated August 20, 2005.

Monetary Policy Department (MPD) of Bangladesh Bank has issued a Circular regarding CRR through Circular No.# 04 dated 01 December 2010 and the Bank has maintained CRR in accordance with circular. The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 5.5% and 6% has been calculated and maintained with the Bangladesh Bank in Current Account and 19% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of Treasury Bills, Bonds, FC with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the Statutory requirement.

## 3.04 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

	2011		2010	
Cash Reserve Requirement (CRR)	%	(BDT in crore)	%	(BDT in crore)
Required	6.00%	351.70	6.00%	283.22
Maintained	6.18%	362.05	6.13%	289.35
<b>Surplus/(Deficit)</b>	<b>0.18%</b>	<b>10.35</b>	<b>0.13%</b>	<b>6.13</b>
<b>Statutory Liquidity Ratio (SLR) (including CRR)</b>				
Required	19.00%	1,113.72	19.00%	896.85
Maintained	38.92%	2,281.54	24.10%	1,137.41
<b>Surplus/(Deficit)</b>	<b>19.92%</b>	<b>1,167.82</b>	<b>5.10%</b>	<b>240.56</b>

## 3.05 Components of Statutory Liquidity Ratio (SLR) (BDT in Crore)

Cash in Hand	75.12	52.00
Balance with Bangladesh Bank (as per bank statement)	365.46	278.29
Balance with Sonali Bank	16.98	20.03
HTM Securities	804.51	280.38
HFT Securities	1,019.47	506.56
Other eligible security	-	0.15
	<b>2,281.54</b>	<b>1,137.41</b>

## Notes to the Financial Statements

### 3 (a) Consolidated cash

#### i Cash in hand (including foreign currency)

Mutual Trust Bank Limited (note-3.01)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

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

Mutual Trust Bank Limited (note-3.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

2011 BDT	2010 BDT
751,225,588	520,003,549
-	-
1,324	-
-	-
<b>751,226,912</b>	<b>520,003,549</b>
3,964,907,652	2,936,108,671
-	-
-	-
-	-
<b>3,964,907,652</b>	<b>2,936,108,671</b>
<b>4,716,134,564</b>	<b>3,456,112,220</b>

### 4.00 Balance with other Banks and Financial Institutions

#### In Bangladesh :

#### Transaction Currency

#### Fixed Deposits Receipt (FDR)

United Commercial Bank (UCB) Limited

Lanka Bangla Finance Limited

Phoenix Finance & Investment Limited

IDLC Finance Limited

Bangladesh Investment and Finance Company Ltd.

Industrial & Infrastructure Development Finance Co. Ltd.

International Leasing Limited

Union Capital Limited

National Bank Limited

Reliance Finance Limited

Premier Leasing & Finance Limited

Prime Finance & Investment Limited

Peoples Leasing Limited

#### Special Notice Deposit (SND)

Dutch Bangla Bank Limited

BASIC Bank Limited

Sonali Bank Limited

State Bank of India

Agrani Bank Limited

Janata Bank Limited

#### Current Deposits (CD)

Standard Chartered Bank

Arab Bangladesh Bank Limited

Dutch Bangla Bank Limited

Southeast Bank Limited

Islami Bank Bangladesh Limited

Janata Bank Limited

Pubali Bank Limited

Brac Bank Limited

Agrani Bank Limited

#### Sub total

-	306,706,250
-	154,974,583
-	104,360,416
56,212,465	35,527,653
-	103,378,125
-	53,712,500
-	258,090,972
-	153,965,417
-	408,700,000
-	40,809,444
-	52,235,764
-	206,447,222
-	105,257,292
28,090,515	57,083,433
7,124,460	12,620,411
76,697,303	30,379,112
100,000	100,000
30,398,637	-
14,170,501	-
5,856,001	3,746,625
200,000	396,513
60,607	60,013
1,537,366	1,125,302
557,141	-
34,676,367	11,300,204
-	2,344,765
2,234,045	694,200
44,634,577	14,771,816
<b>302,549,985</b>	<b>2,118,788,032</b>



# Notes to the Financial Statements

## Outside Bangladesh (NOSTRO Accounts) : in current account

Mashreqbank, New York
Standard Chartered Bank, New York
Habib American Bank, New York
UBAF, Hong Kong
HSBC, New York
Mashreqbank, London
JP Morgan, New York
Citibank N.A.
ICICI, Hong Kong
National Commercial Bank, Jeddha
Sonali Bank, London
Standard Chartered Bank, Singapore
Mashreqbank, London
Standard Chartered Bank, London
Sonali Bank, London
Habib American Bank, Zurich
Standard Chartered Bank, Tokyo
UBAF, Tokyo
Mashreqbank, London
Standard Chartered Bank, Germany
Sonali Bank, London
ICICI, Mumbai
Unicredit, Germany
Commerze Bank, Germany
Standard Chartered Bank, Mumbai
Standard Chartered Bank, Kolkata
Standard Chartered Bank, Pakistan
Citibank N.A., Mumbai
Arif Habib Bank, Pakistan
Mashreqbank, Mumbai
AB Bank, Mumbai
ICICI, Mumbai
HSBC, Mumbai
Himalayan Bank Ltd., Kathmundu
Nepal Bangladesh Bank Ltd.

## Transaction Currency

US\$
US\$
US\$
US\$
US\$
US\$
US\$
US\$
US\$
US\$
US\$
SGD
GBP
GBP
GBP
CHF
JPY
JPY
EUR
EUR
EUR
EUR
EUR
EUR
EUR
ACU
ACU
ACU
ACU
ACU
ACU
ACU
ACU
ACU
ACU
ACU
ACU

2011  
BDT

2010  
BDT

6,416,701	-
-	56,232,262
9,591,533	52,924,228
17,033,118	7,368,484
41,339,768	22,420,890
19,937,575	15,975,170
-	41,821,879
36,892,554	24,998,065
2,896,067	-
29,097,372	11,848,277
9,286,162	-
1,179,880	458,440
17,154,722	15,779,764
-	620,490
71,258,265	-
783,134	-
1,417,089	112,560
1,342,774	327,969
8,884,118	5,471,572
1,076,855	4,886,179
12,458,715	-
9,538,922	6,836,389
-	20,755,547
-	3,169,158
1,416,519	7,729,565
2,499,492	2,085,564
9,794,340	2,006,347
6,470,353	962,505
1,057	10
5,426,519	398,164
-	2,277,024
6,972,468	12,266,031
2,096,687	71,077
1,620,630	1,395,900
20,463	17,625
<b>333,903,854</b>	<b>321,217,135</b>
31,899,000	31,899,000
-	9,018,515
<b>365,802,854</b>	<b>362,134,650</b>
<b>668,352,839</b>	<b>2,480,922,682</b>

## Term Deposit

ICICI, Mumbai
Offshore Banking Unit (OBU)

US\$
US\$

## Sub total

## Total

Details of NOSTRO accounts are shown in Annexure-A

### 4.01 Net Balance With other Banks and Financial Institutions

Balance with other Banks and Financial Institutions (Note-4)
Less: Borrowing From Other Banks, Financial Institutions and Agents (Note 9 & 10.01)

668,352,839	2,480,922,682
6,730,734,592	2,779,556,556
<b>(6,062,381,753)</b>	<b>(298,633,874)</b>

### 4.02 Maturity grouping of Balance with other Banks and Financial Institutions

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

423,659,958	355,656,573
156,481,416	1,223,207,581
20,223,955	842,383,694
67,987,510	59,674,834
-	-
<b>668,352,839</b>	<b>2,480,922,682</b>



# Notes to the Financial Statements

## 4 (a) Consolidated balance with other banks and financial institutions

### In Bangladesh

Mutual Trust Bank Limited (note-4)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited
Less: Intragroup Deposit

### Outside Bangladesh

Mutual Trust Bank Limited (note-4)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

2011 BDT	2010 BDT
302,549,985	2,118,788,032
606,009,882	716,825,958
77,097,095	-
-	-
(654,454,007)	(716,825,958)
<b>331,202,955</b>	<b>2,118,788,032</b>
365,802,854	362,134,650
-	-
-	-
6,902,045	-
<b>372,704,899</b>	<b>362,134,650</b>
<b>703,907,854</b>	<b>2,480,922,682</b>

## 5.00 Investments

### i) Investment Classified as per Bangladesh Bank Circular

Held to Maturity (HTM)
Held for Trading ( HFT)
Other Investments

8,045,129,608	2,803,836,148
10,194,686,439	5,065,598,561
1,720,613,464	1,229,519,677
<b>19,960,429,511</b>	<b>9,098,954,386</b>

### ii) Investment Classified as per Nature

#### a) Government Securities

##### Treasury Bills ( at present value )

##### Un-encumbered

28 days
91 days
182 days
364 days

##### Sub-total

##### Encumbered

91 days
182 days
364 days

##### Sub-total

##### Total Treasury Bill

##### Treasury Bonds

##### Un-encumbered

5 Years
10 Years
15 Years
20 Years

##### Sub-total

##### Encumbered

5 Years
10 Years
15 Years
20 Years

##### Sub-total

##### Total Treasury Bond

##### Prize Bonds ( at face value )

##### Sub Total

-	-
-	418,493,507
183,155,451	372,403,068
2,290,863,275	7,366,693
<b>2,474,018,726</b>	<b>798,263,268</b>
-	-
-	-
-	-
<b>2,474,018,726</b>	<b>798,263,268</b>
4,336,125,874	1,434,003,744
2,822,877,109	1,721,216,717
330,154,677	710,788,487
231,471,493	522,603,353
<b>7,720,629,153</b>	<b>4,388,612,301</b>
2,360,410,286	1,188,706,488
2,073,113,897	1,335,969,496
2,261,461,947	357,939,643
1,350,182,038	-
<b>8,045,168,168</b>	<b>2,882,615,627</b>
<b>15,765,797,321</b>	<b>7,271,227,928</b>
<b>2,215,850</b>	<b>1,464,400</b>
<b>18,242,031,897</b>	<b>8,070,955,596</b>

# Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>b) Other Investments</b>		
<b>Shares in quoted companies</b>	<b>243,824,644</b>	<b>367,032,710</b>
(Annexure-B may kindly be seen for details)		
<b>Shares in unquoted companies (at face value) :</b>		
Industrial & Infrastructure Development Finance Co. Limited	33,115,700	22,770,000
Summit Power Ltd. Preference Share	113,809,300	138,196,800
Central Depository (BD) Limited	15,694,430	44,166,580
Pioneer Insurance Company Limited	1,120,840	-
Bengal Windsor Thermoplastics Ltd.	30,000,000	-
PHP 1st Mutual Fund	50,000,000	50,000,000
Mercantile Bank 1st Mutual Fund	50,000,000	50,000,000
EBL NRB Mutual Fund	50,000,000	-
MTB First Mutual Fund	100,000,000	-
MTB Unit Fund	200,000,000	-
AB Bank First Mutual Fund	250,000,000	-
First Bangladesh Fixed Income Fund	250,000,000	-
Dun & Bradstreet Rating Agency Bangladesh Limited	3,332,700	3,332,700
	<b>1,147,072,970</b>	<b>308,466,080</b>
<b>Bonds :</b>		
Prime Bank Bond (Note 5.02)	90,000,000	90,000,000
IDLC Zero Coupon Bond (Note 5.03)	37,500,000	62,500,000
Uttara Finance & Investment Limited -Zero Coupon Bond	200,000,000	200,000,000
	<b>327,500,000</b>	<b>352,500,000</b>
<b>Sub Total</b>	<b>1,718,397,614</b>	<b>1,027,998,790</b>
<b>Total</b>	<b>19,960,429,511</b>	<b>9,098,954,386</b>

- 5.01 Assets pledged as security for liabilities as on 31 December 2011 is BDT 5,106,805,514 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

**(a) i. Disclosure regarding outstanding Repo as on December 31, 2011**

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	30.12.2011	01.01.2012	3,352,665,085
B. Bangladesh Bank (Repo)	30.12.2011	01.01.2012	1,300,000,000
C. Premier Bank	30.12.2011	02.01.2012	454,140,429
<b>Total</b>			<b>5,106,805,514</b>

ii. There is no outstanding Reverse Repo as on December 31, 2011 with the Bank.

**(b) Disclosure regarding overall transaction of Repo for the year 2011**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
<b>Securities sold under Repo:</b>			
i) with Bangladesh Bank	688,500,000	5,690,600,000	2,608,638,462
ii) with Other Banks & Financial Institutions	300,000,000	4,701,600,000	679,173,352
<b>Securities purchased under reverse Repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	207,000,000	1,040,000,000	9,030,220

**5.02 Prime Bank Bond**

Opening Balance	90,000,000	-
Add: New Investment	-	90,000,000
Less: Redeemed	-	-
Closing Balance	<b>90,000,000</b>	<b>90,000,000</b>

**5.03 IDLC Zero Coupon Bond**

Principal	62,500,000	87,500,000
Add: New investment	-	-
Less: Redeemed	25,000,000	25,000,000
Redeemable Value	<b>37,500,000</b>	<b>62,500,000</b>

# Notes to the Financial Statements

## 5.04 Maturity grouping of Investment as follows:

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

## 5 (a) Consolidated Investments

### Government Investment

Mutual Trust Bank Limited (note-5. ii a)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

### Other Investments

Mutual Trust Bank Limited (note-5. ii b)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

## 6.00 Loans and Advances

Loans (Note-6.01.01)
Cash Credits
Overdrafts

Bills Purchased and Discounted (Note-6.01.02)
<b>Total</b>

## 6.01 Loans and Advances

### In Bangladesh

#### 6.01.01 Loans

Term Loan
Small and Medium Enterprise Financing
Consumer Financing
Retail Financing
General Loans
Demand Loan
Payment Against Documents (PAD)
Trust Receipts
Lease Finance (Note-6.03)
Export Development Fund
House Building Loan
Staff/Employee Loan
Loans and Advances -Offshore Banking Unit
Loan to MTB Securities Ltd.*
Loan to MTB Capital Limited
Loan to MTB Exchange (UK) Limited

Cash Credit
Secured Overdraft

### Outside Bangladesh

#### 6.01.02 Bill Purchased and Discounted

Payable in Bangladesh
Payable outside Bangladesh

### Total Loans and Advances

2011 BDT	2010 BDT
2,215,850	1,464,400
243,824,644	367,032,710
3,067,758,996	1,103,396,648
7,574,036,160	2,975,210,232
9,072,593,861	4,651,850,396
<b>19,960,429,511</b>	<b>9,098,954,386</b>
18,242,031,897	8,070,955,596
-	-
-	-
-	-
<b>18,242,031,897</b>	<b>8,070,955,596</b>
1,718,397,614	1,027,998,790
185,136,418	117,378,374
3,153,734	-
-	-
<b>1,906,687,766</b>	<b>1,145,377,164</b>
<b>20,148,719,663</b>	<b>9,216,332,760</b>
30,010,818,145	26,497,112,258
6,876,357,102	5,758,847,161
7,184,951,345	4,774,979,611
<b>44,072,126,592</b>	<b>37,030,939,030</b>
2,117,612,940	1,971,200,133
<b>46,189,739,532</b>	<b>39,002,139,163</b>
10,695,760,246	10,267,967,290
2,941,885,569	2,646,764,675
1,044,798,362	1,378,087,708
914,717,140	-
201,104,550	178,174,390
380,561,023	62,477,752
647,868,136	515,174,397
7,729,698,924	6,127,683,703
364,541,424	168,998,529
-	9,652,289
1,148,902,035	1,103,814,046
448,747,982	303,356,184
812,550,487	1,078,127,172
2,665,554,081	2,656,834,123
2,384,302	-
11,743,884	-
<b>30,010,818,145</b>	<b>26,497,112,258</b>
6,876,357,102	5,758,847,161
7,184,951,345	4,774,979,611
<b>44,072,126,592</b>	<b>37,030,939,030</b>
-	-
<b>44,072,126,592</b>	<b>37,030,939,030</b>
2,047,576,437	1,771,529,356
70,036,503	199,670,777
<b>2,117,612,940</b>	<b>1,971,200,133</b>
<b>46,189,739,532</b>	<b>39,002,139,163</b>

# Notes to the Financial Statements

## 6.02 Net Loans & Advances

Gross Loans & Advances ( Note- 6)

Less:

Classified Loans & Advances (Note-6.07)

Interest Suspense (Note- 11.04)

Provision for Loans & Advances (Note -11.01)

**Net Loans & Advances**

## 6.03 Gross Lease Rent Receivable

within 1 year

within 5 years

after 5 years

Less: Unearned Lease Rent

## 6.04 Residual Maturity grouping of Loans and Advances

On Demand

Not more than three months

More than three months but less than one year

More than one year but less than five years

More than five years

## 6.05 Concentration of Loans and Advances:

a) Loans and Advances to Institutions in which the Directors of the Bank have interest

b) Advances to Managing Director & other Senior Executives

### c) Advances to Industries

Food

RMG & Textile

Jute, Cotton and Wearing Apparels

Leather and Leather Products

Paper, Paper Products & Printing

Wood and Wood Products

Pharmaceuticals

Plastic & Rubber

Petroleum & Edible Oil

Chemical & Chemical Products

Glass & Glass Products

Assembling Industries

Engineering, Metal & Metal Products

Non-metallic Mineral Products

Electricity & Gas Industry

Service Industries

Small Scale & Cottage Industries

Agriculture

Others

## 6.06 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 6,925.31 million as at December 31, 2011 (BDT 6,225.66 million in 2010)

Number of Clients

Outstanding Advances (BDT in Crore)

	2011 BDT	2010 BDT
<b>Gross Loans &amp; Advances</b>	<b>46,189,739,532</b>	<b>39,002,139,163</b>
Less:		
Classified Loans & Advances (Note-6.07)	1,195,103,000	903,969,000
Interest Suspense (Note- 11.04)	183,454,798	142,011,997
Provision for Loans & Advances (Note -11.01)	1,329,899,700	1,167,612,700
<b>Net Loans &amp; Advances</b>	<b>43,481,282,034</b>	<b>36,788,545,466</b>
<b>Gross Lease Rent Receivable</b>		
within 1 year	88,950,000	16,400,000
within 5 years	355,561,498	183,641,140
after 5 years	-	-
	<b>444,511,498</b>	<b>200,041,140</b>
Less: Unearned Lease Rent	79,970,074	31,042,611
	<b>364,541,424</b>	<b>168,998,529</b>
<b>Residual Maturity grouping of Loans and Advances</b>		
On Demand	2,679,682,267	2,949,167,019
Not more than three months	16,964,133,156	11,570,589,725
More than three months but less than one year	11,448,589,357	10,381,640,051
More than one year but less than five years	11,134,733,680	11,590,386,824
More than five years	3,962,601,072	2,510,355,544
	<b>46,189,739,532</b>	<b>39,002,139,163</b>
<b>Concentration of Loans and Advances:</b>		
a) Loans and Advances to Institutions in which the Directors of the Bank have interest		
b) Advances to Managing Director & other Senior Executives	226,643,538	201,460,923
<b>Advances to Industries</b>		
Food	3,422,012,000	2,491,010,000
RMG & Textile	7,493,380,000	7,230,360,000
Jute, Cotton and Wearing Apparels	123,660,000	130,800,000
Leather and Leather Products	205,210,000	212,450,000
Paper, Paper Products & Printing	87,621,000	205,760,000
Wood and Wood Products	-	-
Pharmaceuticals	24,292,000	61,170,000
Plastic & Rubber	145,878,000	288,760,000
Petroleum & Edible Oil	1,243,350,000	694,480,000
Chemical & Chemical Products	1,440,390,000	839,520,000
Glass & Glass Products	208,320,000	50,180,000
Assembling Industries	82,860,000	765,060,000
Engineering, Metal & Metal Products	4,796,446,000	3,667,110,000
Non-metallic Mineral Products	-	268,330,000
Electricity & Gas Industry	1,177,375,000	468,940,000
Service Industries	2,047,120,000	126,650,000
Small Scale & Cottage Industries	614,750,000	264,120,000
Agriculture	624,070,000	
Others	17,813,807,763	6,387,690,000
	<b>41,550,541,763</b>	<b>24,152,390,000</b>
<b>Details of Large Loan</b>		
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 6,925.31 million as at December 31, 2011 (BDT 6,225.66 million in 2010)		
Number of Clients	41	27
Outstanding Advances (BDT in Crore)	1,284.38	865.93

## Notes to the Financial Statements

	2011 BDT		2010 BDT	
Client wise details are given below:				
Name of the clients	Outstanding (BDT in Crore)		Total (BDT in Crore)	Classification Status
	Funded	Non - Funded		
Jamuna Denims Ltd.	36.94	-	36.94	UC
Surma Mustard Oil Mill Ltd.	-	156.07	156.07	UC
MSA Spinning Mills Ltd.	23.11	27.75	50.86	UC
Hasan Flour Mills Ltd.	55.95	48.38	104.33	UC
Empire Dyeing Ltd.	73.24	0.10	73.34	UC
City Seed Crushing Ind. Ltd.	51.36	1.39	52.75	UC
Jalal Ahmed Spinning	55.46	-	55.46	UC
Dynasty Sweater (BD) Ltd.	0.53	9.02	9.55	UC
Ctg. Denim Mills Ltd.	-	-	-	UC
RZ Power Ltd.	-	-	-	UC
Rahimafrroz Energy services	-	-	-	UC
Rahimafrroz BD Ltd.	-	-	-	UC
Nasir Glass Industries Ltd.	1.80	-	1.80	UC
Abdul Monem Ltd.	21.23	-	21.23	UC
Abdul Monem Sugar Refinery Ltd.	13.95	0.03	13.98	UC
Rahmat Textiles Ltd.	10.67	2.30	12.97	UC
Belkuchi Spinning Mills Ltd.	12.23	1.59	13.82	UC
Rahmat Spinning Mills Ltd.	23.99	3.11	27.10	UC
Polo Composite Knit Industry Limited	13.80	18.85	32.65	UC
AJI Apparels	0.09	7.70	7.79	UC
FRM Fashion	-	7.41	7.41	UC
Ahsan Composite Ltd.	-	-	-	UC
Ahsan Knitting Ltd.	-	-	-	UC
A.K. Fashion Ltd.	-	-	-	UC
Shah Cement Industries Ltd.	26.79	30.05	56.84	UC
PHP Corporation Ltd.	26.46	29.70	56.16	UC
T K Chemical Complex Ltd.	9.13	9.62	18.75	UC
Modern Poly	-	5.82	5.82	UC
Modern Fiber Industries Ltd	9.13	13.21	22.34	UC
Kabir Steel Re-Rolling Mills Ltd.	5.24	11.45	16.69	UC
Smart Jeans Ltd.	-	-	-	UC
Western Marine Shipyard	37.94	2.32	40.26	UC
Jahangir & Others Ltd.	64.46	-	64.46	UC
Sheema Automatic Re-Rolling Mills L	45.96	47.28	93.24	UC
MRS	35.82	29.04	64.86	UC
S. N. Corporation	0.01	-	0.01	UC
Portlink Logistics Centre Ltd.	6.08	-	6.08	UC
PRAN Exports Ltd.	33.81	13.47	47.28	UC
GrameenPhone Ltd.	-	18.94	18.94	UC
ORASCOM Telecom (BD) Ltd.	74.60	-	74.60	UC
ORASCOM Telecom (BD) Ltd.	20.00	-	20.00	UC
Total	789.78	494.60	1,284.38	

### 6.07 Classification of Loans and Advances:

#### Unclassified (UC):

Standard

43,930,002,532

37,692,510,163

Special Mention Account (SMA)

1,064,634,000

405,660,000

#### Sub total

44,994,636,532

38,098,170,163

#### Classified:

Substandard

107,992,000

63,464,000

Doubtful

204,412,000

22,302,000

Bad &amp; Loss

882,699,000

818,203,000

#### Sub total

1,195,103,000

903,969,000

#### Total

46,189,739,532

39,002,139,163

## Notes to the Financial Statements

### 6.07 (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 &amp; Loss

**Sub total****Total**2011  
BDT2010  
BDT

44,745,742,862

1,064,634,000

**45,810,376,862**

107,992,000

204,412,000

882,699,000

**1,195,103,000****47,005,479,862**

38,366,492,484

405,660,000

**38,772,152,484**

63,464,000

22,302,000

818,203,000

**903,969,000****39,676,121,484**

### 6.08 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	44,827,190,000	1%, 2% & 5%	557,300,000	561,400,000
Special Mention Account (SMA)	1,039,452,000	0% & 5%	52,000,000	52,000,000
Sub total			609,300,000	613,400,000
Classified:				
Substandard	82,626,000	5% & 20%	16,300,000	16,300,000
Doubtful	123,888,000	5% & 50%	62,000,000	62,000,000
Bad loan	638,233,000	100%	638,200,000	638,200,000
Sub total			716,500,000	716,500,000
Total			1,325,800,000	1,329,900,000
Excess/(short) Provision at December 31, 2011				4,100,000

### 6.09 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures

Total Provision maintained (Note -11.02)

**Excess/(Short) Provision**

153,300,000

153,300,000

-

115,538,000

115,538,000

-

### 6.10 Suits filed by the Bank (Branch wise details)

Name of the Branch

No. of Suits  
2011No. of Suits  
2010

Principal Branch

4

2

Babu Bazar Branch

19

17

Uttara Model Town Branch

2

1

Dhanmondi Branch

7

7

Agrabad Branch

7

6

CDA Avenue Branch

5

4

Khatungonj Branch

9

7

Gulshan Branch

8

7

Progati Sharani Branch

3

2

Haidergonj SME/Agri Branch

2

0

Narayangonj Branch

1

0

Aman Bazar Branch

1

0

29,170,000

299,220,000

660,000

26,420,000

356,980,000

203,480,000

185,670,000

11,910,000

57,850,000

900,000

380,000

3,500,000

**1,176,140,000**

5,210,000

298,700,000

26,440,000

11,560,000

42,540,000

356,690,000

200,510,000

101,920,000

6,610,000

-

-

-

**1,050,180,000**

### 6.11 Geographical Location wise Consolidated Loans and Advances

#### Inside Bangladesh

##### Urban

Dhaka Division

Chittagong Division

Rajshahi Division

Sylhet Division

Khulna Division

Rangpur Division

Barishal Division

31,838,863,502

10,345,255,082

570,236,663

457,528,760

742,703,779

182,514,553

-

**44,137,102,339**

27,518,196,144

8,271,761,920

393,569,787

416,599,276

495,660,880

134,898,813

-

**37,230,686,821**

## Notes to the Financial Statements

### Rural

Dhaka Division  
Chittagong Division  
Rajshahi Division  
Sylhet Division  
Khulna Division  
Barishal Division

Outside Bangladesh

2011 BDT	2010 BDT
1,622,880,254	1,290,635,665
790,124,747	762,490,942
409,649,408	352,631,935
180,427	-
-	-
45,542,687	39,676,121
<b>2,868,377,523</b>	<b>2,445,434,663</b>
-	-
<b>47,005,479,862</b>	<b>39,676,121,484</b>

### 6.12 Sector-wise Loans including Bill Purchased and Discounted

Public sector  
Co-Operative sector  
Private sector

604,845,905	855,583,418
57,674,000	60,576,000
46,342,959,957	38,759,962,066
<b>47,005,479,862</b>	<b>39,676,121,484</b>

### 6.13 Particulars of Loans and Advances:

I) Debts considered good in respect of which the bank company is fully secured.

II) Debts considered good for which the bank holds no other security than the debtor's personal security.

III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.

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.

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.

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

IX) Due from banking companies;

X) Amount of classified loan on which interest has not been charged :

a. i) (Decrease)/Increase in provision,

ii) amount of loan written off

iii) amount realized against loan previously written off;

b. Amount of provision kept against loan classified as 'bad/loss'

c. Interest creditable to the interest Suspense A/c;

XI) Cumulative amount of loans written off

XII) Amount of loans written off during the year

XIII) The amount of written off loan for which law suit has been filed

40,044,966,424	34,030,411,969
48,269,037	42,905,811
4,901,401,071	4,024,852,383
-	-
468,365,982	314,568,985
-	-
468,365,982	314,568,985
-	-
-	-
(15,925,000)	10,072,000
-	365,506,205
-	-
638,200,000	654,125,000
155,651,543	52,428,287
731,012,410	731,012,410
-	365,506,205
731,012,410	731,012,410

### 6.14 Maturity grouping of Bill Purchased and Discounted

Payable within one month  
More than one month but less than three months  
More than three months but less than six months  
More than or equal to six months

1,109,982,600	1,100,153,186
783,516,788	657,729,328
222,349,358	186,652,917
1,764,194	26,664,702
<b>2,117,612,940</b>	<b>1,971,200,133</b>



# Notes to the Financial Statements

## 6.15 Consolidated List of Asset pledged as Security/Collaterals

### Nature of Secured Asset:

Gold &amp; Gold Ornaments

Shares &amp; Securities

Merchandise

Machinery with other Fixed Asset and Financial obligations

Real Estate with Financial obligations

Financial Obligations (Insurance policies, Savings certificates, Bank deposits etc)

### Miscellaneous:

i) Crops/stock of crops hypothecation

ii) Guarantee of individuals/ Institutions

iii) Others

Without any security

## 6.16 Maturity grouping of Consolidated Loans and Advances

On Demand

Not more than three months

More than three months but less than one year

More than one year but less than five years

More than five years

## 6 (a) Consolidated loans, advances and lease

Mutual Trust Bank Limited (note-6.01.01)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Less: Loan to Subsidiaries

### Consolidated bills purchased and discounted:

Mutual Trust Bank Limited (note-6.01.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

## 7.00 Fixed Asset including Premises, Furniture & Fixture

### Cost

Land

Immovable Property

Furniture &amp; Fixtures

Interior Decoration

Office Equipments

Motor Vehicles

Books &amp; Periodicals

Leased Asset

### Total Cost

Less: Accumulated Depreciation

### Book Value at the end of the year

Details are shown in Annexure-B

## 7 (a) Consolidated fixed assets including premises, furniture and fixtures

Mutual Trust Bank Limited (note-7)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Details are shown in Annexure-B (i)

	2011 BDT	2010 BDT
	-	-
	143,479,000	377,998,000
	4,463,389,000	3,667,807,000
	1,194,103,000	902,681,000
	17,914,131,000	14,385,873,000
	2,554,351,000	2,172,217,000
	55,350,000	61,029,000
	18,564,024,094	14,627,636,000
	2,116,652,768	3,480,880,484
	-	-
	<b>47,005,479,862</b>	<b>39,676,121,484</b>
	3,495,422,597	3,623,149,340
	16,964,133,156	11,570,589,725
	11,448,589,357	10,381,640,051
	11,134,733,680	11,590,386,824
	3,962,601,072	2,510,355,544
	<b>47,005,479,862</b>	<b>39,676,121,484</b>
	44,072,126,592	37,030,939,030
	3,493,459,094	3,330,816,444
	1,963,503	-
	-	-
	<b>47,567,549,189</b>	<b>40,361,755,474</b>
	<b>2,679,682,267</b>	<b>2,656,834,123</b>
	<b>44,887,866,922</b>	<b>37,704,921,351</b>
	2,117,612,940	1,971,200,133
	-	-
	-	-
	-	-
	<b>2,117,612,940</b>	<b>1,971,200,133</b>
	<b>47,005,479,862</b>	<b>39,676,121,484</b>
	104,253,000	104,253,000
	472,167,480	42,543,780
	139,144,036	128,129,780
	477,836,198	254,983,513
	627,793,318	423,474,363
	30,360,310	31,031,110
	423,974	423,974
	48,455,000	28,855,000
	<b>1,900,433,316</b>	<b>1,013,694,520</b>
	431,726,786	291,641,511
	<b>1,468,706,530</b>	<b>722,053,009</b>
	1,468,706,530	722,053,009
	71,027,866	43,207,611
	7,784,040	-
	5,409,053	-
	<b>1,552,927,489</b>	<b>765,260,620</b>



# Notes to the Financial Statements

## 8.00 Other Asset

Classification of Other Asset

A) Income generating Other Asset

B) Non-Income generating Other Asset :

i) Investment in Shares of Subsidiary Companies (Note-8.01)

ii) Stationery, Stamps, Printing materials in stock etc.

iii) Advance Rent and Advertisement

iv) Interest Accrued on Investment but not collected & other income receivable

v) Security Deposit

vi) Branch Adjustment (Note-8.02)

vii) Suspense Account (Note-8.03)

viii) Other Asset- Offshore Banking Unit (OBU)

ix) Others (Note-8.04)

	2011 BDT	2010 BDT
	-	-
	1,116,055,000	1,000,000,000
	23,152,211	7,263,741
	438,765,335	484,043,558
	352,836,483	28,549,570
	7,203,665	6,646,135
	-	1,094,954
	5,865,701	15,272,217
	-	1,202,673
	1,556,576,958	1,230,776,849
	<b>3,500,455,353</b>	<b>2,774,849,697</b>

## 8.01 Investment in Shares of Subsidiary Companies

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

	1,000,000,000	1,000,000,000
	100,000,000	-
	16,055,000	-
	<b>1,116,055,000</b>	<b>1,000,000,000</b>

## 8.02 Branch Adjustment (net)

Entries	No. of Entries Outstanding as on 31-12-2011	BDT	BDT
Debit entries	-	-	1,177,794
Credit entries	-	-	82,840
	-	-	<b>1,094,954</b>

8.03 Suspense account represents petty expenses for opening of new branch etc, awaiting for adjustment.

## 8.04 Others

Advance Income Tax ( Note-8.04.01)

Prepaid Expense

Clearing House Adjustment

Payment Against Construction

Deferred Tax Assets (Note-8.04.02)

Advance Salary

Advance Against Interior Decoration

Advance to Employee

Advance to Suppliers/Parties

Total

	1,173,356,305	857,682,713
	8,000	8,000
	69,448,508	89,714,782
	160,736,090	91,550,680
	29,449,775	11,337,834
	450,000	450,000
	70,615,000	141,005,668
	3,133,477	7,998,079
	49,379,803	31,029,093
	<b>1,556,576,958</b>	<b>1,230,776,849</b>

### 8.04.01 Advance Income Tax

Opening Balance

Less: Adjustment made during the year

Add: Payment during the year

Closing Balance

	857,682,713	1,364,881,935
	-	1,102,973,909
	315,673,592	595,774,687
	<b>1,173,356,305</b>	<b>857,682,713</b>

### 8.04.01 (a) Consolidated Advance Income Tax

Mutual Trust Bank Limited (note-8.04.01)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

	1,173,356,305	857,682,713
	47,980,850	29,888,866
	-	-
	-	-
	<b>1,221,337,155</b>	<b>887,571,579</b>

## Notes to the Financial Statements

**8.04.02 Deferred Tax Asset**

Opening Balance
Add: Deferred Tax Income during the year
Less: Deferred Tax Expense during the year
Adjustment with Deferred Tax Liabilities
<b>Closing Balance</b>

**8.05 Classification of Other Asset**

Unclassified
Substandard
Doubtful
Bad/Loss

**8 (a) Consolidated other assets**

Mutual Trust Bank Limited (note-8)
Less: Investment in subsidiary

MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited
Less: Intragroup receivable & payable
Interim Dividend Paid by MTB Securities Limited

**9.00 Borrowing From Other Banks, Financial Institutions & Agents**

In Bangladesh
Outside Bangladesh
Borrowing from other banks & financial institutions-Offshore Banking Unit

**In Bangladesh:  
Borrowing from Bank/Other Institutions:**

Trust Bank Limited
United Commercial Bank Limited (UCBL)
Rupali Bank Limited
Pubali Bank Limited
HSBC
Delta Brac Housing Limited
Premier Bank Limited
Standard Bank Limited
Basic Bank Limited
Bangladesh Commerce Bank Limited
State Bank of India
Bank Al-Falah
Citibank N.A.
Janata Bank Limited
Sonali Bank Limited
The City Bank Limited
One Bank Limited
Dutch Bangla Bank Limited
National Bank Limited
SME Foundation

**Repo of Treasury Bill/Bond**

Agrani Bank Limited
Commercial Bank of Ceylon
Bangladesh Bank

**Total**

2011 BDT	2010 BDT
11,337,834	13,530,179
18,111,941	-
-	2,192,345
-	-
<b>29,449,775</b>	<b>11,337,834</b>
3,500,455,353	2,774,849,697
-	-
-	-
-	-
<b>3,500,455,353</b>	<b>2,774,849,697</b>
3,500,455,353	2,774,849,697
(1,116,055,000)	(1,000,000,000)
<b>2,384,400,353</b>	<b>1,774,849,697</b>
85,245,108	159,605,632
12,877,009	-
1,202,520	-
(84,856,203)	-
(194,672,030)	-
<b>(180,203,596)</b>	<b>159,605,632</b>
<b>2,204,196,757</b>	<b>1,934,455,329</b>
5,207,500,000	1,270,000,000
-	-
573,234,592	1,059,576,556
<b>5,780,734,592</b>	<b>2,329,576,556</b>
<b>5,207,500,000</b>	<b>1,270,000,000</b>
50,000,000	-
400,000,000	70,000,000
-	100,000,000
200,000,000	-
-	450,000,000
80,000,000	280,000,000
-	200,000,000
200,000,000	70,000,000
490,000,000	-
150,000,000	-
70,000,000	-
80,000,000	-
70,000,000	-
1,000,000,000	-
1,500,000,000	-
250,000,000	-
400,000,000	-
100,000,000	100,000,000
150,000,000	-
17,500,000	-
-	-
-	-
-	-
-	-
<b>5,780,734,592</b>	<b>2,329,576,556</b>

# Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>9.01 Security against Borrowing From Other Banks, Financial Institutions and Agents</b>		
Secured	-	-
Unsecured	5,780,734,592	2,329,576,556
	<b>5,780,734,592</b>	<b>2,329,576,556</b>
<b>9.02 Maturity Grouping of Borrowing From Other Banks, Financial Institutions &amp; Agents</b>		
On Demand	5,780,734,592	2,329,576,556
Repayable within one month	-	-
More than one month but within six months	-	-
More than six months but within one year	-	-
More than one year but within five years	-	-
More than five year but within ten years	-	-
	<b>5,780,734,592</b>	<b>2,329,576,556</b>
<b>9 (a) Consolidated borrowing from other banks, financial institutions and agents</b>		
Mutual Trust Bank Limited (note-9)	5,780,734,592	2,329,576,556
MTB Securities Limited	2,665,554,081	2,656,834,123
MTB Capital Limited	2,384,302	-
MTB Exchange (UK) Limited	11,743,884	-
Less: Intragroup Borrowings	(2,679,682,267)	(2,656,834,123)
	<b>5,780,734,592</b>	<b>2,329,576,556</b>
<b>10.00 Deposit and Other Accounts</b>		
From Banks (Note 10.01)	950,000,000	449,980,000
From Customers (Note 10.02)	58,755,258,361	45,396,329,207
	<b>59,705,258,361</b>	<b>45,846,309,207</b>
<b>10.01 Deposits From Banks</b>		
<b>Short Term Deposit (STD)</b>		
<b>Name of the Banks:</b>		
Pubali Bank Limited	-	-
<b>Sub-total</b>	-	-
<b>Fixed Deposit Receipts (FDR)</b>		
<b>Name of the Banks :</b>		
Sonali Bank Limited	-	249,990,000
Standard Chartered Bank	-	199,990,000
ICB Islamic Bank Limited	150,000,000	-
Dutch Bangla Bank Limited	800,000,000	-
<b>Sub-total</b>	<b>950,000,000</b>	<b>449,980,000</b>
<b>Total</b>	<b>950,000,000</b>	<b>449,980,000</b>
<b>10.02 Customer Deposit and Other Accounts:</b>		
<b>Current Deposit &amp; Other Accounts :</b>		
Current Deposit	3,014,429,122	3,126,015,335
Short Notice Deposit (SND)	3,969,466,764	3,453,471,365
Foreign Currency Deposit	493,990,541	188,632,525
Non-Resident Taka account	5,712,701	54,787,701
Sundry Deposit	1,722,586,450	1,767,595,302
	<b>9,206,185,578</b>	<b>8,590,502,228</b>
<b>Bills Payable :</b>		
Payment Order Issued	534,712,106	463,231,762
Pay Slip Issued	999,585	1,347,620
Demand Draft Payable	66,481,586	65,158,340
	<b>602,193,277</b>	<b>529,737,722</b>
<b>Savings Deposit</b>	<b>7,839,511,192</b>	<b>6,355,801,810</b>
<b>Fixed Deposit</b>	<b>34,473,961,603</b>	<b>25,126,334,337</b>

# Notes to the Financial Statements

## Deposit-Products :

Brick by Brick
Save Everyday Deposit
Festival Savings Plan
Children Education Deposit Scheme
Best invest Deposit
Unique Savings Plan
NRB Deposit Pension Scheme
MTB 1.5 Times Benefit Plan
MTB Double Saver Plan
MTB Triple Saver Plan
MTB Millionaire Plan
MTB Education Plan
MTB Monthly Benefit Plan
MTB Quarterly Benefit Plan

## Total

### 10.03 Maturity grouping of Deposit and Other Accounts:

On Demand
Repayable within one month
More than one month but within six months
More than six months but within one year
More than one year but within five years
More than five year but within ten years
More than ten years

### 10.04 Demand & Time Deposit

#### a) Demand Deposit

Current Deposit
Savings Deposit (9%)
Foreign Currency Deposit non interest bearing
Non Resident Taka Deposit
Sundry Deposit
Bills Payable

#### b) Time Deposits

Saving Deposit (91%)
Fixed Deposit
Short Term Deposit
Deposit Under Scheme
<b>Total Demand &amp; Time Deposits</b>

### 10.05 Sectorwise Deposit

Government
Deposit Money Banks
Autonomus & Semi-Autonomous Bodies
Public Non- Financial Organisation
Other Public
Foreign Currency
Private

2011 BDT	2010 BDT
2,765,581,731	2,132,722,969
1,038,836	1,001,056
15,249,017	16,917,553
5,540,745	6,919,709
26,305,415	46,097,540
8,326,463	8,460,994
872,498	-
6,925,160	6,343,648
2,482,029,031	1,676,731,386
210,248,160	188,713,082
713,502,785	470,229,366
105,808,316	68,020,553
290,131,924	169,870,254
1,846,630	1,925,000
<b>6,633,406,711</b>	<b>4,793,953,110</b>
<b>58,755,258,361</b>	<b>45,396,329,207</b>

15,724,037,602	16,748,140,066
10,580,256,793	6,329,493,765
18,399,815,980	13,018,521,628
8,861,153,966	5,082,900,513
3,808,070,962	3,268,480,062
2,237,081,555	1,307,001,686
94,841,503	91,771,487
<b>59,705,258,361</b>	<b>45,846,309,207</b>

6,544,468,098	6,238,790,748
3,014,429,122	3,126,015,335
705,556,007	572,022,163
493,990,541	188,632,525
5,712,701	54,787,701
1,722,586,450	1,767,595,302
602,193,277	529,737,722

53,160,790,263	39,607,518,459
7,133,955,185	5,783,779,647
35,423,961,603	25,576,314,337
3,969,466,764	3,453,471,365
6,633,406,711	4,793,953,110
<b>59,705,258,361</b>	<b>45,846,309,207</b>

237,309,000	554,345,267
950,000,000	449,980,000
679,564,000	815,309,430
1,470,659,000	2,123,149,300
272,584,000	850,452,000
493,990,541	188,632,525
55,601,151,820	40,864,440,685
<b>59,705,258,361</b>	<b>45,846,309,207</b>



# Notes to the Financial Statements

## 10 (a) Consolidated deposits and other accounts

### Current deposits and other accounts

Mutual Trust Bank limited (note-10.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Less: Intragroup Deposit

### Bills payable

Mutual Trust Bank limited (note-10.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

### Saving deposit

Mutual Trust Bank limited (note-10.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

### Fixed deposit

Mutual Trust Bank limited (note-10.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Less: Intragroup Deposit

### Deposit Products

Mutual Trust Bank limited (note-10.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

## 11.00 Other Liabilities

Provision for Loans and Advances (Note-11.01)

Provision for Off Balance Sheet Items ( Note-11.02)

Provision for Other Asset

Provision against Shares in quoted companies (Note- 11.03)

Interest Suspense ( Note- 11.04)

Exchange Equalization Fund

Short term liabilities to Banks Abroad (Note-11.05)

Export Development Fund

Provision for Income Tax (Note-11.06)

Provision for Gratuity (2.11.2-b)

Provision for Audit Fees

Provision for Bonus

Contribution to MTB Foundation

Contribution for MTB Employees Death Benefit Scheme

Contribution to MTB Employees Medical Assistance Fund

Provision for Expenses

Interest Payable on Subordinated debt

Other Liabilities- Offshore Banking Unit

Liabilities Under Finance Lease

	2011 BDT	2010 BDT
<b>Current deposits and other accounts</b>		
Mutual Trust Bank limited (note-10.02)	9,206,185,578	8,590,502,228
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(423,839,877)	(716,825,958)
	<b>8,782,345,701</b>	<b>7,873,676,270</b>
<b>Bills payable</b>		
Mutual Trust Bank limited (note-10.02)	602,193,277	529,737,722
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>602,193,277</b>	<b>529,737,722</b>
<b>Saving deposit</b>		
Mutual Trust Bank limited (note-10.02)	7,839,511,192	6,355,801,810
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>7,839,511,192</b>	<b>6,355,801,810</b>
<b>Fixed deposit</b>		
Mutual Trust Bank limited (note-10.02)	35,423,961,603	25,576,314,337
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(230,614,130)	-
	<b>35,193,347,473</b>	<b>25,576,314,337</b>
<b>Deposit Products</b>		
Mutual Trust Bank limited (note-10.02)	6,633,406,711	4,793,953,110
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>6,633,406,711</b>	<b>4,793,953,110</b>
	<b>59,050,804,354</b>	<b>45,129,483,249</b>
<b>11.00 Other Liabilities</b>		
Provision for Loans and Advances (Note-11.01)	1,329,899,700	1,167,612,700
Provision for Off Balance Sheet Items ( Note-11.02)	153,300,000	115,538,000
Provision for Other Asset	-	-
Provision against Shares in quoted companies (Note- 11.03)	10,432,180	4,237,037
Interest Suspense ( Note- 11.04)	183,454,798	142,011,997
Exchange Equalization Fund	-	-
Short term liabilities to Banks Abroad (Note-11.05)	250,920,239	15,051,842
Export Development Fund	-	9,652,289
Provision for Income Tax (Note-11.06)	1,489,621,250	1,041,386,250
Provision for Gratuity (2.11.2-b)	37,858,995	21,890,811
Provision for Audit Fees	522,500	500,000
Provision for Bonus	60,000,000	59,120,430
Contribution to MTB Foundation	1,000,000	3,500,000
Contribution for MTB Employees Death Benefit Scheme	1,000,000	1,500,000
Contribution to MTB Employees Medical Assistance Fund	-	1,500,000
Provision for Expenses	8,823,477	7,282,576
Interest Payable on Subordinated debt	75,616,437	82,191,780
Other Liabilities- Offshore Banking Unit	45,864,115	-
Liabilities Under Finance Lease	35,162,235	22,766,399
	<b>3,683,475,926</b>	<b>2,695,742,111</b>

# Notes to the Financial Statements

## 11.01 Provision for Loans and Advances

### For Unclassified

Opening Balance	
Add: Provision made during the year	
Less: Provision transferred to Classified Loans and Advances	

### Closing Balance

### For Classified

Opening Balance	
Add: Provision made during the year	
Add: Provision transferred from Off Balance Sheet Items	
Less: Adjustment during the year	
Less: Loan written off during the year	
Closing Balance	

2011 BDT	2010 BDT
489,643,900	388,592,078
123,756,000	101,051,822
-	-
<b>613,399,900</b>	<b>489,643,900</b>
677,968,800	663,095,815
38,531,000	380,379,190
-	-
-	-
-	365,506,205
<b>716,499,800</b>	<b>677,968,800</b>
<b>1,329,899,700</b>	<b>1,167,612,700</b>

## 11.02 Provision for Off Balance Sheet Items

Opening Balance	
Add: Provision made during the year	
Less: Provision transferred to Classified Loans and Advances	
Closing Balance	

115,538,000	88,132,000
37,762,000	27,406,000
-	-
<b>153,300,000</b>	<b>115,538,000</b>

## 11.03 Provision against Shares in quoted companies

Opening Balance	
Add: Provision made during the year	
Less: Adjustment made during the year	
Closing Balance	

4,237,037	3,823,324
6,195,143	413,713
-	-
<b>10,432,180</b>	<b>4,237,037</b>

## 11.04 Interest suspense account

Opening Balance	
Add: Addition during the year	
Less: Adjustment made during the year	
Closing Balance	

142,011,997	140,395,441
155,651,543	52,428,287
114,208,742	50,811,731
<b>183,454,798</b>	<b>142,011,997</b>

## 11.05 Short Term Liabilities to Banks Abroad

Name of the Bank	Transaction Currency
1 Mashreqbank, New York	US\$
2 Standard Chartered Bank, New York	US\$
3 Wells Fargo, New York	US\$
4 JP Morgan, New York	US\$
5 Standard Chartered Bank, London	GBP
6 Unicredit, Germany	EUR
7 Commerzbank, Germany	EUR
8 AB Bank, Mumbai	ACU
9 United Bank of India	ACU
10 ICICI, Hong Kong	US\$
11 Habib American Bank, Zurich	CHF

-	7,495,677
96,739,434	-
3,076,560	1,781,688
37,449,350	-
15,861,693	-
70,930,337	-
2,778,409	-
23,014,588	-
1,069,868	-
-	3,999,023
-	1,775,454
<b>250,920,239</b>	<b>15,051,842</b>

## 11.06 Provision for Income Tax

Opening Balance	
Less: Adjustment made during the year	
Add: Provision made during the year	

1,041,386,250	1,707,224,878
-	1,102,973,909
448,235,000	437,135,281
<b>1,489,621,250</b>	<b>1,041,386,250</b>

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

# Notes to the Financial Statements

## 11.06 (a) Consolidated Provision for Income Tax

Mutual Trust Bank limited (note-11.06)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

2011 BDT	2010 BDT
448,235,000	437,135,281
141,354,884	62,864,719
-	-
-	-
<b>589,589,884</b>	<b>500,000,000</b>

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

## 11 (a) Consolidated other liabilities

Mutual Trust Bank limited (note-11.1)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited
Interim Dividend Paid by MTB Securities Limited
Less: Intragroup receivable & payable

3,683,475,926	2,695,742,111
775,302,744	495,572,350
2,453,292	-
3,153,304	-
(194,672,030)	-
(84,856,203)	-
<b>4,184,857,033</b>	<b>3,191,314,461</b>

## 12.00 Subordinated Debt

The Bank floated 12% partially Convertible Subordinated debt through private placement for BDT 2,500 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.

12% Partially Convertible Subordinated Debt

2,500,000,000	2,500,000,000
<b>2,500,000,000</b>	<b>2,500,000,000</b>

Detail list of subordinated debt holders are shown in Annexure-D

## 13.00 Capital

### 13.01 Authorized Capital:

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

<b>10,000,000,000</b>	<b>10,000,000,000</b>
-----------------------	-----------------------

### 13.02 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, 2011 is BDT 2,543,498,400 divided into 25,434,984 Ordinary shares and as on December 31, 2010 was BDT 2,119,582,000 divided into 21,195,820 Ordinary shares of BDT 100 each.

In November 2011, the shares were split off in DBT 10 per share from BDT 100 per share dividing 10 shares of previous one share. So number of shares increased 10 times with same paid up capital.

6,000,000 Ordinary shares of BDT 100 each issued for cash
9,168,384 Ordinary shares of BDT 100 each issued as bonus shares up to the year of 2008
2,494,800 Ordinary shares of BDT 100 each issued as Right Shares in the year 2008
3,532,637 Ordinary shares of BDT 100 each issued as bonus Shares in the year 2009
4,239,164 Ordinary shares of BDT 100 each issued as bonus Shares in the year 2010

600,000,000	600,000,000
916,838,400	916,838,400
249,480,000	249,480,000
353,263,600	353,263,600
423,916,400	-
<b>2,543,498,400</b>	<b>2,119,582,000</b>



## Notes to the Financial Statements

### 13.03 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
		<b>254,349,840</b>	<b>2,543,498,400</b>	

### 13.04 The break up of Issued, Subscribed and Paid-up Capital is as follows:

	December 31, 2011		
	No. of shares	Value of shares	% of holding
	BDT		
Sponsors	100,349,490	1,003,494,900	39.45%
Financial Institutions	73,684,062	736,840,620	28.97%
General	80,316,288	803,162,880	31.58%
	<b>254,349,840</b>	<b>2,543,498,400</b>	<b>100%</b>

### 13.05 Capital Adequacy Ratio

There is a surplus of BDT 1,132.67 million in the capital fund of the Bank as on 31 December 2011 computed in accordance with BRPD Circular No.10 dated November, 2002 and BRPD Circular No. 03 dated 09 May 2004 and subsequent changes. Details of such surplus capital fund are given below.

	BDT in Million	BDT in Million
Total risk weighted assets	57,925.94	54,197.57
Required Capital : 10% of total risk weighted asset (9% as at 2010)	5,792.59	4,877.78
Actual capital maintained		
<b>Core Capital (Tier-I) :</b>		
Paid up Capital	2,543.50	2,119.58
Statutory Reserve	1,473.58	1,278.44
General Reserve	361.78	361.78
Minority Interest	0.04	0.02
Retained Earnings	311.45	529.19
	<b>4,690.35</b>	<b>4,289.01</b>
<b>Supplementary Capital (Tier-II) :</b>		
General Provision including Off Balance Sheet items	766.70	605.18
Revaluation Reserve on Investment in Securities	61.16	44.80
Subordinated debt	1,407.10	1,286.70
	<b>2,234.96</b>	<b>1,936.68</b>
<b>Total Capital (Tier-I+Tier-II)</b>	<b>6,925.31</b>	<b>6,225.69</b>
<b>Surplus</b>	<b>1,132.72</b>	<b>1,347.91</b>
<b>Capital Adequacy Ratio</b>	<b>11.96%</b>	<b>11.49%</b>

### 13.05.01 Capital Requirement

	2011		2010	
	Required	Held	Required	Held
Tier-I	5.00%	8.10%	4.50%	7.65%
Tier-II		3.86%		1.55%
Tier-III		0.00%		0.00%



# Notes to the Financial Statements

## 13.06 Computation of Risk-Weighted Asset

### a. Balance Sheet Exposure

BDT in Million

Sl.	Particulars	2011				2010
		Bangladesh Bank's Rating	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	-
a)	Cash		751.23	0%	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		12,012.20	0%	-	-
c)	Claims on other Sovereigns & Central Banks		-	0%	-	-
d)	Claims on Bank for International Settlements, International Monetary Fund, European Central Bank		-	0%	-	-
e)	Claims on Multilateral Development Banks (Specific)		-		-	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IABD, EIB, NIB, CDB, IDB, CEDB		-	0%	-	-
	ii) Other MDBs	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
f)	Claims on Public Sector Entities in Bangladesh	1	604.80	20%	120.96	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	54.50
g)	Claims on Banks and NBFIs		-		-	-
	i) Original Maturity Over 3 month	1	445.10	20%	89.02	65.74
		2,3	2,919.40	50%	1,459.70	1,344.75
		4,5	-	100%	-	1,184.40
		6	-	150%	-	-
		Unrated	-	100%	-	-
	ii) Original Maturity less than 3 months		373.00	20%	74.60	438.84
h)	Claims on Corporates	1	1,139.50	20%	227.90	170.30
		2	1,450.50	50%	725.25	455.40
		3,4	2,831.90	100%	2,831.90	1,075.30
		5,6	-	150%	-	-
		Unrated	14,053.30	125%	17,566.63	22,962.25
i)	Claims under Credit Risk Mitigation [From WP-1(a)]:	PSE		N/A	-	-
		Banks & NBFIs	-	N/A	-	-
		Corporate	1,860.50	N/A	743.00	263.62
		Retail & Small	858.10	N/A	88.20	83.71
		Consumer finance	-	N/A	-	-
		Residential	-	N/A	-	-
		Commercial Real	-	N/A	-	-
j)	Claims on categorized as Retail Portfolio and Small Enterprise (excluding consumer loan)		14,033.20	75%	10,524.90	3,720.90
k)	Consumer Finance		1,044.80	100%	1,044.80	1,301.10
l)	Claims fully secured by residential property		209.90	50%	104.95	531.90
m)	Claims fully secured by commercial real estate		939.00	100%	939.00	855.00
n)	1. Past Due Claims (Risk weights are to be assigned net of specific provision)		-			
	- Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ;		1,156.30	150%	1,734.45	625.44

## Notes to the Financial Statements

Sl.	Particulars	2011			2010
		Exposure	Risk weight	Risk weighted assets	Risk weighted assets
	<sup>1</sup> -Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim ;	142.40	100%	142.40	11.20
	<sup>1</sup> -Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.	149.90	50%	74.95	64.78
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding	20.00	100%	20.00	4.30
	3. Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount	-	75%	-	-
o)	Capital Market Exposure	3,496.90	125%	4,371.13	4,163.50
p)	Investments in venture capital	-	150%	-	-
q)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book		125%	-	-
r)	Investments in premises, plant and equipment and all other fixed assets	1,554.30	100%	1,554.30	765.30
s)	Claims on all fixed assets under operating lease	-	100%	-	-
t)	All other assets			-	-
	i) Claims on GOB & BB	1,221.30	0%	-	-
	ii) Staff Loans /Investment *& Cash items in process of collection	448.70	20%	89.74	54.80
	iii) Claims on Off shore Banking Unit (OBU)	207.70	100%	207.70	-
	v) Others (not specified above)[Net of specific provision if any]	981.40	100%	981.40	1,044.20
<b>Total</b>		<b>64,905.33</b>		<b>45,716.87</b>	<b>41,240.69</b>

### b. Off Balance Sheet Exposure

Sl.	Particulars	2011				2010
		Bangladesh Bank's Rating	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	-
a)	Claims on Bangladesh Government and Bangladesh Bank		-	0%	-	-
b)	Claims on other Sovereigns & Central Banks**		-	0%	-	-
c)	Claims on Bank for International Settlements, International Monetary Fund, European Central Bank		-	0%	-	-
d)	Claims on Multilateral Development Banks (MDBs)		-	0%	-	-
	i)IBRD, IFC, ADB, AFDB, EBRD, IABD, EIB, NIB, CDB, IDB, CEDB		-	0%	-	-
	ii) Other MDBs	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
e)	Claims on Public Sector Entities (other than Govt.) in Bangladesh	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
f)	Claims on Banks & NBFIs		-		-	-
	i) Maturity Over 3 month	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	100%	-	-
	ii) Maturity less than 3 months		-	20%	-	-



## Notes to the Financial Statements

Sl.	Particulars	2011				2010
		Bangladesh Bank's Rating	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	
g)	Claims on Corporate	1	1,066.70	20%	213.34	-
		2	2,098.60	50%	1,049.30	-
		3,4	1,122.90	100%	1,122.90	52.88
		5,6	-	150%	-	-
		Unrated	1,346.90	125%	1,683.63	6,342.55
h)	Claims on categorized as Retail Portfolio and Small Enterprise (excluding consumer loan)		-	75%	-	-
i)	Consumer Finance		-	100%	-	-
j)	Claims fully secured by residential property			50%		
k)	Claims fully secured by commercial real estate			100%		
l)	Investment in venture capital			150%		
m)	All other assets		-	100%	-	-
<b>Total:</b>			<b>5,635.10</b>		<b>4,069.17</b>	<b>6,395.43</b>

### c. Capital Charge for Market Risk

Sl.	Details	Capital Charge for Specific Risk	Capital Charge for General Market Risk	2011 BDT	2010 BDT
				Total Capital Charge for Market Risk	Total Capital Charge for Market Risk
1	2	3	4 = (2+3)		
A.	Interest Rate Related instruments	-	246.70	246.70	55.38
B.	Equities	42.20	42.20	84.40	86.34
C.	Foreign Exchange Position		28.40	28.40	56.10
<b>Total (A+B+C):</b>		<b>42.20</b>	<b>317.30</b>	<b>359.50</b>	<b>197.82</b>

### d. Capital Charge for Operational Risk

Sl.	Year	Gross Income (GI)	Average GI*	Alpha	CCFOR	CCFOR
A.	2011	3,146				
B.	2010	3,400	3,029.93	15%	454.49	392.77
C.	2009	2,544				

### Total Risk Weighted Assets (RWA)

Particulars	RWA in Million	
<b>A. Credit Risk on</b>		
Balance Sheet Exposure	45,716.87	41,240.69
Off Balance Sheet Exposure	4,069.17	6,395.43
<b>B. Market Risk</b>	359.50	2,197.83
<b>C. Operational Risk</b>	454.49	4,363.62
<b>Total Risk Weighted Assets (A+B+C)</b>	<b>57,925.94</b>	<b>54,197.57</b>

### 13.07 Minimum Capital Requirement Under Basel II

Sl.	Particulars	BDT Million	BDT Million
A.	Eligible Capital :		
1	Tier-1 (Core Capital )	4,690.35	4,289.01
2	Tier-2 (Supplementary Capital)	2,234.96	1,936.68
3	Tier-3 (eligible for market risk only)	-	-
4	Total Eligible Capital (1+2+3) :	6,925.31	6,225.69
B.	Total Risk Weighted Assets (RWA):	57,925.94	54,197.57
C.	Capital Adequacy Ratio (CAR) (A <sub>4</sub> / B)*100	11.96%	11.49%
D.	Core Capital to RWA (A <sub>1</sub> / B)*100	8.10%	7.92%
E.	Supplementary Capital to RWA (A <sub>2</sub> / B)*100	3.86%	3.57%
F.	<b>Minimum Capital Requirement (MCR)- as on December 31, 2011</b>	<b>5,792.59</b>	<b>4,877.78</b>

# Notes to the Financial Statements

## 13.08 Distribution Schedule of Shareholders by holdings as on December 31, 2011

Holdings	No. of Shareholders	No. of Shares	Value of shares in Taka	Total Holdings %
Less than 499 shares	5,827	742,520	7,425,200	0.29%
500 to 5,000 shares	8,853	13,950,000	139,500,000	5.48%
5,001 to 10,000 shares	918	6,594,920	65,949,200	2.59%
10,001 to 20,000 shares	508	7,101,580	71,015,800	2.79%
20,001 to 30,000 shares	154	3,841,680	38,416,800	1.51%
30,001 to 40,000 shares	77	2,746,550	27,465,500	1.08%
40,001 to 50,000 shares	64	2,938,790	29,387,900	1.16%
50,001 to 100,000 shares	107	7,635,370	76,353,700	3.00%
100,001 to 1,000,000 shares	144	42,874,990	428,749,900	16.86%
Over 1,000,000 shares	48	165,923,440	1,659,234,400	65.23%
<b>Total</b>	<b>16,700</b>	<b>254,349,840</b>	<b>2,543,498,400</b>	<b>100.00%</b>

	2011 BDT	2010 BDT
<b>14.00 Statutory Reserve</b>		
Opening Balance	1,278,436,492	980,325,611
Add: Transferred during the year (20% of pretax profit)	195,140,128	298,110,881
<b>Closing Balance</b>	<b>1,473,576,620</b>	<b>1,278,436,492</b>
<b>14 (a) Consolidated Statutory Reserve</b>		
Opening Balance	1,278,436,492	980,325,611
Add: Transferred during the year (20% of pretax profit)	195,140,128	298,110,881
<b>Closing Balance</b>	<b>1,473,576,620</b>	<b>1,278,436,492</b>
<b>15.00 General Reserve</b>		
Opening Balance	361,777,324	161,777,324
Add. Transferred from Profit and Loss A/c	-	200,000,000
Less. Issued bonus share	-	-
<b>Closing Balance</b>	<b>361,777,324</b>	<b>361,777,324</b>
<b>16.00 Retained Earnings</b>		
Opening Balance	313,781,621	392,221,588
Less: Bonus Share Issued during the year	423,916,400	353,263,600
Less: Transferred to General Reserve	-	200,000,000
Add: Profit made during the year	635,390,996	772,934,514
Less: Transferred to Statutory Reserve	195,140,128	298,110,881
<b>Closing Balance</b>	<b>330,116,088</b>	<b>313,781,621</b>
<b>16 (a) Consolidated Retained Earnings / movement of profit and loss account</b>		
Opening Balance	526,304,763	392,221,588
Less: Bonus Share Issued during the year	423,916,400	353,263,600
Less: Transferred to General Reserve	-	200,000,000
Add: Consolidated Profit made during the year	404,203,232	988,340,517
Less: Transferred to Statutory Reserve	195,140,128	298,110,881
	<b>311,451,467</b>	<b>529,187,624</b>
<b>17.00 Contingent Liabilities &amp; Commitments</b>		
Letter of Guarantee	<b>3,728,887,570</b>	<b>3,723,340,283</b>
<b>Letter of Credit :</b>		
Letter of Credit (Cash)	2,888,834,446	2,962,594,229
Letter of Credit (Back to Back)	331,216,944	697,747,000
Letter of Credit (EDF)	22,701,857	335,605,000
Letter of Credit (Deferred)	524,766,208	554,614,000
Letter of Credit (Inland)	117,294,323	133,350,000
	<b>3,884,813,778</b>	<b>4,683,910,229</b>



# Notes to the Financial Statements

## Bills for collection :

Inland  
Foreign  
LDBC  
FDBC

## Other Contingent Liabilities :

IFDBC (Back to Back)  
IFDBC (Cash)  
Accepted Bill (Inland)  
Accepted Bill (Foreign)  
Loan written off ( Note-17.01)

## Other Commitments

Undrawn formal standby facilities, credit lines and other commitments

2011 BDT	2010 BDT
15,447,560	28,456,324
-	6,915,000
1,277,472,927	244,753,366
574,914,279	480,528,900
<b>1,867,834,766</b>	<b>760,653,590</b>
931,030,779	1,428,651,391
2,167,880,700	2,016,949,500
434,104,830	-
2,313,264,829	36,556,000
-	365,506,205
<b>5,846,281,138</b>	<b>3,847,663,096</b>
<b>1,883,300,000</b>	<b>2,483,300,000</b>
<b>17,211,117,252</b>	<b>15,498,867,198</b>

## 17.01 Loan written off

During the year no parties from Loans and Advances have been written off.

## 17.02 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  
Bank and other Financial Institutions  
Others

Less: Margin

iii) Liability on Account of Bills Re-Discounted  
iv) Liability on Account of Outstanding Forward Exchange Contract

-	-
371,934	374,934
1,477,517,150	3,443,854,130
1,764,668	19,131,983
2,249,233,818	259,979,236
<b>3,728,887,570</b>	<b>3,723,340,283</b>
1,325,529,379	518,633,383
<b>2,403,358,191</b>	<b>3,204,706,900</b>
-	-
-	-
<b>2,403,358,191</b>	<b>3,204,706,900</b>

## 17.03 Segregation of Commitment by Type

Documentary Credit and Short Term Business Related Transaction  
Forward Asset Purchased and Forward Deposit  
Endorsed formal standby facilities, Credit facilities and other commitments:

Less than one year  
One year and above

Undrawn formal standby facilities, credit lines and other commitments  
Spot and Forward Foreign Exchange Rate Contract  
Other Exchange Contract  
Others

3,884,813,778	4,683,910,229
-	-
9,575,168,708	7,571,003,379
-	-
1,883,300,000	2,483,300,000
-	-
-	-
1,867,834,766	760,653,590
<b>17,211,117,252</b>	<b>15,498,867,198</b>

## 17 (a) Consolidated contingent liabilities

### Acceptances and endorsements

Mutual Trust Bank Limited (note-17)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

### Letters of guarantee

Mutual Trust Bank Limited (note-17)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

5,846,281,138	3,847,663,096
-	-
-	-
<b>5,846,281,138</b>	<b>3,847,663,096</b>
3,728,887,570	3,723,340,283
-	-
-	-
<b>3,728,887,570</b>	<b>3,723,340,283</b>

# Notes to the Financial Statements

## Irrevocable Letters of Credit

Mutual Trust Bank Limited (note-17)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

## Bills for collection

Mutual Trust Bank Limited (note-17)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

## Other Commitments

Mutual Trust Bank Limited (note-17)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

## 18.00 Income Statement

### Income:

Interest, Discount and Similar Income  
Dividend income  
Fee, Commission and Brokerage  
Gain less losses arising from investment securities  
Gain less losses arising from dealing in Foreign Currencies  
Other Operating Income

### Expenses

Interest, Fee and Commission  
Administrative expenses  
Other operating expenses  
Depreciation on Banking Assets

### Operating profit

## 19.00 Interest Income

Loans and Advances (Note-19.01)  
Money at Call and Short Notice  
Balance with Other Banks and Financial Institutions (Note-19.02)  
Bangladesh Bank Foreign Currency Clearing Account

## 19.01 Interest on Loans and Advances

Term Loan  
Small and Medium Enterprise Financing  
Retail/Consumer Financing  
General Loans  
Demand Loan  
Payment Against Documents (PAD)  
Trust Receipts  
Lease Finance  
House Building Loan  
Cash Credit  
Secured Overdraft  
Bills Purchased and Discounted  
Interest on Loans to Subsidiaries  
Interest Income- Offshore Banking Unit  
Other Loans and Advances

2011 BDT	2010 BDT
3,884,813,778	4,683,910,229
-	-
-	-
<b>3,884,813,778</b>	<b>4,683,910,229</b>
1,867,834,766	760,653,590
-	-
-	-
<b>1,867,834,766</b>	<b>760,653,590</b>
1,883,300,000	2,483,300,000
-	-
-	-
<b>1,883,300,000</b>	<b>2,483,300,000</b>
<b>17,211,117,252</b>	<b>15,498,867,198</b>

7,121,714,219	5,199,326,770
426,162,667	16,832,850
287,545,921	591,995,672
(81,961,604)	100,581,831
266,480,696	204,951,068
279,343,376	170,405,464
<b>8,299,285,275</b>	<b>6,284,093,655</b>

5,279,866,439	3,209,919,174
1,269,551,298	947,005,044
333,842,313	318,594,215
144,267,027	87,062,357
<b>7,027,527,077</b>	<b>4,562,580,790</b>
<b>1,271,758,198</b>	<b>1,721,512,865</b>

5,788,739,856	4,141,439,206
53,838,292	35,132,458
76,649,235	207,961,596
-	-
<b>5,919,227,383</b>	<b>4,384,533,260</b>

1,479,750,194	1,117,647,559
198,232,503	133,560,530
143,155,709	70,548,105
18,914,371	38,852,214
65,561,582	12,490,491
136,949,646	92,843,356
994,871,964	674,608,389
34,428,327	29,945,008
310,855,762	246,309,555
907,656,618	682,339,210
824,024,592	723,459,891
272,306,426	204,224,294
349,007,274	80,977,537
50,013,471	32,066,460
3,011,417	1,566,607
<b>5,788,739,856</b>	<b>4,141,439,206</b>

# Notes to the Financial Statements

## 19.02 Interest on Balance with other Bank and Financial Institution

Interest on Balance with other Bank in Bangladesh  
Interest on Balance held with outside Bangladesh

2011 BDT	2010 BDT
76,649,235	207,961,596
-	-
<b>76,649,235</b>	<b>207,961,596</b>

## 19 (a) Consolidated Interest Income

Mutual Trust Bank Limited (note-19)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Less: Intragroup Interest Income (Loans)

5,919,227,383	4,384,533,260
527,280,163	151,468,686
23,163	-
-	-
(349,007,274)	(80,977,537)
<b>6,097,523,435</b>	<b>4,455,024,409</b>

## 20.00 Interest Paid on Deposit & Borrowing, etc.

Interest on Deposit and Other Accounts (Note-20.01)  
Interest on Borrowing from other Banks and Financial Institutions

5,121,284,981	3,112,028,857
158,581,458	97,890,317
<b>5,279,866,439</b>	<b>3,209,919,174</b>

## 20.01 Interest on Deposits and Other Accounts

Savings Deposits  
Short Term Deposits  
Fixed Deposits  
Deposit-Products  
Interest paid on deposit & borrowings-Offshore Banking Unit  
Interest on Subordinated Debt

264,760,776	203,278,915
212,437,977	186,054,442
3,671,012,125	2,148,845,488
645,523,690	478,095,771
27,290,686	13,562,461
300,259,727	82,191,780
<b>5,121,284,981</b>	<b>3,112,028,857</b>

## 20(a) Consolidated Interest Paid on Deposits & Borrowings, etc.

Mutual Trust Bank Limited (note-20)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Less: Intragroup Interest Expense (Borrowings)  
Less: Intragroup Interest Expense (Deposits)

5,279,866,439	3,209,919,174
348,683,402	80,977,537
323,872	-
-	-
(349,007,274)	(80,977,537)
(70,038,993)	-
<b>5,209,827,446</b>	<b>3,209,919,174</b>

## 21.00 Income From Investments

Interest on Treasury Bill  
Interest on Treasury Bond  
Reverse REPO  
Gain/(Loss) on Investment in shares of quoted companies  
Investment Income/Dividend from Subsidiary  
Interim Dividend from MTB Securities Limited  
Dividend on Investment in Shares  
Other Investment

170,740,454	58,947,089
987,839,228	721,332,380
-	-
(81,961,604)	100,581,831
215,406,001	-
194,672,030	-
16,084,636	16,832,850
43,907,154	34,514,041
<b>1,546,687,899</b>	<b>932,208,191</b>

## 21(a) Consolidated Income From Investment

Mutual Trust Bank Limited (note-21)  
Less: Income from MTB Securities Ltd  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Dividend paid by MTB Securities Limited  
Interim Dividend paid by MTB Securities Limited

1,546,687,899	932,208,191
-	-
(5,629,282)	32,920,886
(205,886)	-
-	-
(215,406,001)	-
(194,672,030)	-
<b>1,130,774,700</b>	<b>965,129,077</b>



# Notes to the Financial Statements

## 22.00 Commission, Exchange and Brokerage

Commission (Note-22.01 )  
Exchange  
Brokerage

2011 BDT	2010 BDT
287,545,921	224,413,304
266,480,696	204,951,068
-	367,582,368
<b>554,026,617</b>	<b>796,946,740</b>

## 22.01 Commission

Letter of Guarantee  
Letter of Credit  
Acceptance of Bills  
LC Advising  
Export Bills  
PO, DD & TT  
Exchange houses  
Foreign Remittance  
On-line service  
IBP/FBP/IDBP  
FDBC/IFDBC/LDBC  
OBC/IBC  
Sales and Purchase of Shares  
Underwriting Comm. on Treasury Bill/Bond  
POS Commission

20,827,446	21,427,143
127,401,345	102,878,214
39,513,002	21,102,662
4,648,563	6,769,372
18,980,366	12,540,781
6,855,015	7,083,430
5,212,273	3,326,397
2,397,089	1,964,701
9,719,353	6,719,003
949,410	936,117
31,530,122	32,499,629
1,985,007	2,555,694
259,685	850,036
16,761,449	3,760,125
505,796	-
<b>287,545,921</b>	<b>224,413,304</b>

## 22(a) Consolidated Commission, Exchange and Brokerage

Mutual Trust Bank Limited (note-22)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

554,026,617	796,946,740
214,862,528	210,647,469
442,000	-
4,760,701	-
<b>774,091,846</b>	<b>1,007,594,209</b>

## 23.00 Other Operating Income

Postage Charge Recoveries  
Telephone & Telegram Charge Recoveries  
Handling Charges  
VISA ATM  
VISA POS  
Service Charges  
Margin A/c Maintenance Income  
SWIFT Charge Recoveries  
Management fees  
Retail Income  
Incidental charges, CVP Charges and other recoveries  
Charges against cards  
Extra Ordinary Gain  
Recovery from written off loans  
DP Income  
Locker Rent  
Miscellaneous Earnings

7,042,435	7,879,817
3,183	1,151
6,127,256	7,787,380
-	1,188,899
2,921,110	939,952
78,055,610	73,318,221
-	2,220,594
7,485,156	10,672,663
12,168,894	12,650,952
9,631,391	229,450
716,850	-
10,231,511	3,425,338
-	33,864
79,391,616	1,000,000
-	6,698,304
1,432,955	1,401,334
64,135,409	40,957,545
<b>279,343,376</b>	<b>170,405,464</b>

## 23 (a) Consolidated other operating income

Mutual Trust Bank Limited (note-23)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Less: Intragroup other operating income

279,343,376	170,405,464
94,568,052	10,413,170
7,197,009	-
221,905	-
(70,038,993)	-
<b>311,291,349</b>	<b>180,818,634</b>





# Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>24.00 Salary &amp; Allowances</b>		
Basic Pay	305,642,602	211,917,371
Allowances	255,419,266	172,331,484
Bonus	104,180,335	85,395,500
Gratuity	37,856,995	26,890,811
Daily Wages	1,312,215	1,107,150
Leave Fare Assistance	32,852,358	22,850,643
Provident Fund	21,488,951	18,543,844
	<b>758,752,722</b>	<b>539,036,803</b>
<b>24 (a) Consolidated salaries and allowances</b>		
Mutual Trust Bank Limited (note-24)	758,752,722	539,036,803
MTB Securities Limited	45,097,630	7,183,577
MTB Capital Limited	2,637,224	-
MTB Exchange (UK) Limited	5,826,193	-
	<b>812,313,769</b>	<b>546,220,380</b>
<b>24.01 Managing Director's Remuneration</b>		
Basic	4,800,000	4,800,000
House Rent	1,200,000	1,200,000
House Maintenance	900,000	900,000
Entertainment	120,000	120,000
Festival Bonus	1,200,000	1,200,000
Security and personal wages	420,000	420,000
Providend Fund	480,000	480,000
	<b>9,120,000</b>	<b>9,120,000</b>
<b>25.00 Rent, Tax, Insurance, Electricity, etc.</b>		
Rent	271,306,765	219,556,225
Rates & taxes	1,091,063	961,693
Insurance	34,873,324	26,739,691
Power and electricity	37,368,156	27,521,939
Lease Rent	4,004,756	3,015,213
	<b>348,644,064</b>	<b>277,794,761</b>
<b>25 (a) Consolidated rent, taxes, insurance, electricity, etc.</b>		
Mutual Trust Bank Limited (note-25)	348,644,064	277,794,761
MTB Securities Limited	28,388,026	6,978,760
MTB Capital Limited	1,635,908	-
MTB Exchange (UK) Limited	6,033,226	-
	<b>384,701,224</b>	<b>284,773,521</b>
<b>26.00 Legal Expense</b>		
Legal Expense	1,401,257	2,019,129
	<b>1,401,257</b>	<b>2,019,129</b>
<b>26 (a) Consolidated Legal Expense</b>		
Mutual Trust Bank Limited (note-26)	1,401,257	2,019,129
MTB Securities Limited	2,796	10,000
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	312,657	-
	<b>1,716,710</b>	<b>2,029,129</b>
<b>27.00 Postage, Stamps &amp; Telephone, etc.</b>		
Postage/Courier Service	8,292,583	6,066,643
Fax & e-mail	988,119	1,210,759
On-line and connectivity charges	42,731,702	32,877,708
Telephone	9,345,272	7,184,006
	<b>61,357,676</b>	<b>47,339,116</b>

# Notes to the Financial Statements

## 27 (a) Consolidated postage, stamp, telecommunication, etc.

Mutual Trust Bank Limited (note-27)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

2011 BDT	2010 BDT
61,357,676	47,339,116
1,178,191	1,731,081
34,630	-
96,959	-
<b>62,667,456</b>	<b>49,070,197</b>

## 28.00 Printing, Stationery, Advertisement etc.

Printing & Security Stationery  
Computer Stationery  
Petty & Table Stationery  
Publicity & Advertisement

18,648,452	21,766,743
11,704,484	6,263,519
6,875,812	6,125,460
51,834,331	36,262,513
<b>89,063,079</b>	<b>70,418,235</b>

## 28 (a) Consolidated Printing, Stationery, Advertisements etc.

Mutual Trust Bank Limited (note-28)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

89,063,079	70,418,235
2,467,716	5,095,610
859,190	-
441,935	-
<b>92,831,920</b>	<b>75,513,845</b>

## 29.00 Directors' Fees

Meeting fee

630,000	654,000
<b>630,000</b>	<b>654,000</b>

## 30.00 Audit Fee

Audit Fee

582,500	623,000
<b>582,500</b>	<b>623,000</b>

## 30 (a) Consolidated Audit Fee

Mutual Trust Bank Limited (note-30)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

582,500	623,000
35,000	30,000
22,900	-
491,820	-
<b>1,132,220</b>	<b>653,000</b>

## 31.00 Depreciation on & Repairs to Bank's property

### Depreciation :

Immovable Property  
Furniture & Fixture  
Interior Decoration  
Office Equipments  
Motor Vehicles  
Books & Periodicals  
Leasehold Property

1,042,213	1,040,272
11,686,256	6,471,293
35,582,962	18,557,010
84,914,095	51,022,376
2,353,836	3,486,617
-	287,976
8,687,665	6,196,813
<b>144,267,027</b>	<b>87,062,357</b>

Repairs on Bank's property

13,462,567	7,622,819
<b>157,729,594</b>	<b>94,685,176</b>

## 31 (a) Consolidated Depreciation on and Repairs to Property

Mutual Trust Bank Limited (note-31)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

157,729,594	94,685,176
8,004,413	1,859,715
686,265	-
1,794,675	-
<b>168,214,947</b>	<b>96,544,891</b>

## 31 (a.1) Consolidated Depreciation on Property

Mutual Trust Bank Limited (note-31)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

144,267,027	87,062,357
7,229,368	1,751,014
594,406	-
1,282,128	-
<b>153,372,929</b>	<b>88,813,371</b>

# Notes to the Financial Statements

## 31 (a.2) Consolidated Repairs to Property

Mutual Trust Bank Limited (note-31)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

2011 BDT	2010 BDT
13,462,567	7,622,819
775,045	108,701
91,859	-
512,547	-
<b>14,842,018</b>	<b>7,731,520</b>

## 32.00 Other Expenditure

Security & Auxiliary Service
Office Cleaning & Maintenance
Car Expense
Entertainment
Newspaper & Periodicals
Clearing House Expense
Traveling & Conveyance
Foreign Bank Charge
Training/ Seminar Participation
Professional Fee
AGM Expense
Utility
Subscription & Donation
VISA Expense
Reuters Charge
CDBL Charges
Fees & Registration
Business Development Expense
Expense for issuance of Subordinated debt
Promotional & Development Expense
Corporate Social Responsibility (CSR) activities
Branch Opening Expenses
Contribution to MTB Foundation
MTB Employees Death Benefit Fund
Employees Medical Assistance Fund
Honorarium
Cash Carrying Expense
CVP Charges
Site Maintenance & Support Service
Other Expenditure-Offshore Banking Unit
Miscellaneous Expense

65,301,198	44,685,193
24,409,171	18,845,462
93,968,639	50,891,335
18,323,203	11,553,294
929,346	629,917
2,175,675	1,072,493
24,321,961	18,684,941
1,279,569	1,428,950
8,597,668	9,846,981
7,373,746	3,998,237
4,337,375	3,240,865
1,465,120	892,904
3,745,366	1,840,441
7,675,913	9,510,517
1,834,961	1,736,895
502,125	30,467,439
10,025,322	14,349,790
23,271,487	21,544,834
-	23,300,000
490,412	13,429,665
2,877,575	7,869,409
4,260,435	3,720,304
1,000,000	3,500,000
1,000,000	1,500,000
-	1,500,000
171,500	90,500
7,005,472	5,256,954
1,477,520	-
1,096,386	872,982
1,187,200	-
275,401	4,711,094
<b>320,379,746</b>	<b>310,971,396</b>

## 32 (a) Consolidated other Expenditure

Mutual Trust Bank Limited (note-32)
MTB Securities Limited
MTB Capital Limited
MTB Exchange (UK) Limited

320,379,746	310,971,396
38,108,735	21,380,304
2,993,685	-
3,786,546	-
<b>365,268,712</b>	<b>332,351,700</b>

## 33.00 Provision Against Loans and Advances

Provision for Classified Loans & Advances
Provision for Unclassified Loans and Advances
Provision for Off Balance Sheet Items
Total amount of provision made during the year

38,531,000	380,379,190
123,756,000	101,051,822
37,762,000	27,406,000
<b>200,049,000</b>	<b>508,837,012</b>

## 34.00 Provision for Tax

Current tax
Deferred tax
<b>Total</b>

448,235,000	437,135,281
(18,111,941)	2,192,345
<b>430,123,059</b>	<b>439,327,626</b>

# Notes to the Financial Statements

For the year ended December 31, 2011

## 34 (a) Consolidated Provision for Tax

Mutual Trust Bank Limited (note-34)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

2011 BDT	2010 BDT
430,123,059	439,327,626
141,354,884	62,864,719
-	-
-	-
<b>571,477,943</b>	<b>502,192,345</b>

## 35.00 Earnings Per Share (EPS)

Net Profit After Tax  
Number of Ordinary Shares outstanding (2010: Adjusted for bonus share)

635,390,996	772,934,514
<b>254,349,840</b>	<b>254,349,840</b>
<b>2.50</b>	<b>3.04</b>

## 35 (a) Consolidated Earnings Per Share (EPS)

Consolidated Net Profit After Tax  
Number of Ordinary Shares outstanding (2010: Adjusted for bonus share)

404,222,699	988,362,060
<b>254,349,840</b>	<b>254,349,840</b>
<b>1.59</b>	<b>3.89</b>

Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS). Previous year's figures have been adjusted for issue of 20% Bonus shares (for 2010) during the year both for the note 35 and 35(a).

## 36.00 Received from Other Operational Income

Exchange  
Postage charge recoveries  
Telephone and Telegram charge recovery  
Handling charge  
Service charge  
SWIFT charge recovery  
DP income  
Retail Income  
Incidental charges, CVP Charges and other recoveries  
Locker rent  
VISA ATM  
Margin A/c Maintenance Income  
Management fees  
Charges against cards  
Extra Ordinary Gain  
VISA POS  
Miscellaneous income

266,480,696	204,951,068
7,042,435	7,879,817
3,183	1,151
6,127,256	7,787,380
78,055,610	73,318,221
7,485,156	10,672,663
-	6,698,304
9,631,391	229,450
716,850	-
1,432,955	1,401,334
-	1,188,899
-	2,220,594
12,168,894	12,650,952
10,231,511	3,425,338
-	33,864
2,921,110	939,952
64,135,409	40,957,545
<b>466,432,456</b>	<b>374,356,532</b>

## 36 (a) Consolidated Received from Other Operational Income

Mutual Trust Bank Limited (note-36)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Less: Intragroup other operating income

466,432,456	374,356,532
94,568,052	10,413,170
7,197,009	-
221,905	-
(70,038,993)	-
<b>498,380,429</b>	<b>384,769,702</b>

## 37.00 Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity  
Legal Expense  
Postage, Stamps, Telegram & Telephone  
Audit fee  
Printing, Stationery, Advertisement  
Directors' Fee  
Repair & Maintenance  
Other Expenditure

348,644,064	277,794,761
1,401,257	2,019,129
61,357,676	47,339,116
582,500	623,000
89,063,079	70,418,235
630,000	654,000
13,462,567	7,622,819
318,379,746	310,971,396
<b>833,520,889</b>	<b>717,442,456</b>



## Notes to the Financial Statements

### 37 (a) Consolidated Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity  
Legal Expense  
Postage, Stamps, Telegram & Telephone  
Audit fee  
Printing, Stationery, Advertisement  
Directors' Fee  
Repair & Maintenance  
Other Expenditure

	2011 BDT	2010 BDT
	384,701,224	284,773,521
	1,716,710	2,029,129
	62,667,456	49,070,197
	1,132,220	653,000
	92,831,920	75,513,845
	630,000	654,000
	14,842,018	7,731,520
	363,268,712	332,351,700
	<b>921,790,260</b>	<b>752,776,912</b>

### 38.00 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 1,269.

### 39.00 Number of Branch

76 67

### 40.00 Number of Meeting

Board Meeting 12 12  
Executive Committee Meeting 1 1

**41.00** No asset has been sold during the year 2011, except motor vehicles provided to the executive after receiving book value as per Bank's Car Facility Scheme and interiors of old office premises.

### 42.00 Auditors Work Hour

The external auditors of the bank, A. Qasem & Co., Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 3,360 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).

### 43.00 Related Party Disclosure

#### 43.01 Name of Directors and their shareholdings as on December 31, 2011

Name	Designation	December 2011		
		No. of Shares held	BDT	Holding %
Advanced Chemical Industries Ltd. represented by Dr. Arif Dowla	Chairman	8,478,310	84,783,100	3.33%
Associated Builders Corporation Ltd. represented by Mr. Rashed A. Chowdhury	Vice Chairman	12,717,480	127,174,800	5.00%
Mr. Syed Manzur Elahi	Founder			
	Chairman	8,690,280	86,902,800	3.42%
Mr. Hedayetullah	Director	1,425,910	14,259,100	0.56%
Astras Ltd. Represented by Mr. Anjan Chowdhury	Director	6,358,720	63,587,200	2.50%
East West Properties Development Ltd represented by Mr. Mahaboob Morshed Hassan	Direcotr	836,310	8,363,100	0.33%
Mr. M. A. Rouf	Director	5,070,910	50,709,100	1.99%
Mr. Md. Abdul Malek	Director	3,172,360	31,723,600	1.25%
Mrs. Yasmeen Haque	Director	1,257,660	12,576,600	0.49%
Mr. Md. Wakiluddin	Director	3,820,640	38,206,400	1.50%
Mrs. Khwaja Nargis Hossain	Director	4,083,150	40,831,500	1.61%
Md. Nasirullah	Director	150,000	1,500,000	0.06%
		<b>56,061,730</b>	<b>560,617,300</b>	<b>22.04%</b>

Name of the companies in which the Directors of the Bank have interest are given in **Annexure-E**

## Notes to the Financial Statements

### 43.02 Related Party Transactions

Name of party	Related with	Transactions nature	Outstanding amount in BDT	Nature of Security
Apex Tannery Limited	Mr Syed Manzur Elahi, Director & Mr. Hedayetullah, Director	Bank Guarantee (Non-funded)	3.72 Lac	FDR
Britannia Holdings & Management Ltd.	Mr. M. A. Rouf	GHBL	97.64 Lac	Land
Mrs. Rozin Afroz	Mr. Md. Wakiluddin	GHBL	65.39 Lac	Land & Building
Mrs. Banasa Khatun	Mr. Md. Wakiluddin	GHBL	29.43 Lac	Land & Building

### 43.03 Significant Contracts where Bank is a Party and wherein Directors have Interest

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement with Square Pharmaceuticals Limited	Pabna Branch	Samson H Chowdhury, Former Chairman	Approved by Bangladesh Bank
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin and Mr. Md. Saidur Rahman Ratan (Late)	

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

### 43.05 Lending Policies to Related Parties

Lending to related parties is effected as per requirements of Section 27(1) of the Bank

**44.00** Consolidated Financial Highlights as of 31 December 2011 are shown in Annexure-F



**Dr. Arif Dowla**  
Chairman



**Rashed Ahmed Chowdhury**  
Vice Chairman



**Syed Manzur Elahi**  
Director



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



## 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 on December 31, 2011

Annexure- A

Name of the Bank	Currency	2011			2010		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreqbank, New York	US\$	78,395.86	81.85	6,416,701.14	-	-	-
Standard Chartered Bank, New York	US\$	-	-	-	797,620.74	70.50	56,232,262.00
Habib American Bank, New York	US\$	117,184.28	81.85	9,591,533.32	750,698.27	70.50	52,924,228.00
UBAF, Hong Kong	US\$	208,101.63	81.85	17,033,118.42	104,517.50	70.50	7,368,483.75
HSBC, New York	US\$	505,067.42	81.85	41,339,768.33	318,026.81	70.50	22,420,890.00
Mashreqbank, London	US\$	243,586.75	81.85	19,937,575.49	226,598.16	70.50	15,975,170.28
JP Morgan, New York	US\$	-	-	-	593,218.14	70.50	41,821,879.00
Citibank N.A.	US\$	438,839.17	81.85	36,892,554.06	354,582.48	70.50	24,998,064.84
ICICI, Hong Kong	US\$	35,382.62	81.85	2,896,067.45	-	-	-
National Commercial Bank, Jeddha	US\$	355,496.30	81.85	29,097,372.16	168,060.66	70.50	11,848,276.53
Sonali Bank, London	US\$	113,453.41	81.85	9,286,161.61	-	-	-
Standard Chartered Bank, Singapore	SGD	19,263.35	61.25	1,179,880.19	8,609.20	53.25	458,439.90
Mashreqbank, London	GBP	138,904.63	123.50	17,154,721.81	144,107.43	109.50	15,779,763.59
Standard Chartered Bank, London	GBP	-	-	-	5,666.57	109.50	620,489.42
Sonali Bank, London	GBP	576,990.00	123.50	71,258,265.00	-	-	-
Habib American Bank, Zurich	CHF	9,240.52	84.75	783,134.07	-	-	-
Standard Chartered Bank, Tokyo	JPY	1,389,303.00	1.02	1,417,089.06	131,265.00	0.86	112,559.74
UBAF, Tokyo	JPY	1,316,445.00	1.02	1,342,773.90	382,471.00	0.86	327,968.88
Mashreqbank, London	EUR	85,630.05	103.75	8,884,117.69	58,865.76	92.95	5,471,572.39

## 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 on December 31, 2011

Annexure- A

Name of the Bank	Currency	2011			2010		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Standard Chartered Bank, Germany	EUR	10,379.33	103.75	1,076,855.49	52,567.82	92.95	4,886,179.00
Sonali Bank, London	EUR	120,084.00	103.75	12,458,715.00	-	-	-
ICICI, Mumbai	EUR	91,941.42	103.75	9,538,922.33	73,549.10	92.95	6,836,388.85
Unicredit, Germany	EUR	-	-	-	223,297.98	92.95	20,755,547.24
Commerze Bank, Germany	EUR	-	-	-	34,095.30	92.95	3,169,158.14
Standard Chartered Bank, Mumbai	ACU	17,306.28	81.85	1,416,519.02	109,639.22	70.50	7,729,565.01
Standard Chartered Bank, Kolkata	ACU	30,537.47	81.85	2,499,491.92	29,582.47	70.50	2,085,564.14
Standard Chartered Bank, Pakistan	ACU	119,662.07	81.85	9,794,340.43	28,458.83	70.50	2,006,347.52
Citibank N.A., Mumbai	ACU	79,051.35	81.85	6,470,353.00	13,652.55	70.50	962,505.00
Arif Habib Bank, Pakistan	ACU	12.91	81.85	1,056.68	0.15	70.50	10.58
Mashreqbank, Mumbai	ACU	66,298.34	81.85	5,426,519.13	5,647.72	70.50	398,164.26
AB Bank, Mumbai	ACU	-	-	-	32,298.21	70.50	2,277,023.81
ICICI, Mumbai	ACU	85,185.93	81.85	6,972,468.37	173,986.25	70.50	12,266,030.63
HSBC, Mumbai	ACU	25,616.21	81.85	2,096,686.79	1,008.19	70.50	71,077.40
Himalayan Bank Ltd., Kathmundu	ACU	19,800.00	81.85	1,620,630.00	19,800.00	70.50	1,395,900.00
Nepal Bangladesh Bank Ltd.	ACU	250.00	81.85	20,462.50	250.00	70.50	17,625.00
ICICI, Mumbai	US\$	-	-	31,899,000.00	-	-	31,899,000.00
Offshore Banking Unit (OBU)		-	-	-	-	-	9,018,515.00
				<b>365,802,854.36</b>			<b>362,134,649.85</b>





## Investment in Quoted Shares

As at December 31, 2011

Annexure- B

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2011	Total Market Value of Share as at December 31, 2011	Unrealised Gain/(Loss)
1	ACI Zero Coupon Bond	956	10	742,926.72	777.12	828.00	791,568.00	48,641.28
2	APEX Adelchi	5,000	10	1,606,550.00	321.31	295.60	1,478,000.00	(128,550.00)
3	BATA Shoe	300	10	178,221.00	594.07	598.50	179,550.00	1,329.00
4	BATBC	1,450	10	864,823.50	596.43	626.30	908,135.00	43,311.50
5	BRAC Bank Conv Bond	115	10	113,937.40	990.76	1,006.00	115,690.00	1,752.60
6	Confidence Cement	5,750	10	1,324,972.50	230.43	124.50	715,875.00	(609,097.50)
7	DESCO	15,375	10	2,907,750.00	193.85	113.50	1,745,062.50	(1,162,687.50)
8	EBL	3,400	10	190,978.00	56.17	65.80	223,720.00	32,742.00
9	EBL NRB Mutual Fund		10	97,810,000.00	10.00	10.50	102,700,500.00	4,890,500.00
10	GP	9,781,000	10	2,337,150.00	155.81	163.50	2,452,500.00	115,350.00
11	Heidelberg Cement	15,000	10	300,280.00	300.28	255.90	255,900.00	(44,380.00)
12	ISLAMIBANK	1,000	10	1,788,903.00	52.77	54.50	1,847,550.00	58,647.00
13	Lindebd (BOC)	33,900	10	1,722,336.00	615.12	612.20	1,714,160.00	(8,176.00)
14	MARICO	2,800	10	1,723,104.00	370.56	389.50	1,811,175.00	88,071.00
15	Mercantile Bank	4,650	10	1,066,450.00	30.47	34.80	1,218,000.00	151,550.00
16	NBL	35,000	10	1,677,396.00	63.06	66.80	1,776,880.00	99,484.00
17	Prime Bank	26,600	10	912,460.00	42.44	44.50	956,750.00	44,290.00
18	RN Spinning	21,500	10	348,880.00	87.22	79.40	317,600.00	(31,280.00)
19	SEB1st Mutual Fund	4,000	10	208,210.00	8.86	8.90	209,150.00	940.00
20	Square Pharma	23,500	10	3,842,580.50	237.05	237.10	3,843,391.00	810.50
21	Summit Power	16,210	10	35,566,259.45	115.97	74.40	22,817,364.00	(12,748,895.45)
22	Titas Gas	306,685	10	7,826,000.00	78.26	67.60	6,760,000.00	(1,066,000.00)
23	Navana CNG Ltd.	100,000	10	444,612.00	158.79	83.60	234,080.00	(210,532.00)
	Free fund available	2,800		78,319,863.93			78,319,863.93	-
	Total			<b>243,824,644.00</b>			<b>233,392,464.43</b>	<b>(10,432,179.57)</b>

\* Required provision against investment in those quoted shares is increased as at December 31, 2011 to BDT 10,432,180, whereas provision has already been maintained to BDT 42,37,037. So, further provision BDT 6,195,143 is required, which has been provided during the year.

## Consolidated Fixed Asset Schedule

As at December 31, 2011

Annexure-C (i)

Particulars	Cost				Rate	Depreciation				Written down	
	Balance as on 01.01.2011	Addition during the year	Disposal during the year	Balance as on 31.12.2011		Balance as on 01.01.2011	Charged for the year	Adjustment made during the year	Balance as on 31.12.2011	value as on 31.12.2011	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	-	104,253,000
Immovable Property	42,543,780	429,623,700	-	472,167,480	2.50%	3,681,822	1,042,213	-	4,724,035	-	467,443,445
Furniture & Fixture	129,403,716	11,618,064	-	141,021,780	10%	23,116,262	11,841,521	-	34,957,783	-	106,063,997
Interior Decoration	279,464,835	265,841,975	5,799,955	539,506,855	10%	58,132,130	38,729,271	3,479,973	93,381,428	-	446,125,427
Office Equipments	442,677,730	216,715,260	-	659,392,990	20%	174,338,180	89,436,296	-	263,774,476	-	395,618,514
Motor Vehicles	31,031,110	304,200	975,000	30,360,310	20%	25,941,371	2,353,836	701,779	27,593,428	-	2,766,882
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-	-
Leasehold Asset	28,855,000	19,600,000	-	48,455,000	20%	7,758,786	8,687,665	-	16,446,451	-	32,008,549
<b>Total 2011</b>	<b>1,058,653,145</b>	<b>943,703,199</b>	<b>6,774,955</b>	<b>1,995,581,389</b>		<b>293,392,525</b>	<b>152,090,802</b>	<b>4,181,752</b>	<b>441,301,575</b>		<b>1,554,279,814</b>
<b>Total 2010</b>	<b>652,901,022</b>	<b>411,296,293</b>	<b>5,544,170</b>	<b>1,058,653,145</b>		<b>207,324,142</b>	<b>88,813,371</b>	<b>2,744,988</b>	<b>293,392,525</b>		<b>765,260,620</b>



## Fixed Asset Schedule

As at December 31, 2011

Annexure-C

Particulars	Cost				Rate	Depreciation				Written down	
	Balance as on 01.01.2011	Addition during the year	Disposal during the year	Balance as on 31.12.2011		Balance as on 01.01.2011	Charged for the year	Adjustment made during the year	Balance as on 31.12.2011	value as on 31.12.2011	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000	-
Immovable Property	42,543,780	429,623,700	-	472,167,480	2.50%	3,681,822	1,042,213	-	4,724,035	467,443,445	-
Furniture & Fixture	128,129,780	11,014,256	-	139,144,036	10%	23,083,855	11,686,256	-	34,770,111	104,373,925	-
Interior Decoration	254,983,513	228,652,640	5,799,955	477,836,198	10%	57,549,402	35,582,962	3,479,973	89,652,391	388,183,807	-
Office Equipments	423,474,363	204,318,955	-	627,793,318	20%	173,202,301	84,914,095	-	258,116,396	369,676,922	-
Motor Vehicles	31,031,110	304,200	975,000	30,360,310	20%	25,941,371	2,353,836	701,779	27,593,428	2,766,882	-
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-	-
Leasehold Asset	28,855,000	19,600,000	-	48,455,000	20%	7,758,786	8,687,665	-	16,446,451	32,008,549	-
<b>Total 2011</b>	<b>1,013,694,520</b>	<b>893,513,751</b>	<b>6,774,955</b>	<b>1,900,433,316</b>		<b>291,641,511</b>	<b>144,267,027</b>	<b>4,181,752</b>	<b>431,726,786</b>	<b>1,468,706,530</b>	
<b>Total 2010</b>	<b>652,901,022</b>	<b>366,337,668</b>	<b>5,544,170</b>	<b>1,013,694,520</b>		<b>207,324,142</b>	<b>87,062,357</b>	<b>2,744,988</b>	<b>291,641,511</b>	<b>722,053,009</b>	

## List of Subordinated Debt Holders

As at December 31, 2011

Annexure-D

SL #	Name of debt holders	Investment Amount
1	Ak Khan & Co. Limited	360,000,000
2	Agrani Bank Limited	300,000,000
3	Sonali Bank Limited	250,000,000
4	Rupali Bank Limited	200,000,000
5	Dhaka Bank Limited	190,000,000
6	IPDC of Bangladesh Limited	150,000,000
7	Dutch Bangla Bank Limited	150,000,000
8	Bank Asia Limited	150,000,000
9	Trust Bank Limited	110,000,000
10	Janata Bank Limited	100,000,000
11	BASIC Bank Limited	70,000,000
12	National Life Insurance Co. Limited	70,000,000
13	Central Depository Bangladesh Limited	70,000,000
14	Investment Corporation of Bangladesh (ICB)	50,000,000
15	NCC Bank Limited	40,000,000
16	Pubali Bank Limited	40,000,000
17	Prime Bank Employees Provident Fund	40,000,000
18	Popular Life Insurance Co. Limited	40,000,000
19	Delta Life Insurance Co. Limited	40,000,000
20	Grameen Mutual Fund One-Scheme Two	40,000,000
21	Pragati Life Insurance Limited	20,000,000
22	Pacific Jeans Limited	20,000,000
<b>Total</b>		<b>2,500,000,000</b>



## Name of Companies in which the Directors of the Bank have Interest

For the year ended December 31, 2011

Annexure- E

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
01	<b>Dr. Arif Dowla</b> Chairman (Representing Advanced Chemical Industries Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Mutual Trust Bank Ltd.</li> <li>- Tetley ACI (Bangladesh) Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Advanced Chemical Industries Ltd.</li> <li>- Stochastic Logic Ltd.</li> <li>- ACI Pure Flour Ltd.</li> <li>- ACI Foods Ltd.</li> <li>- ACI Motors Ltd.</li> <li>- ACI Logistics Ltd.</li> <li>- ACI Agrochemicals Ltd.</li> <li>- Premia-flex Plastics Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- ACI Formulations Ltd.</li> <li>- ACI Godrej Agro vet (Pvt.) Ltd.</li> <li>- Creative Communication Ltd.</li> <li>- Consolidated Chemicals Ltd.</li> </ul>
02	<b>Mr. Rashed Ahmed Chowdhury</b> Vice-Chairman (Representing Associated Builders Corp. Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- ABC Building Products Ltd.</li> <li>- Banga Garments Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Associated Builders Corporation (ABC) Ltd.</li> <li>- ABC Real Estate Ltd.</li> <li>- Shamsuddin Tawels Ltd.</li> </ul>
03	<b>Mr. Syed Manzur Elahi</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Adelchi Footwear Ltd.</li> <li>- Apex Pharma Ltd.</li> <li>- Blue Ocean Footwear</li> <li>- Apex Enterprise Ltd.</li> <li>- Apex Investments</li> <li>- Grey Advertising</li> <li>- Quantam Market Research</li> <li>- Manusher Jonno Foundation</li> <li>- Bangladesh Freedom Foundation</li> <li>- Holiday Publications</li> <li>- Central Depository Bangladesh Ltd. (CDBL)</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Financial Express</li> <li>- Credit Rating Agency of Bangladesh Ltd. (CRAB)</li> <li>- East West University</li> <li>- Centre for Policy Dialogue (CPD)</li> </ul>
04	<b>Mr. Hedayetullah</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Hedayetullah Securities Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- FB Footwear Ltd. (a joint venture factory with Italy)</li> <li>- Apex Property Development Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- BW International Ltd. (a joint venture PU outsole factory with China)</li> <li>- RYT Joint Co. Ltd. (a joint venture outsole factory with Japan)</li> </ul>
05	<b>Mr. Md. Abdul Malek</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Sheltech consultants (Pvt.) Ltd.</li> </ul>

## Name of Companies in which the Directors of the Bank have Interest

For the year ended December 31, 2011

Annexure- E

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
06	<b>Mr. M. A. Rouf</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Britannia Properties Ltd., Bangladesh</li> <li>- Britannia Developments Limited</li> <li>- Britannia Holdings &amp; Management Ltd.</li> <li>- Diamond Properties, (UK) Scotland</li> <li>- Diamond Properties (BD) Ltd., Bangladesh</li> <li>- Balaka Group, UK</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Tiger Tours Ltd.</li> </ul>
07	<b>Mrs. Yasmeen Haque</b> Director	None
08	<b>Mr. Md. Wakiluddin</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Baridhara Enterprise</li> <li>- Baridhara Corporation Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Swadesh Properties Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- HARDCO International School</li> </ul>
09	<b>Mr. Md. Nasirullah</b> Director	<b>Proprietor</b> <ul style="list-style-type: none"> <li>- Lira International</li> <li>- Alif Lam International</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Mutual Packaging Industries Ltd.</li> <li>- Mutual Foam &amp; Tableware Industries Ltd.</li> <li>- Softech Computer &amp; Networks Ltd.</li> <li>- Dinkum Travels &amp; Tours Ltd.</li> </ul>
10	<b>Mrs. Khawaja Nargis Hossain</b> Director	<b>Director</b> <ul style="list-style-type: none"> <li>- SAHCO International Ltd.</li> </ul>
11	<b>Mr. Mahboob Morshed Hassan</b> Director (Representing East West Properties Dev. Ltd.)	<b>Director</b> <ul style="list-style-type: none"> <li>- Bashundhara Paper Mills Ltd.</li> <li>- Meghna Cement Mills Ltd.</li> <li>- Bashundhara Steel Complex Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Bashundhara Services Ltd.</li> </ul>
12	<b>Mr. Anjan Chowdhury</b> Director (Representing ASTRAS Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Jvacle Travels Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Maasranga Television Ltd</li> <li>- Square Toiletries Ltd.</li> <li>- Square Spinning Ltd.</li> <li>- Mediacom Ltd.</li> <li>- Square Consumer Products Ltd.</li> <li>- Aegis Services Ltd.</li> <li>- Square Air Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Square Pharmaceuticals Limited</li> <li>- Square Textiles Ltd.</li> <li>- Health Products Ltd.</li> <li>- Pharma Packages (Pvt.) Ltd.</li> <li>- ASTRAS Ltd.</li> <li>- Barnali Printers Ltd.</li> <li>- Square Holdings Ltd.</li> <li>- New Dhaka Refractories (BD) Ltd.</li> <li>- Square Distributions Ltd.</li> <li>- Square InformatiX Ltd.</li> <li>- Abahani Limited.</li> <li>- Square Hospitals Ltd.</li> </ul>



# Consolidated Financial Highlights

As at December 31, 2011

Annexure- E

		BDT Million	
SL #	Items	2011	2010
1	Paid up Capital	2,543.50	2,119.58
2	Total Capital	6,925.31	6,225.69
3	Surplus in Capital Fund	1,132.72	1,347.91
4	Total Assets	76,331.37	58,246.03
5	Total Deposits	59,050.80	45,846.31
6	Total Loans and Advances	47,005.48	39,676.12
7	Total Contingent Liabilities	17,114.86	15,498.87
8	Lending-Deposit Ratio	79.60%	86.54%
9	Classified Loans as % of Total Loans and Advances	2.54%	2.28%
10	Profit After Provision and Tax	404.22	988.36
11	Total Classified loans and advances	1,195.10	903.97
12	Total Provision Maintained against Classified Loans	716.50	677.97
13	Surplus/(deficit) in Provision against Classified Loans	-	9.77
14	Cost of Fund	13.65%	10.62%
15	Earning Assets	66,660.79	51,184.77
16	Non-Interest Earning Assets	9,670.58	7,061.26
17	Return on Investments (ROI)	7.70%	11.13%
18	Return on Asset (ROA)	0.60%	1.78%
19	Income from Investments	1,130.77	1,043.56
20	Earnings per Share (BDT)	1.59	3.89
21	Profit per Share (BDT)	1.59	3.89
22	Price-Earning Ratio (Times)	20.84	18.22



# Off-shore Banking Unit (OBU) Balance Sheet

As at December 31, 2011

Annexure - G

## Property and Assets

### Cash

In hand (including foreign currencies)

Balance with Bangladesh Bank and its agent bank (s)  
(including foreign currencies)

### Balance with other banks and financial institutions

In Bangladesh

Outside Bangladesh

### Loans and advances

Loans, cash credits, overdrafts etc.

Bills purchased and discounted

### Fixed assets including premises, furniture and fixtures

### Other assets

### Non - banking assets

### Total assets

## Liabilities and Capital

### Borrowings from other banks, financial institutions and agents

### Deposits and other accounts

Current deposits Bills payable

Savings bank deposits

Term deposits

### Other liabilities

### Total liabilities

### Capital / Shareholders' equity

Paid up capital

Statutory reserve

Foreign currency translation gain

Other reserve

Deficit in profit and loss account / Retained earnings

### Total Shareholders' equity

### Total Liabilities and Shareholders' equity

## Off-Balance Sheet Items

### Contingent liabilities

Acceptances and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

Other contingent liabilities

### Other commitments

Documentary credits and short term trade -related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities , credit lines and other commitments

Liabilities against forward purchase and sale

Other commitments

### Total Off-Balance Sheet exposures including contingent liabilities

Note	2011		2010	
	USD	BDT	USD	BDT
	-	-	-	-
	-	-	-	-
	-	-	-	-
3	-	-	-	-
	-	-	-	-
	-	-	-	-
	9,927,312	812,550,487	18,038,021	1,271,680,473
4	9,927,312	812,550,487	15,292,584	1,078,127,172
5	-	-	2,745,437	193,553,301
	-	-	-	-
6	-	-	11,683	823,687
	-	-	-	-
	9,927,312	812,550,487	18,049,704	1,272,504,160
7	7,003,477	573,234,592	15,029,455	1,059,576,556
8	-	-	2,764,758	194,915,439
	-	-	-	-
	-	-	-	-
	-	-	2,764,758	194,915,439
9	2,633,598	215,559,996	-	-
	9,637,075	788,794,589	17,794,213	1,254,491,995
	-	-	-	-
	-	-	-	-
	-	2,220,313	-	235,052
	-	-	-	-
10	290,237	21,535,585	255,491	17,777,113
	290,237	23,755,898	255,491	18,012,165
	9,927,312	812,550,487	18,049,704	1,272,504,160
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

# Off-Shore Banking Unit (OBU) Profit and Loss Account

For the year ended December 31, 2011

Annexure - G

Particulars	Note	2011		2010	
		USD	BDT	USD	BDT
Interest income	11	674,036	50,013,471	460,857	32,066,460
Less: Interest on deposits, borrowings, etc.	12	367,799	27,290,686	194,919	13,562,461
<b>Net Interest Income</b>		<b>306,237</b>	<b>22,722,785</b>	<b>265,938</b>	<b>18,503,999</b>
<b>Total Operating Income (A)</b>		<b>306,237</b>	<b>22,722,785</b>	<b>265,938</b>	<b>18,503,999</b>
<b>Total operating expenses (B)</b>		<b>16,000</b>	<b>1,187,200</b>	<b>10,447</b>	<b>726,886</b>
<b>Profit / (loss) before provision (C=A-B)</b>		<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
<b>Total provision (D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit / (loss) before taxes (C-D)</b>		<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Net profit / (loss) after taxation</b>		<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>
		<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>

# Off-Shore Banking Unit (OBU)

## Statement of Cash Flow

For the year ended December 31, 2011

Annexure - G

	2011		2010	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest receipts in cash	674,036	50,013,471	460,857	32,066,460
Interest payments	(367,799)	(27,290,686)	(194,919)	(13,562,461)
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	(16,000)	(1,187,200)	(10,447)	(726,886)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>
<b>Increase / (decrease) in operating assets and liabilities</b>				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(9,927,312)	(812,550,487)	(18,038,021)	(1,271,680,473)
Other assets	-	-	(11,683)	(823,687)
Deposits from other banks / borrowings	7,003,477	573,234,593	17,794,213	1,254,491,995
Deposits from customers	-	-	-	-
Other liabilities	2,633,598	215,559,996	-	-
	<b>(290,237)</b>	<b>(23,755,898)</b>	<b>(255,491)</b>	<b>(18,012,165)</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>(2,220,313)</b>	<b>-</b>	<b>(235,052)</b>
<b>B) Cash flows from investing activities</b>				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Borrowings	-	-	-	-
<b>Net Cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-</b>	<b>(2,220,313)</b>	<b>-</b>	<b>(235,052)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>2,220,313</b>	<b>-</b>	<b>235,052</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-	-
Balance with other banks and financial institutions	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Off-Shore Banking Unit (OBU) Liquidity Statement

As at December 31, 2011

Annexure - G

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>ASSET :</b>						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	-	-	-	-	-	-
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	812,550,487	-	-	812,550,487
Premises and Fixed Asset	-	-	-	-	-	-
Other Asset	-	-	-	-	-	-
Non-Banking Asset	-	-	-	-	-	-
<b>Total Asset</b>	-	-	<b>812,550,487</b>	-	-	<b>812,550,487</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	284,592	572,950,000	215,559,996	-	-	788,794,589
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	-	-	-	-	-	-
<b>Total Liability</b>	<b>284,592</b>	<b>572,950,000</b>	<b>215,559,996</b>	-	-	<b>788,794,589</b>
<b>Net Liquidity</b>	<b>(284,592)</b>	<b>(572,950,000)</b>	<b>596,990,491</b>	-	-	<b>23,755,898</b>

# Off-Shore Banking Unit (OBU) Notes to the Financial Statements

For the year ended December 31, 2011

## Annexure - G

### 1 Status of the unit

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

#### 1.1 Principal activities

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

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

#### 2.1 Basis of accounting

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

#### 2.2 Use of estimates and judgements

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

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

#### 2.3 Foreign currency transaction

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

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

#### 2.4 Reporting period

These financial statements cover from January 01 to December 31, 2011

#### 2.5 Loans and advances / investments

- Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- 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.
- Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 19 and 20 dated December 2005.

#### 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 stationery, etc. are allocated as common expense rather separately accounted for in the financial statements.



## Off-Shore Banking Unit (OBU) Notes to the Financial Statements

### 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 81.85 and Taka 70.50 (closing rate as at 31st December 2011 and 2010) and Taka 74.20 and Taka 69.58 (average rate which represents at the year end 2011 and 2010)
- 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.

### 3 Balance with other banks and financial institutions

The unit maintains a NOSTRO Account with Habib America, New York, where exist no balance as on December 31, 2011

### 4 Loans and advances

#### i) Loans, cash credits, overdrafts etc.

Term Loan Industrial

2011		2010	
USD	BDT	USD	BDT
9,927,312	812,550,487	15,292,584	1,078,127,172
<b>9,927,312</b>	<b>812,550,487</b>	<b>15,292,584</b>	<b>1,078,127,172</b>

#### ii) Bills purchased and discounted

Payable Outside Bangladesh

Foreign bills purchased and discounted

-	-	2,745,437	193,553,301
-	-	<b>2,745,437</b>	<b>193,553,301</b>
<b>9,927,312</b>	<b>812,550,487</b>	<b>18,038,021</b>	<b>1,271,680,473</b>

### 4.1 Loans and Advances to Industries

Food

Electricity & Gas Industry

Service Industries

Others

-	-	-	-
2,537,625	207,704,582	3,156,649	222,543,743
7,389,687	604,845,906	12,135,935	855,583,418
-	-	-	-
<b>9,927,312</b>	<b>812,550,487</b>	<b>15,292,584</b>	<b>1,078,127,161</b>

### 4.2 Classification of Loans and Advances including bill discounted

Unclassified (UC):

Standard

Special Mention Account (SMA)

Sub total

Classified:

Substandard

Doubtful

Bad & Loss

Sub total

Total

9,927,312	812,550,487	18,038,021	1,271,680,473
<b>9,927,312</b>	<b>812,550,487</b>	<b>18,038,021</b>	<b>1,271,680,473</b>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>9,927,312</b>	<b>812,550,487</b>	<b>18,038,021</b>	<b>1,271,680,473</b>

### 4.3 Client wise details of Loans and Advances are given below:

Name of the clients	Outstanding in USD		Outstanding in BDT		Outstanding in BDT	
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded
Biman Bangladesh Airlines	7,389,687	-	604,845,906	-	855,583,418	-
RZ Power Limited	2,537,625	-	207,704,582	-	222,543,743	-
<b>Total</b>	<b>9,927,312</b>	<b>-</b>	<b>812,550,487</b>	<b>-</b>	<b>1,078,127,161</b>	<b>-</b>

### 4.4 Geographical Location wise Loans and Advances

Inside Bangladesh

Urban

Dhaka Division

7,389,687	604,845,906	12,135,935	855,583,418
<b>7,389,687</b>	<b>604,845,906</b>	<b>12,135,935</b>	<b>855,583,418</b>

Rural

Rajshahi Division

2,537,625	207,704,582	3,156,649	222,543,755
<b>2,537,625</b>	<b>207,704,582</b>	<b>3,156,649</b>	<b>222,543,755</b>

Outside Bangladesh

-	-	-	-
<b>9,927,312</b>	<b>812,550,487</b>	<b>15,292,584</b>	<b>1,078,127,172</b>

## Off-Shore Banking Unit (OBU)

### Notes to the Financial Statements

	2011		2010	
	USD	BDT	USD	BDT
<b>5 Bills purchased and discounted</b>				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	-	-	2,745,437	193,553,301
	-	-	<b>2,745,437</b>	<b>193,553,301</b>
<b>6 Other assets</b>				
Due from MTB	-	-	11,683	823,687
	-	-	<b>11,683</b>	<b>823,687</b>
<b>7 Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh	7,003,477	573,234,592	15,029,455	1,059,576,556
Outside Bangladesh	-	-	-	-
	<b>7,003,477</b>	<b>573,234,592</b>	<b>15,029,455</b>	<b>1,059,576,556</b>
<b>In Bangladesh:</b>				
<b>Borrowing from Bank:</b>				
Bangladesh Bank	7,000,000	572,950,000	15,000,000	1,057,500,000
Interest payable on Borrowing from Bangladesh Bank	3,477	284,592	29,455	2,076,556
Other Bank	-	-	-	-
	<b>7,003,477</b>	<b>573,234,592</b>	<b>15,029,455</b>	<b>1,059,576,556</b>
<b>8 Deposits and other accounts</b>				
Bank deposits (Note 8.1)	-	-	2,764,758	194,915,439
Customer deposits and other accounts	-	-	-	-
	-	-	<b>2,764,758</b>	<b>194,915,439</b>
<b>8.1 Bank deposits</b>				
Fixed deposit from MTB	-	-	2,727,400	192,281,700
Interest on Fixed deposit from MTB	-	-	37,358	2,633,739
	-	-	<b>2,764,758</b>	<b>194,915,439</b>
<b>9 Other liabilities</b>				
Provision for Unclassified Loans and Advances	-	-	-	-
Provision for Expenses	16,000	1,309,600	-	-
Provision for Taxation	-	-	-	-
Due to Head Office	2,617,598	214,250,396	-	-
	<b>2,633,598</b>	<b>215,559,996</b>	-	-
<b>10 Retained earnings</b>				
Net Profit for the year	290,237	21,535,585	255,491	17,777,113
	<b>290,237</b>	<b>21,535,585</b>	<b>255,491</b>	<b>17,777,113</b>
<b>11 Interest income</b>				
Interest on term loan	634,114	47,051,259	439,637	30,589,915
Foreign Documentary bills purchased	39,922	2,962,212	18,037	1,255,005
<b>Interest on loans and advances</b>	<b>674,036</b>	<b>50,013,471</b>	<b>457,673</b>	<b>31,844,919</b>
Interest on balance with MTB	-	-	3,184	221,541
<b>Total Interest income</b>	<b>674,036</b>	<b>50,013,471</b>	<b>460,857</b>	<b>32,066,460</b>
<b>12 Interest on deposits, borrowings, etc.</b>				
a) Interest paid on deposits	-	-	37,358	2,599,370
b) Interest paid on borrowings & others	367,799	27,290,686	157,561	10,963,091
	<b>367,799</b>	<b>27,290,686</b>	<b>194,919</b>	<b>13,562,461</b>



# Auditor's Report

## TO THE SHAREHOLDERS OF MTB SECURITIES LIMITED

We have audited the accompanying Statement of financial position of the "MTB Securities Limited" as of December 31, 2011 and Statement of comprehensive income, Statement of Changes in Equity, Statement of Cash Flow and Notes to the accounts for the year ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the financial statement prepared in the accordance with Bangladesh Accounting Standards (BAS), represent a true and fair view of the state of the Company's affairs as of December 31, 2011 and of the results of its operation for the year then ended and comply with the Companies Act, 1994, and other applicable laws and regulations.

### We also report that

- A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- B) In our opinion, the Company has kept proper books of accounts as required by law so far as it appeared from our examination of those books;
- C) The Company's Statement of financial position and Statement of comprehensive income dealt with by the report are in agreement with the books of account and returns;

Dated: Dhaka  
February 01, 2012

  
**Malek Siddiqui Wali**  
Chartered Accountants

# Statement of Financial Position

As at December 31, 2011

	Note	2011 BDT	2010 BDT
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' equity</b>			
Share capital	3	1,000,000,000	1,000,000,000
Retained earnings	4	21,543	215,427,544
<b>Total sources of funds</b>		<b>1,000,021,543</b>	<b>1,215,427,544</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investment and advances</b>			
Membership at cost	5	8,000,000	8,000,000
Investment in securities	6	177,136,418	109,378,374
Other advances	7	2,078,534	923,872
		<b>187,214,952</b>	<b>118,302,246</b>
<b>Current assets</b>			
Advances and prepayments	8	14,239,971	13,191,945
Margin loan to clients	9	3,493,459,094	3,330,816,444
Accounts receivable	10	13,819,151	115,600,949
Advance Income Tax (AIT)	11	47,980,850	29,888,866
Cash & cash equivalents	12	613,136,484	716,825,958
		<b>4,182,635,550</b>	<b>4,206,324,162</b>
<b>Current liabilities</b>			
Accounts payable	13	312,306,062	423,894,835
Short term borrowing	14	2,665,554,081	2,656,834,122
Interest payable	15	84,856,203	-
Provision for expenses	16	12,753,083	6,901,437
Provision for Income Tax	17	145,715,366	62,864,719
Provision for investment in securities	18	25,000,000	1,911,362
Dividend payable	19	194,672,030	-
		<b>3,440,856,825</b>	<b>3,152,406,475</b>
<b>Net current asset</b>		<b>741,778,725</b>	<b>1,053,917,687</b>
Property plant & equipment	20	71,027,866	43,207,611
<b>Total application of funds</b>		<b>1,000,021,543</b>	<b>1,215,427,544</b>



Anis A. Khan  
Vice Chairman



Meer Sajed-Ul-Basher, FCA  
Director/Group CFO



Nazrul Islam Mazumder  
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka  
February 01, 2012



Malek Siddiqui Wali  
Chartered Accountants

# Statement of Comprehensive Income

For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>Operating income</b>		<b>764,916,340</b>	<b>382,499,161</b>
Brokerage commission		228,343,181	210,647,469
Interest on margin loan	21	527,280,164	128,517,637
Margin account maintenance fee	22	2,101,500	45,000
Depository participant		12,820,777	10,368,170
Gain/(loss) on sale of securities	23	(5,629,282)	32,920,885
<b>Operating expenses</b>		<b>34,586,854</b>	<b>18,174,533</b>
Howla charge		2,362,462	-
Laga charge		11,118,191	-
CDBL charge		21,106,201	18,174,533
<b>Net operating income</b>		<b>730,329,486</b>	<b>364,324,628</b>
Other income	24	79,645,775	22,951,049
<b>Total income</b>		<b>809,975,261</b>	<b>387,275,677</b>
Office & administrative expenses	25	102,176,307	26,094,515
Provision for investment in securities	26	23,088,638	1,911,362
<b>Profit before financial expenses</b>		<b>684,710,316</b>	<b>359,269,800</b>
Financial expenses	27	348,683,402	80,977,537
<b>Net profit /(loss) before income tax</b>		<b>336,026,914</b>	<b>278,292,263</b>
Provision for tax	28	141,354,884	62,864,719
<b>Net profit after tax</b>		<b>194,672,030</b>	<b>215,427,544</b>



Anis A. Khan  
Vice Chairman



Meer Sajed-Ul-Basher, FCA  
Director/Group CFO



Nazrul Islam Mazumder  
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka  
February 01, 2012



Malek Siddiqui Wali  
Chartered Accountants

# Statement of Cash Flow

For the year ended December 31, 2011

	2011 BDT	2010 BDT
Net profit during the year (after tax)	194,672,030	215,427,544
<b>Add : Amount consider as non cash items :</b>		
Increase in provision for expenses	5,851,646	6,901,437
Increase in provision for investment in securities	23,088,638	1,911,362
Depreciation	7,229,368	1,751,014
Increase in provision for income tax	82,850,647	62,864,719
<b>Sub total of non cash items</b>	<b>119,020,299</b>	<b>73,428,532</b>
<b>Changes in working capital components</b>		
Increase/(decrease) in accounts payable	(26,732,570)	423,894,835
(Increase)/decrease in accounts receivable	94,655,196	(115,600,949)
Advance income tax	(18,091,984)	(29,888,866)
<b>Net cash flow from operating activities</b>	<b>363,522,971</b>	<b>567,261,096</b>
<b>B) Cash flow from investing activities:</b>		
Increase in Investment in securities	(67,758,044)	(118,302,246)
Increase in purchase of premises & fixed asset	(35,049,624)	(44,958,625)
Increase in margin loan to clients	(162,642,650)	(3,330,816,444)
Increase in advance to others	(2,202,688)	(13,191,945)
<b>Net cash flow from investing activities</b>	<b>(267,653,006)</b>	<b>(3,507,269,260)</b>
<b>C) Cash flow from financing activities :</b>		
Issue of share capital	-	1,000,000,000
Increase in short term borrowing	8,719,959	2,656,834,122
Dividend paid	(215,406,001)	
<b>Net cash flow from financing activities</b>	<b>(206,686,042)</b>	<b>3,656,834,122</b>
<b>D) Net cash increase / (decrease) (A+B+C)</b>	<b>(110,816,077)</b>	<b>716,825,958</b>
<b>E) Opening cash and cash equivalents</b>	<b>716,825,958</b>	-
<b>F) Closing cash and cash equivalents</b>	<b>606,009,882</b>	<b>716,825,958</b>
<b>Closing balance represent :</b>		
Cash at bank	450,395,752	716,825,958
Fixed deposit	155,614,130	-
<b>Total</b>	<b>606,009,882</b>	<b>716,825,958</b>



Anis A. Khan  
Vice Chairman



Meer Sajed-Ul-Basher, FCA  
Director/Group CFO



Nazrul Islam Mazumder  
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka  
February 01, 2012



Malek Siddiqui Wali  
Chartered Accountants

# Statement of Changes in Equity

For the year ended December 31, 2011

	Paid up capital	Retained earnings	Amount in BDT	
			2011	2010
Opening balance	1,000,000,000	215,427,544	1,215,427,544	1,000,000,000
Dividend paid for 2010		(215,406,001)	(215,406,001)	
Net profit for the year after tax		194,672,030	194,672,030	215,427,544
Dividend paid (Interim) for 2011		(194,672,030)	(194,672,030)	
<b>Balance as on December 31, 2011</b>	<b>1,000,000,000</b>	<b>21,543</b>	<b>1,000,021,543</b>	<b>1,215,427,544</b>



**Anis A. Khan**  
Vice Chairman



**Meer Sajed-UI-Basher, FCA**  
Director/Group CFO



**Nazrul Islam Mazumder**  
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka  
February 01, 2012



**Malek Siddiqui Wali**  
Chartered Accountants

# Notes to the Financial Statements

## For the year ended December 31, 2011

### 1. Company and its activities

#### 1.1 Legal status of the company

MTB Securities limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82868/10 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting the approval from the Securities and Exchange Commission (SEC) 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.

#### 1.2. Nature of business

The main object of MTB securities limited is to act as a member of stock exchange, the central depository system (CDS) companies and to carry on business of broker, jobber 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. Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The Financial statement of MTB securities limited includes the Statement of Financial Position, Statement of comprehensive income, Statement of Changes in Equity, Cash Flow statement and notes to the accounts and disclosures. These Financial statement have been prepared under the historical cost convention on a going concern basis in accordance with Generally Accepted Accounting Principles (GAAP), and the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies act 1994, Securities and Exchange Rules, 1987 and other Laws and rules applicable to a company.

#### 2.2 Cash flow statements

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

#### 2.3 Property plant & 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 & fixtures	10%
Office equipment	20%
Office decoration	20%

#### 2.4 Revenue recognition

Revenue which comprises of brokerage commission, service rendered and capital gain is recognised in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue Recognition".

#### 2.5 Provision for income tax

Provision for income tax has been calculated based on Income tax ordinance 1984.

#### 2.6 Provision for expenses

Provision for expenses is recognised 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.

#### 2.7 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company without any restriction.

#### 2.8 Currency

The amount in the Financial Statements has been rounded off to the nearest integer in Bangladesh Taka.

#### 2.9 Reporting period & comparison

The financial statement covers from January 01, 2011 to December 31, 2011. Comprehensive income statement covers twelve (12) month in 2011 and three (03) month in 2010 as MTBSL commenced its business in September 23, 2010.



# Notes to the Financial Statements

## For the year ended December 31, 2011

### 3. Share capital

#### 3.1 Authorised capital

20,000,000 ordinary shares of Taka 100 each.

#### 3.2 Issued, subscribed and paid-up capital

10,000,000 ordinary shares of Taka 100 each fully paid.

#### 3.3 Shareholding Position of the Company

#### Share holders

Mutual Trust Bank Limited

Samson H. Chowdhury

#### Total

### 4. Retained earnings

Opening balance

Add: Net profit during the year

Less: Dividend paid during the year

#### Closing balance

### 5. Membership at cost

This represents the amount paid by Mutual Trust Bank Limited (MTB) for purchasing membership of Dhaka Stock Exchange (DSE).

### 6. Investment in securities

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

### 7. Other advances

Loan to employees

Advance to Bangladesh General Insurance Company for placement share

#### Total

### 8. Advances and prepayments

It represents advance for office rent for the Head office and other branches of MTB securities limited

### 9. 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 2011. These loans have been extended against the market value of clients' portfolio.

### 10. Accounts receivable

Receivable from Dhaka Stock Exchange (DSE) -spot (Note 10.1)

Receivable from Dhaka Stock Exchange (DSE) (Note 10.1)

Receivable from Dhaka Stock Exchange (DSE) -dealer (Note 10.1)

Receivable from clients (Note 10.2)

#### Total

#### 10.1 Receivable from Dhaka Stock Exchange (DSE)

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

#### 10.2 Receivable from clients :

This amount represents cheques that have been collected from clients but not yet cleared.

	2011	2010
	BDT	BDT
20,000,000 ordinary shares of Taka 100 each.	2,000,000,000	2,000,000,000
10,000,000 ordinary shares of Taka 100 each fully paid.	1,000,000,000	1,000,000,000
<b>Share holders</b>	<b>Number of Share</b>	<b>Amount</b>
Mutual Trust Bank Limited	9,999,900	999,990,000
Samson H. Chowdhury	100	10,000
<b>Total</b>	<b>10,000,000</b>	<b>1,000,000,000</b>
<b>4. Retained earnings</b>		
Opening balance	215,427,544	-
Add: Net profit during the year	194,672,030	215,427,544
Less: Dividend paid during the year	(410,078,031)	
<b>Closing balance</b>	<b>21,543</b>	<b>215,427,544</b>

Loan to employees	1,668,534	513,872
Advance to Bangladesh General Insurance Company for placement share	410,000	410,000
<b>Total</b>	<b>2,078,534</b>	<b>923,872</b>

Receivable from Dhaka Stock Exchange (DSE) -spot (Note 10.1)	116,589	11,064,799
Receivable from Dhaka Stock Exchange (DSE) (Note 10.1)	5,725,337	48,333,625
Receivable from Dhaka Stock Exchange (DSE) -dealer (Note 10.1)	7,977,225	5,738,683
Receivable from clients (Note 10.2)	-	50,468,342
<b>Total</b>	<b>13,819,151</b>	<b>115,605,449</b>

# Notes to the Financial Statements

For the year ended December 31, 2011

## 11. Advance Income tax

Opening balance

Add: Addition during the year ( Note 11.01)

Less : Adjusted during the year

**Closing balance**

### 11.01 Addition during the year

Brokerage commission

Bank Interest

Dividend income

**Total**

## 12. Cash and cash equivalents

	FDR
Mutual Trust Bank Ltd	
Mutual Trust Bank Ltd	0002-0320000724
Mutual Trust Bank Ltd	0002-0320001438
Mutual Trust Bank Ltd	0002-0320001081
Mutual Trust Bank Ltd	0002-0320002080
Mutual Trust Bank Ltd	0002-0320001634
Mutual Trust Bank Ltd	0005-0320001462
Mutual Trust Bank Ltd	0032-0320000308
Mutual Trust Bank Ltd	0033-0320000165
Mutual Trust Bank Ltd	0023-0320000934
One Bank limited	5025386029
One Bank limited	0025386019
IFIC Bank limited	1090358680041
Cheques in hand	

**Total**

## 13. Accounts Payable

It represent money deposited by client for trading purpose. The detail is as follows:

Payable to clients (Note 13.1)

Payable to Dhaka Stock Exchange (DSE) (Note 13.2)

Payable to Dhaka Stock Exchange (DSE) -spot (Note 13.2)

Payable to Dhaka Stock Exchange (DSE) -dealer (Note 13.2)

Others payable (Note 13.3)

**Total**

### 13.1 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.

### 13.2 Payable to Dhaka Stock Exchange (DSE)

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

### 13.3 Others payable

This balance represents source tax payable on dividend and payable to head office for repair & maintenance of generator.

2011	2010
BDT	BDT
29,888,866	-
47,974,556	29,888,866
(29,882,572)	
<b>47,980,850</b>	<b>29,888,866</b>
36,053,448	27,587,467
11,360,916	2,301,399
560,192	
<b>47,974,556</b>	<b>29,888,866</b>
155,614,130	-
870,911	5,125,178
379,971	4,056,113
379,324,276	600,732,548
31,248,578	78,678,026
4,537,647	28,234,093
1,390,000	-
56,190	-
2,385,209	-
1,550,000	-
23,567,963	-
81,337	-
5,003,670	-
7,126,602	-
<b>613,136,484</b>	<b>716,825,958</b>

261,494,749	398,941,811
7,519,332	14,815,830
-	10,130,287
5,262	6,907
43,286,719	
<b>312,306,062</b>	<b>423,894,835</b>



# Notes to the Financial Statements

## For the year ended December 31, 2011

### 14. Short term borrowing

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

Opening balance

Addition during the year

Paid during the year

**Closing balance**

2011	2010
BDT	BDT
2,656,834,122	-
12,446,019	2,656,834,122
3,726,060	
<b>2,665,554,081</b>	<b>2,656,834,122</b>

### 15. Interest payable

It represents interest on short term borrowing payable to the parent company.

### 16. Provision for expenses

Salary & remunerations

Provision for postage telephone & telegraph

Provision for utility bill

Provision for CDS charge

Provision for advertisement expenses

Provision for rental expenses

Provision for audit fee

Provision for other expenses

**Total**

9,800,000	
100,000	30,000
300,000	200,000
300,000	5,000,000
69,719	1,000,000
45,000	500,000
35,000	25,000
2,103,364	146,437
<b>12,753,083</b>	<b>6,901,437</b>

### 17. Provision for income tax

Opening balance

Add : Addition during the year

Less : Payment during the year

**Closing balance**

62,864,719	
141,354,884	62,864,719
58,504,237	
<b>145,715,366</b>	<b>62,864,719</b>

### 18. Provision for investment in securities

Opening balance

Addition during the year

**Closing balance**

1,911,362	-
23,088,638	1,911,362
<b>25,000,000</b>	<b>1,911,362</b>

This provision is made as the market value of securities is lower than cost at reporting date.

### 19. Dividend payable

This amount was declared as interim dividend by the MTBSL board at its board meeting held on December 2011 from net profit of 2011.

### 20. Property plant & equipment Cost:

Furniture & fixture

Office equipment

Interior decoration

**Total cost value of the asset**

Accumulated depreciation

**Total carrying amount**

The detail has shown in Annexure - A.

1,777,355	1,273,936
23,583,778	19,203,367
54,647,116	24,481,322
<b>80,008,249</b>	<b>44,958,625</b>
8,980,383	1,751,014
<b>71,027,866</b>	<b>43,207,611</b>

### 21. Interest on margin loan

MTB Securities paid margin loan at the rate of 15 to 16% during the year .Total number of marginable client was 1634 at the end of 2011.

### 22. Margin account maintenance income

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

### 23. Loss on sale of securities

Loss on sale of securities has been generated from the own portfolio of MTB securities limited during the year ended 2011.

# Notes to the Financial Statements

For the year ended December 31, 2011

## 24. Other income

Other Income represents Interest income from various bank accounts and FDR maintained at Mutual Trust Bank.

	2011	2010
	BDT	BDT
<b>25. Office &amp; administrative expenses</b>		
Salary & remunerations	42,526,961	7,183,577
Festival bonus	2,570,669	-
Rental expenses	25,048,179	7,303,513
Postage,telephone,telegraph	1,178,191	246,617
Car expenses	1,115,455	147,216
Securities service bill	2,258,587	352,152
Cleaning expenses	1,408,048	442,560
Utility	3,339,847	1,172,121
Conveyance	270,649	37,785
Entertainment	1,698,775	579,986
Newspaper	49,160	8,766
Printing & stationery	1,603,800	464,294
Office maintenance	498,851	80,232
Advertisement	863,916	4,768,816
Repair & maintenance	775,045	108,701
Insurance expenses	107,635	-
Training expenses	123,600	300,700
Other rent	4,229,570	-
Software maintenance	712,774	-
Traveling expenses	95,325	5,458
Business Development Expenses	1,000,000	762,489
Audit fee	35,000	30,000
Other expenses	3,436,902	348,518
Depreciation	7,229,368	1,751,014
<b>Total</b>	<b>102,176,307</b>	<b>26,094,515</b>

## 26. Provision for investment in securities

This provision is made as the market value of securities is lower than cost at reporting date.

## 27. Financial expenses

Financial expenses represents interest expense on short term borrowing from Mutual Trust Bank ( MTB ).

## 28. Income tax expenses

Income tax expenses calculated on the basis of taxable income. Tax rate is considered @ 37.5 % on business income, 10% on realised loss of sale of securities and 20 % on dividend income.

## 29. Related party disclosure.

### 29.1 Name of Directors and their shareholdings as on 31 December 2011

Mutual Trust Bank Limited	99.99%
Mr. Samson H. Chowdhury	0.01%
	<b>100.00%</b>

### 29.2 Related party transactions

Name of the party	Nature of transactions	Amount in BDT
Mutual Trust Bank	Short term borrowing	2,665,554,081
	Interest Expenses	348,683,402
	Interest payable	84,856,203
	Dividend paid	215,406,001
	Interim dividend	194,672,030

## 30. Number of employees

The number of employees engaged for the whole year or part thereof, who received a total remuneration of Taka 36,000 or above, were 89.

## Property Plant & Equipment Schedule

As at December 31, 2011

Annexure - A

Particulars	Cost			Rate	Depreciation			Amount in BDT	
	Opening Balance	Addition	Balance as on December 31, 2011		Opening Balance	Charged for the year	Balance as on December 31, 2011	Written down Value as on December 31, 2011	
Furniture	1,273,936.00	503,419.00	1,777,355.00	10%	32,407.00	150,989.00	183,396.00	1,593,959.00	
Fixture & fittings	24,481,322.00	30,165,794.00	54,647,116.00	10%	582,728.00	3,144,124.00	3,726,852.00	50,920,264.00	
Office equipment	19,203,367.00	4,380,411.00	23,583,778.00	20%	1,135,879.00	3,934,256.00	5,070,135.00	18,513,643.00	
<b>Total</b>	<b>44,958,625.00</b>	<b>35,049,624.00</b>	<b>80,008,249.00</b>		<b>1,751,014.00</b>	<b>7,229,369.00</b>	<b>8,980,383.00</b>	<b>71,027,866.00</b>	

# Statement of Investment in Securities

## As at December 31, 2011

### Annexure - B

Name of the Company	Quantity	Cost	Amount in BDT
			Market Value
Al-Arafah Islami Bank Limited	134,015	5,974,389	5,065,767
Asia Pacific Insurance Company Limited	92,000	6,814,440	3,891,600
Bank Asia Limited	55,000	2,172,500	2,101,000
BEXIMCO Limited	52,900	9,198,252	5,977,700
Dhaka Bank Limited	45,240	2,258,833	2,013,180
Eastern cables	41,300	2,686,152	2,358,230
EXIM Bank Limited	182,715	7,980,991	5,079,477
First Security Bank	100,664	3,480,961	2,647,463
Islami Bank Bangladesh Limited	8,540	459,110	465,430
Jamuna Bank Limited	92,770	3,630,090	3,200,565
Khulna Power Company Limited	16,439	1,697,820	1,032,369
Lafarge Surma Cement	141,000	4,050,930	3,750,600
Mercantile Bank Limited	6,750	11,358	12,180
MJL Bangladesh Limited	6,750	1,100,385	674,325
Monno Ceramic Industries Limited	13,200	792,000	815,760
National Bank Limited	78,900	5,589,276	5,270,520
Navana CNG Limited	25,494	3,855,203	2,131,298
National Credit & Commerce Bank Limited	44,600	1,862,050	1,355,840
Peoples Leasing	15,200	1,488,232	1,053,360
Prime Bank Limited	52,000	2,529,800	2,314,000
Pubali Bank Limited	88,888	5,971,496	4,479,955
Social Investment Bank Limited	50	1,251	1,310
Southeast Bank Limited	654,500	22,233,365	19,700,450
Square Pharma Limited	17,000	4,352,000	4,030,700
Square Textiles Limited	20,460	2,811,613	2,326,302
Standard Bank Limited	265,000	8,575,400	8,003,000
Summit Power Limited	58,175	5,352,100	4,328,220
The Premier Bank Limited	39,400	1,604,762	1,213,520
Titas Gas T&D Co. Limited	479,500	39,985,505	32,414,200
United Commercial Bank Limited	247,687	18,616,155	10,873,459
<b>Total</b>		<b>177,136,418</b>	<b>138,581,781</b>



# Auditor's Report

## TO THE SHAREHOLDERS OF MTB CAPITAL LIMITED

We have audited the accompanying Financial Statements of MTB Capital Limited consisting of The Statement of Financial Position as at 31st December 2011 and the related Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flow together with related Notes and Schedules thereto for the year then ended. These financial statements are the responsibility of the company's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standard (BAS), give a true and fair view of the state of the company's affairs as of 30th June 2011 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

### We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof ;
- b) In our opinion, proper books of accounts 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 and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts ;
- d) The expenditures incurred and payments were made for the purpose of the company's business.

Dated Dhaka  
February 27, 2012

  
**Malek Siddiqui Wali**  
Chartered Accountants

# Statement of Financial Position

As at December 31, 2011

	Note	2011 BDT	2010 BDT
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Equity</b>			
Share capital	4	100,000,000	100,000,000
Retained earnings	5	(1,960,889)	-
<b>Total sources of funds</b>		<b>98,039,111</b>	<b>100,000,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investment and advances</b>			
Investment in securities	6	3,153,734	-
Other advances	7	1,477,517	-
<b>Current assets</b>		<b>90,461,414</b>	<b>99,999,425</b>
Advance and prepayment	8	9,949,710	-
Margin loan to clients	9	1,963,503	-
Accounts receivable	10	777,000	-
Advance income tax (AIT)	11	672,782	-
Cash & cash equivalents	12	77,098,419	99,999,425
<b>Current liabilities</b>		<b>4,837,594</b>	<b>475,325</b>
Accounts payable	13	2,453,292	12,500
Short term borrowing	14	2,384,302	462,825
<b>Net current asset</b>		<b>85,623,820</b>	<b>99,524,100</b>
Preliminary expenses	15	-	475,900
Property, plant & equipment	16	7,784,040	-
<b>Total application of funds</b>		<b>98,039,111</b>	<b>100,000,000</b>



**Anis A. Khan**  
Vice Chairman



**Meer Sajed-UI-Basher FCA**  
Director/Group CFO



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

Signed as per annexed report on even date.

Dated Dhaka  
February 27, 2012



**Malek Siddiqui Wali**  
Chartered Accountants

# Statement of Comprehensive Income

## For the year ended December 31, 2011

	Note	2011 BDT
<b>Operating Income</b>		
Interest on Margin loan	17	23,163
Capital gain / loss on sale of Securities	18	(278,386)
Fees & Commission Income	19	52,328
Income from Investment	20	72,500
Issue Management Fees	21	100,000
Underwriting Commission	22	442,000
Portfolio Management Fee		9,903
<b>Net Income from operation</b>		<b>421,508</b>
Other Income	23	7,034,780
<b>Total Income</b>		<b>7,456,288</b>
Office & administrative expenses	24	9,332,627
Provision against Investment in Shares & Securities	6	(223,503)
<b>Profit / Loss before financial expenses</b>		<b>(2,099,842)</b>
Less: Financial Expenses		(323,872)
Adjusted of Waiver of Loan (Principal)		462,825
<b>Net Profit /(Loss) Before Tax</b>		<b>(1,960,889)</b>
<b>Income Tax Expenses</b>		<b>-</b>
<b>Net profit /(Loss) After Tax</b>		<b>(1,960,889)</b>



**Anis A. Khan**  
Vice Chairman



**Meer Sajed-Ul-Basher FCA**  
Director/Group CFO



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

Signed as per annexed report on even date.

Dated Dhaka  
February 27, 2012



**Malek Siddiqui Wali**  
Chartered Accountants

# Statement of Cash flow

For the year ended December 31, 2011

	Note	2011 BDT	2010 BDT
<b>A. Cash flows from operating activities</b>			
Collection from interest, fees & commission		409,843	-
Interest payment		(323,872)	-
Payment for employees salary & allowances		(2,637,224)	-
Payment for other operational expenses	25	(5,833,647)	-
Other income (SND & FDR interest)		6,474,780	-
Income from space rent recovered		220,000	-
Clients deposit		556,533	-
Withholding Tax & VAT collected against payments		173,360	-
Advance income tax payment		(672,782)	-
<b>Net cash inflows/ (outflows) from operating activities</b>		<b>(1,633,009)</b>	<b>-</b>
<b>B. Cash flows from investing activities</b>			
Payment for purchase of shares	6	(3,377,237)	-
Capital gain/(loss) on sale of shares	18	(278,386)	-
Dividend received	20	72,500	-
Payment for purchase of fixed assets	16	(6,678,446)	-
Advance for investment & others		(11,427,227)	-
Change in margin loan	10	(1,963,503)	-
Preliminary expenses		-	(463,400)
<b>Net cash outflows from investing activities</b>		<b>(23,652,299)</b>	<b>(463,400)</b>
<b>C. Cash flows from Financing activities</b>			
Share Capital		-	-
Dividend payment to shareholders		-	-
Loan from parent company	15	2,384,302	-
<b>Net cash outflows from financing activities</b>		<b>2,384,302</b>	<b>100,462,825</b>
<b>D. Net cash inflows/(outflows) for the year (A+B+C)</b>		<b>(22,901,006)</b>	<b>99,999,425</b>
<b>E. Add : Opening cash and cash equivalents</b>		<b>99,999,425</b>	<b>-</b>
<b>Closing cash and cash equivalents (D+E)</b>		<b>77,098,419</b>	<b>99,999,425</b>



**Anis A. Khan**  
Vice Chairman



**Meer Sajed-Ul-Basher FCA**  
Director/Group CFO



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

Signed as per annexed report on even date.

Dated Dhaka  
February 27, 2012



**Malek Siddiqui Wali**  
Chartered Accountants



## Statement of Changes in Equity

For the year ended December 31, 2011

Particulars	Paid up Capital Taka	Share Premium Taka	Proposed Dividend		Retained Earnings Taka	Total Taka
			Bonus Share Taka	Cash Dividend Taka		
Opening Balance	100,000,000	-	-	-	-	100,000,000
Net profit for the year after Tax		-	-	-	(1,960,889)	(1,960,889)
<b>Total</b>	<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,960,889)</b>	<b>98,039,111</b>



**Anis A. Khan**  
Vice Chairman



**Meer Sajed-UI-Basher FCA**  
Director/Group CFO



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

Signed as per annexed report on even date.

Dated Dhaka  
February 27, 2012



**Malek Siddiqui Wali**  
Chartered Accountants

# Notes to the Financial Statements

For the year ended December 31, 2011

## 1. Legal status of the Company

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited, was incorporated in Bangladesh as Private Limited Company on December 06, 2010 vide its certificate No. MB – 55/2010 under the Securities and Exchange Commission Act, 1993. MTBCL 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 at April 18, 2011.

The registered office of the company is situated at 68 Dilkusha C/A, Dhaka-1000, Bangladesh.

## 2. Nature of Business

The main objectives of the Company are issue management, underwriting, portfolio management whether Discretionary and Non-discretionary, advisory service to the clients on merger and amalgamation, capital restructuring, etc.

## 3. Significant accounting policies

### 3.1 Basis of preparation of Financial Statements

The financial statements of the Company are made up to December 31, 2011 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.

### 3.2 Statement of Cash Flow

Cash Flow Statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method.

### 3.3 Property, plant and equipment

#### 3.3.1 Recognition and measurement:

Property, plant and equipment 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.

#### 3.3.2 Depreciation

Depreciation is charged using straight line method as per Bangladesh Accounting Standard (BAS) 16: "Property Plant & Equipment". Depreciation for addition on fixed assets will be charged from the date of acquisition. The rates of Depreciation used to 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 Comprehensive Income.

### 3.4 Revenue Recognition

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

#### 3.4.1 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.





# Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>7.00 Advance and prepayments:</b>	<b>9,949,710</b>	-
Advance made as underwriter of United Airways (Right offer) for take-up proportionate 663,314 un-subscribed ordinary shares @ Tk. 15 each.		
<b>8.00 Other advances</b>	<b>1,477,517</b>	-
Loan to employees	1,477,517	-
<b>9.00 Margin loans to clients:</b>	<b>1,963,503</b>	
Margin Loan to Investors - Investor Discretionary Account (IDA)	1,963,503	-
Margin Loan to Investors - Bank Discretionary Account (BDA)	-	-
<b>10.00 Accounts receivable</b>	<b>777,000</b>	-
Receivable from FDR interest	560,000	-
<b>Underwriting commission receivable</b>	<b>217,000</b>	-
Underwriting of GSP Finance Ltd	125,000	
Underwriting of Saiham cotton Ltd	92,000	
<b>11.00 Advance income Tax</b>	<b>672,782</b>	-
<b>12.00 Cash &amp; cash equivalents</b>		
Cash in hand	1,324	-
<b>Balance with Bank (Mutual Trust Bank)</b>		
MTB-0012-0210007899 (CD)	-	99,999,425
MTB-0012-0210010492 (DA)	243,593	-
MTB-0012-0210010572 (CD)	98,534	-
MTB-0012-0210010607 (Own Portfolio)	1,400,726	-
MTB-0012-0210010581 (NDA)	252,531	-
MTB-0012-0320001007 (SND)	101,711	-
FDR-0012-0330037639	75,000,000	
Total	77,097,095	99,999,425
<b>Cash and Bank balance</b>	<b>77,098,419</b>	<b>99,999,425</b>
<b>13.00 Accounts payable</b>	<b>2,453,292</b>	<b>12,500</b>
Mbank software	1,700,000	-
Audit fee payable (12,500+22,900-11,450)	23,950	12,500
<b>Payable to client</b>		
Payable to non-discretionary portfolio clients	330,812	-
Payable to discretionary portfolio clients	225,170	-
VAT deducted at sources payable	98,736	-
Withholding Tax payable	74,624	-
<b>14.00 Short term borrowing:</b>		
Opening balance	462,825	-
Addition during the year	10,934,302	462,825
Repaid during the year	(9,012,825)	-
<b>Balance as at December 31, 2011</b>	<b>2,384,302</b>	<b>462,825</b>
We have borrowed above fund from parent company Mutual Trust Bank Ltd.		
<b>15.00 Preliminary Expenses:</b>		
Opening Balance	475,900	475,900
Less: Written off during the year	(475,900)	-
Closing Balance	-	475,900
<b>16.00 Property, plant &amp; Equipment:</b>		
Opening balance	-	-
Addition during the year	8,378,446	-
Closing Balance	8,378,446	-
Less: Depreciation during the year	594,406	-
<b>Written Down Value</b>	<b>7,784,040</b>	-
A detail is shown in Annxure - A		



## Notes to the Financial Statements

	2011 BDT	2010 BDT
<b>17.00 Interest on Margin Loan:</b>	<b>23,163</b>	-
Interest on Margin Loan - Investir Discretionary Account (IDA)	21,880	-
Interest on Margin Loan - Bank Discretionary Account (BDA)	1,283	-
<b>18.00 Capital gain/(loss) on sale of securities:</b>	<b>(278,386)</b>	-
Sale proceeds of securities	11,254,153	-
Less: Cost of securities sold	(11,532,539)	-
<b>19.00 Fees &amp; Commission Income:</b>	<b>52,328</b>	-
Settlement Fee	48,828	-
Documentation Charge	3,500	-
<b>20.00 Income from Investment:</b>	<b>72,500</b>	-
Grameen mutual fund one	2,500	-
Grameen phone limited	70,000	-
<b>21.00 Issue management fee:</b>	<b>100,000</b>	-
Excursion & Resort Bangladesh Limited (Capital raising)	50,000	-
Mabco Foods Limited (IPO)	50,000	-
<b>22.00 Underwriting commission:</b>	<b>442,000</b>	-
United Airways (BD) Ltd	225,000	-
GSP Finance Ltd	125,000	-
Saiham Cotton Ltd	92,000	-
<b>23.00 Other income:</b>	<b>7,034,780</b>	-
Other income represents interest income from various bank accounts maintained at Mutual Trust Bank Limited.		
<b>24.00 Office &amp; Administrative Expenses:</b>	<b>9,332,627</b>	-
Salary and Remuneration	2,637,224	-
Rent, taxes, insurance, electricity, water etc.	1,635,908	-
Legal and professional expenses	1,573,435	-
Postage, telephone, fax, stamps	34,630	-
Printing & Stationery	235,660	-
Repairs and maintenance	91,859	-
Depreciation	594,406	-
Auditors' Fees	22,900	-
Car expenses	582,327	-
CDBL Charges	15,929	-
Rental Expenditure (CDBL)	38,200	-
Business promotion expenses	490,495	-
Security services charges	135,111	-
Books & newspaper	5,761	-
Holiday working bill	1,300	-
Bank charge	4,025	-
Expenditure - Office equipments	4,500	-
Entertainment	112,555	-
Excise duty	14,000	-
Conveyance - Subordinates	2,972	-
Advertisement in Newspaper	623,530	-
Written off Preliminary Expenses	475,900	-
<b>25.00 Payment for other operational expenses:</b>	<b>5,833,647</b>	-
Audit fees	11,450	-
Rent, taxes, insurance, electricity, water etc	1,855,908	-
Legal and professional expenses	1,573,435	-
Postage, telephone, fax & stamps	34,630	-
Printing & Stationery	235,660	-
Repairs and maintenance	91,859	-
Other expenses	1,448,378	-
Car expenses	582,327	-

## Property Plant & Equipment Schedule

For the period ended December 31, 2011

Annexure - A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value
	Opening Balance	Addition	Disposal		Opening Balance	Charged this year	Closing Balance	
Furniture & Fixture	-	100,389	-	10%	-	4,276	4,276	96,113
Office Equipment	-	8,015,894	-	20%	-	587,945	587,945	7,427,949
Interior Decoration	-	262,163	-	10%	-	2,185	2,185	259,978
<b>Total</b>	-	<b>8,378,446</b>	-		-	<b>594,406</b>	<b>594,406</b>	<b>7,784,040</b>



# Report of the Directors MTB Exchange (UK) Limited

The directors present their report and accounts for the year ended December 31, 2011.

## Principal Activity

The principal activity of the company in the year under review was that of MONEY REMITTANCE AND BUREAU DU CHANGE.

## Directors

The directors in office at the date of this report are:

- A) Dr. Arif Dowla
- B) Syed Manzur Elahi
- C) Anis A. Khan

## Ownership

The company is a 100% subsidiary of Mutual Trust Bank Limited, Bangladesh.

## Directors Responsibilities

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss for that period.

## Incorporation

The company was incorporated on June 14, 2010 and started business operation on February 15, 2011.

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 23, 2012.



**Anis A. Khan**  
Director



**Syed Manzur Elahi**  
Director



## Statement by Directors MTB Exchange (UK) Limited

For the year ending December 31, 2011 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 23, 2012 and signed on their behalf by



**Md. Anisur Rahman**  
Chief Executive Officer & Manager



**Anis A. Khan**  
Director



**Syed Manzur Elahi**  
Director





## Accountant's Report

### TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF **MTB EXCHANGE (UK) LIMITED**

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) LIMITED for the period ended 31st December 2011 as set out on pages 5 to 11 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) LIMITED, 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) LIMITED and state those matters that we have agreed to state to the Board of Directors of MTB EXCHANGE (UK) LIMITED, as a body, in this report, in accordance with the requirements of the Chartered Institute of Management Accountants (CIMA) Guidance 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) LIMITED 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) LIMITED 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) LIMITED. You consider that MTB EXCHANGE (UK) LIMITED is exempt from the statutory audit requirement for the year.



**Jahan & Co.**  
Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD



# Profit and Loss Account

For the Year Ended December 31, 2011

	Note	2011 £	2010 £
<b>Turnover</b>	2	40,655	-
<b>Gross profit</b>		40,655	-
Distribution costs		(2,597)	-
Administrative expenses	3	(157,813)	(23,343)
Other operating income	4	1,895	-
<b>Operating loss</b>		(117,860)	(23,343)
<b>Loss on ordinary activities before taxation</b>		(117,860)	(23,343)
<b>Loss on ordinary activities after taxation</b>		(117,860)	(23,343)
<b>Loss for the financial year</b>		(117,860)	(23,343)



# Balance Sheet

As at December 31, 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	5	43,798	29,495
<b>Current assets</b>			
Debtors	6	9,737	8,750
Cash at bank and in hand		55,887	10,224
		65,624	18,974
<b>Creditors:</b> Amounts falling due within one year	7	120,625	31,312
<b>Net current liabilities</b>		(55,001)	(12,338)
<b>Total assets less current liabilities</b>		(11,203)	17,157
<b>Capital and reserves</b>			
Called up share capital	8	130,000	40,500
Profit and loss account	9	(141,203)	(23,343)
<b>Shareholders fund</b>		(11,203)	17,157

# Notes to the Financial Statements

For the year ended December 31, 2011

## 1. Accounting Policies

### a. Basis of Accounting

Accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### b. 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 April 2008)

### c. 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%

## 2. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net value added tax and trade discounts. The turnover and pre-tax result is attributable to Money Remittance and Bureau Du Change.

	2011 £	2010 £
Remittances, Commissions	36,390	-
Bureau Du Change Commission	4,265	-
	<u>40,655</u>	<u>-</u>

## 3. Distribution Costs:

Advertising and Sales promotion	744	-
Travel	746	-
Business entertaining	44	-
Staff entertaining	1,063	-
	<u>2,597</u>	<u>-</u>

## 4. Administrative Expenses:

Insurance	2,333	-
Heat and light (electricity)	2,926	-
Rent & Rates	46,263	9,893
Cleaning	962	-
Repairs and renewals	4,377	-
Wages-regular	49,754	6,148
Accountancy & other professional fees	4,200	2,000
Legal costs (revenue)	2,670	-
Printing, Postage & Stationary	3,030	-
Telephone	828	-
Subscriptions	1,258	-
Charitable donations	200	-
Security costs	2,645	1,646
Bank charges	25,043	25
Sundry expenses	375	-

### Depreciation and Amortization:

Depreciation of plant and machinery	2,597	315
Depreciation of fixtures and fittings	8,352	3,316
	<u>157,813</u>	<u>23,343</u>



# Notes to the Financial Statements

## 5. Tangible Fixed Assets

	Plant And Machinery	Fixtures And Fittings	Total
	£	£	£
<b>Cost</b>			
At 01/01/2011	2,872	30,254	33,126
Additions	10,428	14,824	25,252
At 31/12/2011	13,300	45,078	58,378
<b>Depreciation</b>			
At 01/01/2011	315	3,316	3,631
For the year	2,597	8,352	10,949
At 31/12/2011	2,912	11,668	14,580
<b>Net Book Amounts</b>			
At 31/12/2011	10,388	33,410	43,798
At 31/12/2010	2,557	26,938	29,495

## 6. Debtors

	2011 £	2010 £
Trade debtors	108	-
Other debtors	879	-
Rent Deposit	8,750	8,750
	9,737	8,750

## 7. Creditors

	2011	2010
TT payable	115,554	
Taxation and social security	629	1,497
Other Creditors	4,442	29,815
	120,625	31,312

## 8. Share Capital

Allotted, issued and fully paid:		
130,000 Ordinary shares of £ 1 each	130,000	40,500
	130,000	40,500
New shares issued during period:		
89,500 Ordinary shares of £ 1 each	89,500	40,500
	89,500	40,500

## 9. Profit and Loss Reserve:

	2011	2010
Opening balance	(23,343)	-
Loss for the year	(117,860)	(23,343)
	(141,203)	(23,343)



### **MTB Annual Report 2011 Committee**

Meer Sajed-UI-Basher FCA  
 Mohammad Sami Al Hafiz  
 Mohammad Touhidur Rahman  
 Nawrin Sultana  
 Mohammed Forhad  
 Aditi Sen  
 Rashid Rezoana  
 Dewan Hamid Altamas  
 Kaiser Alam Mazumder  
 Md. Abdul Mannan  
 Md. Ashikur Rahman

### **Photography**

A. B. M. Shah Alam  
 Aneek Rahman

### **Design**

IMS

### **Pre-press Design & Production**

Preview

