



FINANCIAL INFORMATION

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(UK) LIMITED



DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are required to present a report along with financial statements and place them before a general meeting as per Companies Act, 1994.

The Directors are also required to report that the financial statements of the Bank and its subsidiaries, which are prepared by the management, give a true and fair view of:

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

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

- The appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- Estimates and judgments have been made, which are reasonable and prudent; and
- All applicable accounting standards, as relevant, have been followed.

The Directors are also required to declare the following matters in their report as per SEC's notification dated August 7, 2012:

- Industry outlook and possible future developments in the industry;
- Segment-wise or product-wise performance with relevant risks;
- Extraordinary gain or loss;
- Related party transactions - a statement of all related party transactions;
- Utilization of proceeds from public issues, rights issues and/or through any other instruments;
- Significant variance between quarterly financial performance and annual financial statements;
- Remuneration to directors including independent directors;
- Preparation of the financial statements and any departure therefrom 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 bank's ability to continue as a going concern;
- Significant deviations from the last year's operating results;
- Key operating and financial data of at least preceding 5 (five) years;
- If no dividend (cash or stock) has been declared for the year, the reasons thereof shall be given;
- The number of Board meetings held during the year and attendance by each director;
- The pattern of shareholding structure; and
- In case of the appointment/re-appointment of a director, the following information to be disclosed to the shareholders:-
 - a) A brief resume of the director;
 - b) Nature of his/her expertise in specific functional areas; and
 - c) Names of companies in which the person also holds the directorship and the membership of committees of the board.

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- 158/129/Admin/43 dated August 7, 2012.

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

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To Our Shareholders

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Further Information

The financial statements of the MTB Group 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 Bank meets periodically with the internal audit team to review their audit plans, assess their responsibilities and 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 report is given on page 124 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, regulations and guidelines and that there are no material litigations against the MTB group.



Anis A. Khan
Managing Director & CEO



Meer Sajed-UI-Basher, FCA
Group Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mutual Trust Bank Ltd.

We have audited the accompanying consolidated financial statements of **Mutual Trust Bank Ltd. (the Bank)** and its subsidiaries as well as financial statements of the Bank, which comprises the Balance Sheet as at December 31, 2012 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.

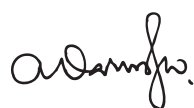
Opinion

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 at December 31, 2012 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.

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 at December 31, 2012 and the profit/loss for the period from January 01, 2012 to December 31, 2012 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 30, 2013.


A. Qasem & Co.
Chartered Accountants

CONSOLIDATED BALANCE SHEET

As at December 31, 2012

	Note	2012 BDT	2011 BDT
Property and Assets			
Cash	3 (a)	6,531,179,980	4,716,134,564
In Hand (Including Foreign Currency)		1,103,787,921	751,226,912
With Bangladesh Bank and its agent Bank (including Foreign Currency)		5,427,392,059	3,964,907,652
Balance with Other Banks & Financial Institutions	4 (a)	1,112,418,865	703,907,854
In Bangladesh		380,497,610	331,202,955
Outside Bangladesh		731,921,255	372,704,899
Money at Call and Short Notice		-	-
Investments	5 (a)	23,251,059,259	19,756,114,952
Government		21,236,805,667	17,849,427,186
Others		2,014,253,592	1,906,687,766
Loans and Advances	6 (a)	56,511,077,223	47,005,479,862
Loans, Cash Credit, Overdrafts, etc.		54,093,323,785	44,887,866,922
Bills Purchased and Discounted		2,417,753,438	2,117,612,940
Fixed Asset including Premises, Furniture & Fixture	7 (a)	2,384,658,808	1,552,927,489
Other Assets	8 (a)	3,371,660,229	2,596,801,468
Non-Banking Asset		-	-
Total Property and Asset		93,162,054,362	76,331,366,189
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	9 (a)	5,962,220,000	5,780,734,592
Deposit and Other Accounts	10 (a)	75,140,144,506	59,050,804,354
Current Deposit & Other Accounts		9,051,374,336	8,782,345,701
Bills Payable		1,813,681,363	602,193,277
Savings Deposit		9,224,420,233	7,839,511,192
Fixed Deposit		45,300,855,194	35,193,347,473
Deposit-Products		9,749,813,380	6,633,406,711
Other Liabilities	11 (a)	4,726,044,321	4,184,857,033
Subordinated Debt	12.00	2,500,000,000	2,500,000,000
Total Liabilities		88,328,408,826	71,516,395,979
Capital/Shareholders' Equity			
Paid up Capital	13.00	2,543,498,400	2,543,498,400
Statutory Reserve	14.00 (a)	1,637,341,825	1,473,576,620
Revaluation Reserve on Investment in Securities		120,718,271	122,327,379
Foreign Currency Translation gain		-	2,298,010
General Reserve	15.00	276,777,324	361,777,324
Retained Earnings	16 (a)	255,237,061	311,451,467
Total Shareholders' Equity		4,833,572,881	4,814,929,200
Minority Interest		72,655	41,010
Total Liabilities and Shareholders' Equity		93,162,054,362	76,331,366,189
Net Asset Value (NAV) per share		19.00	18.93

CONSOLIDATED BALANCE SHEET

As at December 31, 2012

Off-Balance Sheet Items	Note	2012 BDT	2011 BDT
Contingent Liabilities	17.00		
Letter of Guarantee		4,966,662,479	3,728,887,570
Letter of Credit		6,409,873,550	3,884,813,778
Bills for Collection		1,347,416,727	1,867,834,766
Other Contingent Liabilities		4,952,569,092	5,846,281,138
Total Contingent Liabilities		17,676,521,847	15,327,817,252
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off Balance Sheet Items including Contingent Liabilities		17,676,521,847	15,327,817,252

Overview of MTB

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To Our Shareholders

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The annexed notes form an integral part of these accounts



Dr. Arif Dowla
Chairman



Rashed A. Chowdhury
Vice Chairman



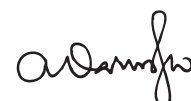
Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per annexed report on even date

Dated: Dhaka
March 30, 2013



A. Qasem & Co.
Chartered Accountants

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2012

Particulars	Note	2012 BDT	2011 BDT
Interest Income	19 (a)	7,848,900,869	6,097,523,435
Less: Interest Paid on Deposit and Borrowing, etc.	20(a)	6,997,907,040	5,209,827,446
Net Interest Income		850,993,829	887,695,989
Income from Investments	21(a)	1,602,594,858	1,130,774,700
Commission, Exchange and Brokerage	22(a)	710,330,160	774,091,846
Other Operating Income	23 (a)	343,283,861	311,291,349
		2,656,208,879	2,216,157,895
Total Operating Income		3,507,202,708	3,103,853,884
Less: Operating Expenditure:			
Salary and Allowances	24 (a)	998,693,201	811,313,769
Rent, Tax, Insurance and Electricity	25 (a)	424,178,857	384,701,224
Legal Expenses	26 (a)	2,238,862	1,716,710
Postage, Stamps and Telephone	27 (a)	68,871,215	62,667,456
Printing, Stationery and Advertisement	28 (a)	89,098,721	92,831,920
Managing Director's Remuneration	24.01	10,695,067	10,120,000
Directors' Fees	29.00	685,000	630,000
Audit Fees	30 (a)	1,182,590	1,132,220
Depreciation on and Repair to Bank's Property	31 (a)	216,260,017	168,214,947
Other Expenditure	32 (a)	362,967,804	365,268,712
Total Operating Expenses		2,174,871,334	1,898,596,958
Profit Before Provision		1,332,331,374	1,205,256,926
Less: Provision against Loans & Advances including Off Balance Sheet Items	33.00	455,657,130	200,049,000
Less: Provision against Investment in Quoted Shares		57,848,217	29,507,284
Less: Provision against Other Asset		-	-
Total Provision		513,505,347	229,556,284
Profit Before Tax		818,826,027	975,700,642
Less: Provision for Tax	34 (a)	490,958,213	571,477,943
Current Tax		493,350,122	589,589,884
Deferred Tax		(2,391,909)	(18,111,941)
Net Profit After Tax		327,867,814	404,222,699


CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2012

Particulars	Note	2012 BDT	2011 BDT
Attributable to:			
Shareholders of the Bank		327,836,169	404,203,232
Minority Interest		31,645	19,467
		327,867,814	404,222,699
Retained Surplus Brought Forward			
		311,451,467	526,304,763
		639,287,636	930,507,995
Appropriation:			
Bonus Share Issued during the year		-	423,916,400
Cash Dividend Paid during the year		305,219,808	-
Transferred to Statutory Reserve		163,765,205	195,140,128
		468,985,013	619,056,528
Retained Surplus, Carried Forward		170,302,623	311,451,467
Earnings Per Share	35 (a)	1.29	1.59

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 30, 2013


A. Qasem & Co.
Chartered Accountants


CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2012

	Note	2012 BDT	2011 BDT
A) Cash Flow From Operating Activities:			
Interest Received		9,263,263,019	7,316,852,653
Interest Paid on Deposits, Borrowings, etc.		(6,835,840,861)	(4,453,745,724)
Dividend Income		188,232,707	16,084,636
Fees & Commission Income		488,129,187	507,611,150
Recoveries of Loans previously written off		6,500,000	79,391,616
Cash Paid to Employees as Salaries and Allowances		(1,000,824,362)	(713,776,774)
Advance Income Tax Paid		(470,251,639)	(363,654,442)
Cash Received From Other Operational Income	36 (a)	558,984,834	498,380,429
Cash Paid for Other Operational Expenses	37 (a)	(972,366,272)	(921,790,260)
Cash Flow From Operating Activities Before Changes in Net Current Asset		1,225,826,614	1,965,353,284
Changes in Net Current Asset:			
Investment in Treasury Bond		(3,195,375,286)	(8,461,832,808)
Loans & Advances		(9,505,597,361)	(7,433,997,532)
Other Asset		(1,245,110,400)	93,473,923
Bank Deposit		(950,000,000)	500,020,000
Customers' Deposit		16,877,273,973	12,740,835,820
Borrowing from Other Banks, Financial Institutions & Agents		181,485,408	3,451,158,036
Other Liabilities		469,156,130	4,626,289
		2,631,832,464	894,283,728
Net Cash Flow From Operating Activities		3,857,659,078	2,859,637,012
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(107,565,825)	(761,310,602)
Purchase of Premises & Fixed Asset (net)		(1,024,607,366)	(941,109,996)
Net Cash Flow From Investing Activities		(1,132,173,191)	(1,702,420,598)
C) Cash Flow From Financing Activities:			
Dividend Paid		(305,219,808)	-
Net Cash Flow From Financing Activities		(305,219,808)	-
D) Net Increase in Cash and Cash Equivalents		2,420,266,079	1,157,216,414
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	2,298,010
F) Opening Cash and Cash Equivalents		7,896,276,994	6,736,762,570
Closing Cash and Cash Equivalents (D+E+F)		10,316,543,073	7,896,276,994
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,103,787,921	751,226,912
Balance with Bangladesh Bank and its Agent Bank		5,427,392,059	3,964,907,652
Balance with Other Banks & Financial Institutions		1,112,418,865	703,907,854
Money at Call and Short Notice		-	-
Treasury Bill		2,669,846,879	2,474,018,726
Prize Bond		3,097,350	2,215,850
		10,316,543,073	7,896,276,994
Net Operating Cash Flow Per Share		15.17	11.24

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, 2012

Particulars	Paid-up Capital	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
Balance as at January 01, 2012	2,543,498,400	1,473,576,620	361,777,324	122,327,379	2,298,010	311,451,467	4,814,929,200	41,010	4,814,970,210
Cash Dividend Paid during the year	-	-	-	-	-	(305,219,808)	(305,219,808)	-	(305,219,808)
Currency Translation differences	-	-	-	-	(2,298,010)	(65,561)	(2,363,571)	-	(2,363,571)
Revaluation Reserve transferred during the year	-	-	-	(1,609,108)	-	-	(1,609,108)	-	(1,609,108)
Net Profit for the year After Tax	-	-	-	-	-	327,836,169	327,836,169	31,645	327,867,814
Appropriation made during the year	-	163,765,205	(85,000,000)	-	-	(78,765,205)	-	-	-
Balance as at December 31, 2012	2,543,498,400	1,637,341,825	276,777,324	120,718,271	-	255,237,061	4,833,572,881	72,655	4,833,645,537
Balance as at December 31, 2011	2,543,498,400	1,473,576,620	361,777,324	122,327,379	2,298,010	311,451,467	4,814,929,200	40,010	4,814,970,210

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, 2012

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
ASSET:						
Cash	6,531,179,980	-	-	-	-	6,531,179,980
Balance with other Banks and Financial Institutions	669,545,756	247,300,851	88,125,831	107,446,427	-	1,112,418,865
Money at Call & Short notice	-	-	-	-	-	-
Investments	3,097,350	971,956,249	2,842,214,171	7,381,313,008	12,052,478,480	23,251,059,258
Loans and Advances	4,202,278,051	20,394,674,017	13,763,759,441	13,386,434,873	4,763,930,840	56,511,077,223
Premises and Fixed Asset	7,652,606	15,305,212	68,873,454	367,325,088	1,925,502,448	2,384,658,808
Other Asset	103,591,974	320,775,391	385,635,875	1,616,649,356	945,007,632	3,371,660,229
Non-Banking Asset	-	-	-	-	-	-
Total Asset	11,517,345,717	21,950,011,720	17,148,608,773	22,859,168,752	19,686,919,401	93,162,054,362
LIABILITIES:						
Borrowing From Other Banks, Financial Institutions & Agents	5,962,220,000	-	-	-	-	5,962,220,000
Deposit and Other Accounts	19,849,185,341	31,030,728,133	16,509,430,481	4,807,105,416	2,943,695,134	75,140,144,506
Provision & Other Liabilities	14,645,032	243,045,820	839,258,840	1,750,792,276	1,803,100,000	4,650,841,968
Subordinated Debt	-	75,202,353	-	-	2,500,000,000	2,575,202,353
Total Liability	25,826,050,373	31,348,976,306	17,348,689,321	6,557,897,692	7,246,795,134	88,328,408,826
Net Liquidity	(14,308,704,657)	(9,398,964,585)	(200,080,598)	16,301,271,060	12,404,124,266	4,833,645,536

The annexed notes form an integral part of these accounts


Dr. Arif Dowl
 Chairman


Rashed A. Chowdhury
 Vice Chairman


Syed Manzur Elahi
 Director


Anis A. Khan
 Managing Director & CEO

BALANCE SHEET

As at December 31, 2012

Overview of MTB

Governance

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Property and Assets	Note	2012 BDT	2011 BDT
Cash	3.00	6,511,075,086	4,716,133,240
In Hand (Including Foreign Currency)		1,083,683,027	751,225,588
With Bangladesh Bank and its agent Bank(including Foreign Currency)		5,427,392,059	3,964,907,652
Balance with other Banks & Financial Institutions	4.00	1,056,254,665	668,352,839
In Bangladesh		324,333,410	302,549,985
Outside Bangladesh		731,921,255	365,802,854
Money at Call and Short Notice		-	-
Investments	5.00	23,071,341,742	19,567,824,800
Government		21,239,903,017	17,849,427,186
Others		1,831,438,725	1,718,397,614
Loans and Advances	6.00	55,082,049,670	46,189,739,532
Loans, Cash Credit, Overdrafts, etc.		52,664,296,232	44,072,126,592
Bills Purchased and Discounted		2,417,753,438	2,117,612,940
Fixed Asset including Premises, Furniture & Fixture	7.00	2,258,794,934	1,468,706,530
Other Asset	8.00	4,823,169,351	3,893,060,064
Non-Banking Asset		-	-
Total Property and Asset		92,802,685,449	76,503,817,005
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	9.00	5,962,220,000	5,780,734,592
Deposit and Other Accounts	10.00	75,368,729,652	59,705,258,361
Current Deposit & Other Accounts		9,229,959,482	9,206,185,578
Bills Payable		1,813,681,363	602,193,277
Savings Deposit		9,224,420,233	7,839,511,192
Fixed Deposit		45,350,855,194	35,423,961,603
Deposit-Products		9,749,813,380	6,633,406,711
Other Liabilities	11.00	4,108,630,927	3,683,475,926
Subordinated Debt	12.00	2,500,000,000	2,500,000,000
Total Liabilities		87,939,580,579	71,669,468,879
Capital/Shareholders' Equity			
Paid-up Capital	13.00	2,543,498,400	2,543,498,400
Statutory Reserve	14.00	1,637,341,825	1,473,576,620
Revaluation Reserve on Investment in Securities		120,718,271	122,327,379
Foreign Currency Translation gain/(Loss)		-	3,052,314
General Reserve	15.00	276,777,324	361,777,324
Retained Earnings	16.00	284,769,050	330,116,089
Total Shareholders' Equity		4,863,104,870	4,834,348,126
Total Liabilities and Shareholders' Equity		92,802,685,449	76,503,817,005
Net Asset Value (NAV) per share		19.12	19.01

BALANCE SHEET

As at December 31, 2012

Off-Balance Sheet Items**Contingent Liabilities**

Note

17.00

2012
BDT2011
BDT

Letter of Guarantee

4,966,662,479

3,728,887,570

Letter of Credit

6,409,873,550

3,884,813,778

Bills for Collection

1,347,416,727

1,867,834,766

Other Contingent Liabilities

4,952,569,092

5,846,281,138

Total Contingent Liabilities**17,676,521,847****15,327,817,252****Other Commitments**

Documentary credits and short term trade related transactions

-

-

Forward asset purchased and forward deposit placed

-

-

Undrawn note issuance and revolving underwriting facilities

-

-

Undrawn formal standby facilities, credit lines and other commitments

-

-

Claim against the bank not acknowledged as debt

-

-

Litigation pending against Bank

-

-

Other Memorandum Items

Value of Travelers' Cheque on Hand

-

-

Value of Bangladesh Sanchoy Patra on Hand


-

-

Total Off Balance Sheet Items including Contingent Liabilities**17,676,521,847****15,327,817,252**

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 30, 2013

A. Qasem & Co.
 Chartered Accountants

PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2012

Particulars	Note	2012 BDT	2011 BDT
Interest Income	19.00	7,622,525,755	5,919,227,383
Less: Interest Paid on Deposit and Borrowing, etc.	20.00	7,005,065,351	5,279,866,439
Net Interest Income		617,460,404	639,360,944
Income from Investments	21.00	1,770,132,891	1,546,687,899
Commission, Exchange and Brokerage	22.00	561,951,859	554,026,617
Other Operating Income	23.00	282,331,007	279,343,376
		2,614,415,757	2,380,057,892
Total Operating Income		3,231,876,161	3,019,418,836
Less: Operating Expenditure:			
Salary and Allowances	24.00	932,630,110	757,752,722
Rent, Tax, Insurance and Electricity	25.00	383,051,174	348,644,064
Legal Expense	26.00	1,751,248	1,401,257
Postage, Stamps and Telephone	27.00	67,678,509	61,357,676
Printing, Stationery and Advertisement	28.00	87,324,718	89,063,079
Managing Director's Remuneration	24.01	10,695,067	10,120,000
Directors' Fee	29.00	685,000	630,000
Audit Fee	30.00	713,000	582,500
Depreciation on and Repair to Bank's Property	31.00	203,770,504	157,729,594
Other Expenditure	32.00	345,951,487	320,379,746
Total Operating Expenses		2,034,250,817	1,747,660,638
Profit Before Provision		1,197,625,344	1,271,758,198
Less: Provision against Loans & Advances including Off Balance Sheet Items	33.00	455,657,130	200,049,000
Less: Provision against Investment in Quoted Shares		14,700,000	6,195,143
Less: Provision against Other Asset		-	-
Total Provision		470,357,130	206,244,143
Profit Before Tax		727,268,214	1,065,514,055
Less: Provision for Tax	34.00	388,630,239	430,123,059
Current Tax		391,022,148	448,235,000
Deferred Tax		(2,391,909)	(18,111,941)
Net Profit After Tax		338,637,975	635,390,996
Retained Surplus Brought Forward		330,116,089	313,781,621
		668,754,063	949,172,617

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PROFIT AND LOSS ACCOUNT

For the Year ended December 31, 2012

Particulars	Note	2012 BDT	2011 BDT
Appropriation			
Bonus Share Issued/Cash Dividend during the year		305,219,808	423,916,400
Transferred to Statutory Reserve		163,765,205	195,140,128
		468,985,013	619,056,528
Retained Surplus, Carried Forward		199,769,050	330,116,089
Earnings Per Share	35.00	1.33	2.50

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 30, 2013



A. Qasem & Co.
Chartered Accountants

STATEMENT OF CASH FLOW

For the year ended December 31, 2012

Overview of MTB

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To Our Shareholders

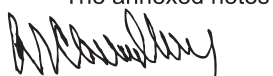
Financial Information

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	Note	2012 BDT	2011 BDT
A) Cash Flow From Operating Activities:			
Interest Received		9,204,425,938	7,060,833,683
Interest Paid on Deposits, Borrowings, etc.		(6,842,999,172)	(4,523,784,717)
Dividend Income		188,232,707	426,162,667
Fees & Commission Income		339,750,886	287,545,921
Recoveries of Loans previously written off		6,500,000	79,391,616
Cash Paid to Employees as Salaries and Allowances		(934,761,271)	(670,015,727)
Advance Income Tax Paid		(443,293,051)	(315,673,592)
Cash Received From Other Operational Income	36.00	498,031,980	466,432,456
Cash Paid for Other Operational Expenses	37.00	(908,846,668)	(833,520,889)
Cash Flow From Operating Activities Before Changes in Net Current Asset		1,107,041,349	1,977,371,418
Changes in Net Current Asset:			
Investment in Treasury Bond		(3,195,375,286)	(8,461,832,808)
Loans & Advances		(8,892,310,138)	(7,208,681,437)
Other Asset		(1,373,402,339)	(380,482,289)
Bank Deposit		(950,000,000)	500,020,000
Customers' Deposit		16,451,405,112	12,678,463,869
Borrowing from Other Banks, Financial Institutions & Agents		181,485,408	3,451,158,036
Other Liabilities		441,137,514	146,208,354
		2,662,940,271	724,853,725
Net Cash Flow From Operating Activities		3,769,981,621	2,702,225,143
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(113,041,111)	(690,398,824)
Purchase of Premises & Fixed Asset (net)		(972,167,376)	(890,920,548)
Net Cash Flow From Investing Activities		(1,085,208,487)	(1,581,319,372)
C) Cash Flow From Financing Activities:			
Dividend Paid		(305,219,808)	-
Net Cash Flow From Financing Activities		(305,219,808)	-
D) Net Increase in Cash and Cash Equivalents		2,379,553,325	1,120,905,771
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	3,052,314
F) Opening Cash and Cash Equivalents		7,860,720,655	6,736,762,570
Closing Cash and Cash Equivalents (D+E+F)		10,240,273,980	7,860,720,655
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,083,683,027	751,225,588
Balance with Bangladesh Bank and its Agent Bank		5,427,392,059	3,964,907,652
Balance with Other Banks & Financial Institutions		1,056,254,665	668,352,839
Money at Call and Short Notice		-	-
Treasury Bill		2,669,846,879	2,474,018,726
Prize Bond		3,097,350	2,215,850
		10,240,273,980	7,860,720,655
Net Operating Cash Flow Per Share		14.82	10.62

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 Month ended December 31, 2012

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
Balance as at January 01, 2012	2,543,498,400	-	1,473,576,620	361,777,324	122,327,379	3,052,314	330,116,089	4,834,348,126
Currency Translation differences	-	-	-	-	-	(3,052,314)	-	(3,052,314)
Cash Dividend Paid during the year	-	-	-	-	-	-	(305,219,808)	(305,219,808)
Revaluation Reserve transferred during the year	-	-	-	-	(1,609,108)	-	-	(1,609,108)
Net Profit for the year after tax	-	-	-	-	-	-	338,637,975	338,637,975
Appropriation made during the year	-	-	163,765,205	(85,000,000)	-	-	(78,765,205)	-
Balance as at December 31, 2012	2,543,498,400	-	1,637,341,825	361,777,324	120,718,271	-	284,769,050	4,863,104,870
Balance as at December 31, 2011	2,543,498,400	-	1,473,576,620	361,777,324	122,327,379	3,052,314	330,116,083	4,834,348,126

The annexed notes form an integral part of these accounts


Dr. Arif Dowlah
 Chairman


Rashed A. Chowdhury
 Vice Chairman


Syed Manzur Elahi
 Director


Anis A. Khan
 Managing Director & CEO

LIQUIDITY STATEMENT

As at December 31, 2012

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
ASSET:						
Cash	6,511,075,086	-	-	-	-	6,511,075,086
Balance with other Banks and Financial Institutions	669,545,756	247,300,851	31,961,631	107,446,427	-	1,056,254,665
Money at Call & Short notice	-	-	-	-	-	-
Investments	3,097,350	800,238,733	2,842,214,171	7,381,313,008	12,044,478,480	23,071,341,742
Loans and Advances	3,195,566,661	20,230,017,198	13,652,637,447	13,278,359,217	4,725,469,147	55,082,049,670
Premises and Fixed Asset	22,587,949	45,175,899	203,291,544	1,084,221,568	903,517,974	2,258,794,934
Other Asset	103,591,974	320,775,391	438,749,198	1,616,649,356	2,343,403,432	4,823,169,351
Non-Banking Asset	-	-	-	-	-	-
Total Asset	10,505,464,776	21,643,508,072	17,168,853,991	23,467,989,576	20,016,869,033	92,802,685,449
LIABILITIES:						
Borrowing From Other Banks, Financial Institutions & Agents	5,962,220,000	-	-	-	-	5,962,220,000
Deposit and Other Accounts	19,849,185,341	31,080,728,133	16,688,015,627	4,807,105,416	2,943,695,134	75,368,729,652
Provision & Other Liabilities	14,645,032	73,561,858	391,329,408	1,750,792,276	1,803,100,000	4,033,428,574
Subordinated Debt	-	75,202,353	-	-	2,500,000,000	2,575,202,353
Total Liability	25,826,050,373	31,229,492,344	17,079,345,035	6,557,897,692	7,246,795,134	87,939,580,579
Net Liquidity	(15,320,585,597)	(9,585,984,272)	89,508,956	16,910,091,884	12,770,073,899	4,863,104,870

The annexed notes form an integral part of these accounts



Dr. Arif Dowlah
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, 2012

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 Exchanges, as a publicly quoted company. Authorized Capital of the Bank is BDT 10 billion. The Bank has 72 (seventy two) branches, 14 (fourteen) SME/Agri Branches and 2 (two) Booths all over Bangladesh. The bank has no overseas branch as at December 2012. The booth is located at Hazrat Shahjalal International Airport, Dhaka and Shah Amanat Airport, Chittagong.

The registered office of the Bank is 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 customers and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guidelines. 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 (MTB UK)

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 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.

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 started as on 17 April 2011. Separate financial statements have drawn up in the reports.

MTBCL offers the following services to the market:

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

Besides, MTBCL 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, 2012 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 branches have been taken into account.

References have been made according to International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) and Interpretations as approved at January 1, 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 December 31, 2012.

Subsidiary

Subsidiary is that enterprise which is 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 the subsidiaries are included in the consolidated financial statements. 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 have common financial year ending 31 December 2012.

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	128.90	79.75
For income & expenses	Average price	129.38	79.87

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, 2012.

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 marked-to-market as at December 31, 2012, and have been shown in the equity. Value of investments have 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.

Provision for loans and advances and Off Balance Sheet items are made as per Bangladesh Bank circular no. BRPD 14 dated September 23, 2012, BRPD 15 dated September 23, 2012 and BRPD 19 dated December 27, 2012 at the following rates:

Classification Criteria	Rates of Provision
General Provision on unclassified loans and advances	1%
General Provision on unclassified small enterprise financing	0.25%
General Provision on unclassified loans for housing finance and on loans for professional	2%
General Provision on unclassified consumer financing other than housing finance and loans for professionals	5%
General Provision on Special Mentioned Account	5%
Specific Provision on substandard loans and advances	20%
Specific Provision on doubtful loans and advances	50%
Specific Provision on bad/ loss loans and advances	100%

i) Security against Loans:

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

ii) Bills Purchased and Discounted

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

2.7.4 Property, Plant and Equipment

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

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

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-8.02).

2.7.10 Foreign Currency

i) Foreign Currency transaction

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

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 Dollars 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 2012 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 as per BAS-12 "Income taxes".

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 of 5 (five) members. All confirmed employees of the Bank contribute 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

b) Gratuity

The Bank operates a funded gratuity scheme, 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	02 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 ranging from 3 (three) lacs to 10 (ten) lacs.

f) MTB Foundation

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

g) Incentive Bonus

Mutual Trust Bank Limited has started an incentive bonus scheme for its employees. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, 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 a 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 # 14, dated September 23, 2012, 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 a provision regarding the un-reconciled debit balance of nostro accounts as on the reporting date in these financials as there are no un-reconciled entries which are outstanding more than 3 months.

2.13 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 an 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.

2.15 Risk Management

Risk is an integral part of banking business and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. The management intimates the compliance issues of Bangladesh Bank to the Board. The Board accords 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 inability to meet its financial obligations to the lender. The credit risk is generally made up of transaction risk or default risk and portfolio risk. We have standardized credit approval processes. Credit risk is controlled through segmental exposure limits to various industries and sectors, prudential exposure and substantial exposure ceiling and risk mitigation by obtaining collateral and guarantees.

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

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

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

(b) Market Risk

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

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 put, it is the risk that relates to gains/losses that arise due to fluctuations in the exchange rates.

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

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

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

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 bank to form an "Asset Liability Management Committee (ALCO)" with the senior management as its members to control and better manage its Balance Sheet Risk.

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

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

3) Equity Risk

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

(c) Operational Risk

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

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

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

The Compliance & Monitoring Units of this division ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess

the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

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

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

d) 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 procedures, STR, CTR, Money Laundering Prevention Ordinance, 2008, Anti Terrorism Ordinance, 2008 and their implementation processes.

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 10% Stock Dividend for the year 2012 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. No.	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 Ahmed Chowdhury	Director	Member	Post Graduate in Business Management from Kingston University, England

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
03.	Mr. M.A. Rouf	Director	Member	-
04.	Mr. Md. Wakiluddin	Director	Member	-
05.	Mrs. Khwaja Nargis Hossain	Director	Member	-

During the year, 5 (five) 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 places their report regularly to the board meetings of the Bank mentioning their activities & recommendations of the internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.18 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	Applied
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

2.19 Approval of Financial Statements

The financial statements were approved by the Board of Directors at March 30, 2013.

2.20 General

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

		2012 BDT	2011 BDT
3.00	Cash		
	In Hand (Including foreign currency) (note 3.01)	1,083,683,028	751,225,588
	Balance with Bangladesh Bank and its Agent Bank (note 3.02)	5,427,392,059	3,964,907,652
		6,511,075,086	4,716,133,240
3.01	In Hand (including foreign currency)		
	Local Currency	1,067,750,460	742,347,863
	Foreign Currency	15,932,567	8,877,725
		1,083,683,028	751,225,588
3.02	Balance with Bangladesh Bank and its Agent Bank		
	With Bangladesh Bank		
	Local Currency	4,604,554,233	3,667,708,135
	Foreign Currency	609,917,113	127,447,162
	With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	212,920,712	169,752,355
		5,427,392,059	3,964,907,652

Bangladesh Bank Adjustment Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2012 is given below:

Period of Unreconciliation	Number of Unresponded Entry		Unresponded Amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	3	2	27,700,000	3,111,176
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	3	2	27,700,000	3,111,176

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 Company 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. The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 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, Foreign Currency 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)

	2012		2011	
Cash Reserve Requirement (CRR)	%	(BDT Million)	%	(BDT Million)
Required	6.00%	4,442.10	6.00%	3,517.00
Maintained	6.22%	4,604.20	6.18%	3,620.50
Surplus/(Deficit)	0.22%	162.10	0.18%	103.50
Statutory Liquidity Ratio (SLR) (including CRR)				
Required	19.00%	14,066.70	19.00%	11,137.20
Maintained	36.69%	27,162.50	38.92%	22,815.40
Surplus/(Deficit)	17.69%	13,095.85	19.92%	11,678.23

		2012 BDT	2011 BDT
3.05 Components of Statutory Liquidity Ratio (SLR) (BDT Million)			
Cash in Hand		1,083.68	751.23
Balance with Bangladesh Bank (as per bank statement)		4,629.14	3,654.64
Balance with Sonali Bank		212.92	169.75
Held to Maturity (HTM) Securities		14,980.26	8,045.13
Held for Maturity (HFT) Securities		6,256.54	10,194.69
		27,162.55	22,815.43
3 (a) Consolidated cash			
i. Cash in hand (including foreign currency)			
Mutual Trust Bank Limited (note-3.01)		1,083,683,028	751,225,588
MTB Securities Limited		1,577,351	-
MTB Capital Limited		488	1,324
MTB Exchange (UK) Limited		18,527,055	-
		1,103,787,921	751,226,912
ii. With Bangladesh Bank and its agent bank (including foreign currency)			
Mutual Trust Bank Limited (note-3.02)		5,427,392,059	3,964,907,652
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		5,427,392,059	3,964,907,652
		6,531,179,980	4,716,134,564
4.00 Balance with other Banks and Financial Institutions			
In Bangladesh (note-4.01)		324,333,410	302,549,985
Outside Bangladesh (note-4.02)		731,921,255	365,802,854
		1,056,254,665	668,352,839
4.01 In Bangladesh	Transaction Currency		
Fixed Deposits Receipt (FDR)			
IDLC Finance Limited	BDT	61,582,561	56,212,465
Peoples Leasing Limited	BDT	111,537,431	-
Special Notice Deposit (SND)			
Dutch Bangla Bank Limited	BDT	9,929,223	28,090,515
BASIC Bank Limited	BDT	69,722	7,124,460
Sonali Bank Limited	BDT	-	76,697,303
State Bank of India	BDT	100,000	100,000
Agrani Bank Limited	BDT	-	30,398,637
Janata Bank Limited	BDT	-	14,170,501
Current Deposits (CD)			
Standard Chartered Bank	BDT	17,900,299	5,856,001
Arab Bangladesh Bank Limited	BDT	200,000	200,000
Dutch Bangla Bank Limited	BDT	287,005	60,607
Southeast Bank Limited	BDT	1,733,073	1,537,366
Islami Bank Bangladesh Limited	BDT	688,376	557,141
Janata Bank Limited	BDT	36,636,998	34,676,367
BRAC Bank Limited	BDT	2,738,991	2,234,045
Agrani Bank Limited	BDT	80,929,733	44,634,577
Sub total		324,333,410	302,549,985

		2012 BDT	2011 BDT
4.02 Outside Bangladesh (NOSTRO Accounts)	in current account		
	Transaction Currency		
Mashreqbank, New York	US\$	135,333,402	6,416,701
Standard Chartered Bank, New York	US\$	37,939,708	-
Habib American Bank, New York	US\$	54,247,084	9,591,533
UBAF, Singapore	US\$	8,492,866	-
UBAF, Hong Kong	US\$	-	17,033,118
HSBC, New York	US\$	81,570,725	41,339,768
Mashreqbank, London	US\$	14,761,565	19,937,575
JP Morgan, New York	US\$	52,992,023	-
Citibank N.A.	US\$	75,646,918	36,892,554
ICICI, Hong Kong	US\$	2,160,436	2,896,067
National Commercial Bank, Jeddah	US\$	11,786,744	29,097,372
Sonali Bank, London	US\$	28,532,722	9,286,162
Standard Chartered Bank, Singapore	SGD	443,386	1,179,880
Mashreqbank, London	GBP	21,283,166	17,154,722
Standard Chartered Bank, London	GBP	11,713,754	-
Sonali Bank, London	GBP	1,695,606	71,258,265
Habib American Bank, Zurich	CHF	2,261,712	783,134
Standard Chartered Bank, Tokyo	JPY	505,859	1,417,089
UBAF, Tokyo	JPY	590,755	1,342,774
Mashreqbank, London	EUR	2,003,570	8,884,118
Standard Chartered Bank, Germany	EUR	1,051,074	1,076,855
Sonali Bank, London	EUR	535,345	12,458,715
ICICI, Mumbai	EUR	204,432	9,538,922
Unicredit, Germany	EUR	14,044,771	-
Commerz Bank, Germany	EUR	10,369,642	-
Standard Chartered Bank, Mumbai	ACU	3,992,235	1,416,519
Standard Chartered Bank, Kolkata	ACU	2,439,351	2,499,492
Standard Chartered Bank, Pakistan	ACU	62,289,626	9,794,340
United Bank of India, Kolkata	ACU	1,128,712	-
Citibank N.A., Mumbai	ACU	6,137,433	6,470,353
Arif Habib Bank, Pakistan	ACU	-	1,057
Mashreqbank, Mumbai	ACU	1,717,155	5,426,519
AB Bank, Mumbai	ACU	27,923,804	-
ICICI, Mumbai	ACU	17,976,148	6,972,468
HSBC, Mumbai	ACU	4,624,990	2,096,687
HDFC Bank, Mumbai (ACUD)	ACU	25,520	-
Himalayan Bank Ltd., Kathmandu	ACU	1,579,050	1,620,630
Nepal Bangladesh Bank Ltd.	ACU	19,938	20,463
Summit Bank Ltd, Pakistan	ACU	1,030	-
		700,022,255	333,903,854
Term Deposit			
ICICI, Mumbai	US\$	31,899,000	31,899,000
Sub total		731,921,255	365,802,854
Total		1,056,254,665	668,352,839

Details of NOSTRO accounts are shown in Annexure-A

	2012 BDT	2011 BDT
4.03 Net Balance With other Banks and Financial Institutions		
Balance with other Banks and Financial Institutions (note-4)	1,056,254,665	668,352,839
Less: Borrowing From Other Banks, Financial Institutions and Agents (note 9 & 10.01)	5,962,220,000	6,730,734,592
	(4,905,965,335)	(6,062,381,753)
4.04 Maturity grouping of Balance with other Banks and Financial Institutions		
On Demand	669,545,756	423,659,958
Less than three months	247,300,851	156,481,416
More than three months but less than one year	31,961,631	20,223,955
More than one year but less than five years	107,446,427	67,987,510
More than five years	-	-
	1,056,254,665	668,352,839
4 (a) Consolidated balance with other banks and financial institutions In Bangladesh		
Mutual Trust Bank Limited (note-4.01)	324,333,410	302,549,985
MTB Securities Limited	233,807,492	606,009,882
MTB Capital Limited	50,941,854	77,097,095
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(228,585,146)	(654,454,007)
	380,497,610	331,202,955
Outside Bangladesh		
Mutual Trust Bank Limited (note-4.02)	731,921,255	365,802,854
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	6,902,045
	731,921,255	372,704,899
	1,112,418,865	703,907,854
5.00 Investments		
i) Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM)	14,980,261,540	8,045,129,608
Held for Trading (HFT)	6,256,544,127	9,802,081,728
Other Investments	1,834,536,075	1,720,613,464
	23,071,341,742	19,567,824,800
ii) Investment Classified as per Nature		
a) Government Securities		
Treasury Bill (at present value)		
Un-encumbered		
28 days	-	-
91 days	-	-
182 days	645,699,388	183,155,451
364 days	1,176,657,607	2,290,863,275
Sub-total	1,822,356,995	2,474,018,726
Encumbered		
91 days	471,945,658	-
182 days	266,862,278	-
364 days	108,681,948	-
Sub-total	847,489,884	-
Total Treasury Bill	2,669,846,879	2,474,018,726
Treasury Bond		
Un-encumbered		
5 Years	6,425,213,008	3,943,521,163
10 Years	6,882,564,710	2,822,877,109
15 Years	2,647,075,169	330,154,677
20 Years	1,878,805,242	231,471,493
Sub-total	17,833,658,129	7,328,024,442

	2012 BDT	2011 BDT
Encumbered		
5 Years	133,600,000	2,360,410,286
10 Years	261,400,000	2,073,113,897
15 Years	290,800,659	2,261,461,947
20 Years	47,500,000	1,350,182,038
Sub-total	733,300,659	8,045,168,168
Total Treasury Bond	18,566,958,788	15,373,192,610
 Prize Bond (at face value)	 3,097,350	 2,215,850
Sub Total	21,239,903,017	17,849,427,186
 b) Other Investments		
Shares in quoted companies	800,238,733	243,824,644
(Annexure-B may kindly be seen for details)		
Shares in unquoted companies (at face value):		
Industrial & Infrastructure Development Finance Co. Limited	37,212,502	33,115,700
Summit Power Limited Preference Share	89,460,360	113,809,300
Central Depository (BD) Limited	15,694,430	15,694,430
Pioneer Insurance Company Limited	-	1,120,840
Bengal Windsor Thermoplastics Limited	30,000,000	30,000,000
PHP 1st Mutual Fund	-	50,000,000
Mercantile Bank 1st Mutual Fund	-	50,000,000
EBL NRB Mutual Fund	-	50,000,000
MTB 1st Mutual Fund	100,000,000	100,000,000
MTB Unit Fund	200,000,000	200,000,000
AB Bank 1st Mutual Fund	-	250,000,000
First Bangladesh Fixed Income Fund	250,000,000	250,000,000
Dun & Bradstreet Rating Agency (Bangladesh) Limited	3,332,700	3,332,700
BD Venture Limited	15,000,000	-
SwissPro Asset Management (BD) Limited	18,000,000	-
	758,699,992	1,147,072,970
Bonds :		
Prime Bank Bond (note 5.02)	90,000,000	90,000,000
IDLC-Zero Coupon Bond (note 5.03)	12,500,000	37,500,000
Uttara Finance & Investment Limited -Zero Coupon Bond (note 5.04)	170,000,000	200,000,000
	272,500,000	327,500,000
Sub Total	1,831,438,725	1,718,397,614
Total	23,071,341,742	19,567,824,800

- 5.01** Assets pledged as security for liabilities as at December 31, 2012 is BDT 4,598,656,999 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:
- (a) i. Disclosure regarding outstanding Repo as at December 31, 2012

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	30.12.2012	01.01.2013	1,732,470,000
B. Bangladesh Bank (Repo)	-	-	-
C. Standard Chartered Bank	30.12.2012	01.01.2013	880,614,329
D. Dhaka Bank Limited	30.12.2012	01.01.2013	1,455,584,734
E. Standard Bank Limited	30.12.2012	01.01.2013	529,987,936
Total			4,598,656,999

- ii. There is no outstanding Reverse Repo as at December 31, 2012 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2012

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank	750,970,000	9,962,425,000	1,830,600,000
ii) with Other Banks & Financial Institutions	240,582,183	4,734,776,581	866,190,000
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	-	-	-

		2012 BDT	2011 BDT
5.02 Prime Bank Bond			
Opening Balance		90,000,000	90,000,000
Add: New Investment		-	-
Less: Redeemed		-	-
Closing Balance		90,000,000	90,000,000
5.03 IDLC-Zero Coupon Bond			
Principal		37,500,000	62,500,000
Add: New investment		-	-
Less: Redeemed upto 31.12.12		25,000,000	25,000,000
Redeemable Value		12,500,000	37,500,000
5.04 Uttara Finance & Investment Limited-Zero Coupon Bond			
Principal		200,000,000	200,000,000
Add: New investment		-	-
Less: Redeemed upto 31.12.12		30,000,000	-
Redeemable Value		170,000,000	200,000,000
5.05 Maturity grouping of Investment as follows:			
On Demand		3,097,350	2,215,850
Less than three months		800,238,733	243,824,644
More than three months but less than one year		2,842,175,611	3,067,758,996
More than one year but less than five years		7,381,313,008	7,181,431,449
More than five years		12,044,517,040	9,072,593,861
		23,071,341,742	19,567,824,800
5 (a) Consolidated Investments			
Government Investment			
Mutual Trust Bank Limited		21,236,805,667	17,849,427,186
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		21,236,805,667	17,849,427,186
Other Investments			
Mutual Trust Bank Limited		1,834,536,075	1,718,397,614
MTB Securities Limited		143,114,053	185,136,418
MTB Capital Limited		36,603,463	3,153,734
MTB Exchange (UK) Limited		-	-
		2,014,253,591	1,906,687,766
		23,251,059,259	19,756,114,952
6.00 Loans and Advances			
Loans (note-6.01.01)		33,694,773,061	30,010,818,145
Cash Credits		8,634,331,151	6,876,357,102
Overdrafts		10,335,192,019	7,184,951,345
		52,664,296,232	44,072,126,592
Bills Purchased and Discounted (note-6.01.02)		2,417,753,438	2,117,612,940
Total		55,082,049,670	46,189,739,532

		2012 BDT	2011 BDT
Overview of MTB	6.01 Loans and Advances In Bangladesh		
	6.01.01 Loans		
	Term Loan	13,539,488,906	10,695,760,246
	Small and Medium Enterprise Financing	3,322,991,592	2,941,885,569
	Consumer Financing	810,211,500	1,044,798,362
	Retail Financing	1,458,650,674	914,717,140
	General Loans	178,881,914	201,104,550
	Demand Loan	2,130,200,241	380,561,023
	Payment Against Documents (PAD)	196,242,352	647,868,136
	Trust Receipts	6,911,980,517	7,729,698,924
Governance	Lease Finance (note-6.03)	397,431,661	364,541,424
	House Building Loan	1,446,384,719	1,148,902,035
	Staff/Employee Loan	525,566,351	448,747,982
	Loans and Advances -Offshore Banking Unit	80,173,476	812,550,487
	Loan to MTB Securities Ltd.*	2,665,569,081	2,665,554,081
	Loan to MTB Capital Limited	407,891	2,384,302
	Loan to MTB Exchange (UK) Limited	30,592,188	11,743,884
		33,694,773,061	30,010,818,145
	Cash Credit	8,634,331,151	6,876,357,102
	Secured Overdraft	10,335,192,019	7,184,951,345
Management Report		52,664,296,232	44,072,126,592
	Outside Bangladesh	-	-
		52,664,296,232	44,072,126,592
	* Loans to MTB Securities Ltd. has been disbursed by the Bank. Interest has been charged at the rate of 15.50%.		
	6.01.02 Bill Purchased and Discounted		
	In Bangladesh	2,366,128,293	2,047,576,437
	Outside Bangladesh	51,625,146	70,036,503
		2,417,753,438	2,117,612,940
	Total Loans and Advances	55,082,049,670	46,189,739,532
To Our Shareholders	6.02 Net Loans & Advances		
	Gross Loans & Advances (note- 6)	55,082,049,670	46,189,739,532
	Less:		
	Classified Loans & Advances (note-6.07)	2,085,012,000	1,195,103,000
	Interest Suspense (note- 11.04)	235,590,439	183,454,798
	Provision for Loans & Advances (note -11.01)	1,626,300,000	1,329,899,700
	Net Loans & Advances	51,135,147,231	43,481,282,034
Financial Information	6.03 Gross Lease Rent Receivable		
	within 1 year	98,950,000	88,950,000
	within 5 years	454,803,069	355,561,498
	after 5 years	-	-
		553,753,069	444,511,498
		156,321,408	79,970,074
	Less: Unearned Lease Rent	397,431,661	364,541,424
Further Information	6.04 Residual Maturity grouping of Loans and Advances		
	On Demand	3,195,566,661	2,679,682,267
	Not more than three months	20,230,017,198	16,964,133,156
	More than three months but less than one year	13,652,637,447	11,448,589,357
	More than one year but less than five years	13,278,359,217	11,134,733,680
	More than five years	4,725,469,147	3,962,601,072
		55,082,049,670	46,189,739,532
	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	525,566,351	226,643,538

	2012 BDT	2011 BDT
c) Advances to Industries		
Agriculture	738,466,400	317,215,000
RMG	2,492,220,000	3,208,156,000
Textile	4,048,957,000	3,560,813,000
Ship Building	641,050,000	868,260,000
Ship Breaking	115,783,000	-
Other Manufacturing industry	10,722,898,000	7,023,707,000
SME loans	2,427,948,700	1,886,920,000
Construction	502,086,000	391,775,900
Power, Gas	951,943,000	1,034,521,000
Transport, Storage and Communication	1,163,066,000	1,519,247,000
Trade Service	7,507,453,700	7,037,225,700
Commercial real estate financing	3,751,762,000	2,379,400,000
Residential real estate financing	1,130,862,900	1,052,465,000
Consumer credit	1,539,320,388	1,184,738,000
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	4,349,000,000	3,756,851,000
NBFIs	6,501,853,000	5,200,347,000
Others	7,926,407,135	6,583,838,262
	56,511,077,223	47,005,479,862

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 6,980.82 million as at December 31, 2012 (BDT 6,925.31 million in 2011)

Number of Clients	44	41
Outstanding Advances (BDT Million)	21,322.00	12,843.80
Client wise details are given below:		

Name of the clients	Outstanding (BDT Million)		Total (BDT Million)	Classification Status
	Funded	Non-Funded		
Surma Mustard Oil Mill Limited & its Allied	1,007.10	1,028.40	2,035.50	UC
MSA Spinning Mills Limited	400.90	741.50	1,142.40	UC
Hasan Flour Mills Limited	504.90	993.90	1,498.80	UC
Empire Dyeing Limited	948.00	3.00	951.00	UC
City Seed Crushing Ind. Limited	504.90	291.50	796.40	UC
City Seed Crushing Ind. Limited	100.00	-	100.00	UC
Jalal Ahmed Spinning	650.90	47.90	698.80	UC
Ctg. Denim Mills Limited	31.70	89.60	121.30	UC
Abdul Monem Limited	571.80	-	571.80	UC
Abdul Monem Sugar Refinery Limited	1,393.40	-	1,393.40	UC
Rahmat Textiles Limited	86.70	18.10	104.80	UC
Belkuchi Spinning Mills Limited	46.70	14.60	61.30	UC
Rahmat Spinning Mills Limited	204.00	8.40	212.40	UC
BSRM Iron & Steel Co. Limited	259.70	-	259.70	UC
Banga Building Materials Limited	15.70	-	15.70	UC
Phoenix Finance & Investment Limited	161.30	-	161.30	UC
Phoenix Finance & Investment Limited	255.60	-	255.60	UC
Ahsan Composite Limited	51.20	354.10	405.30	UC
Ahsan Knitting Limited	-	93.50	93.50	UC
A.K. Fashion Limited	-	114.00	114.00	UC
Ahsan Apparels	-	13.50	13.50	UC
Polo Composite Knit Industry Limited	163.40	402.10	565.50	UC
AJI Apparels	-	94.10	94.10	UC

Name of the clients	Outstanding (BDT in Crore)		Total (BDT in Crore)	Classification Status
	Funded	Non-Funded		
FRM Fashion	-	-	-	UC
Shah Cement Industries Limited	902.70	428.60	1,331.30	UC
PHP Corporation Limited	1.50	216.40	217.90	UC
Modern Poly & Modern Fibre Ind. Limited	-	65.30	65.30	UC
Masud & Brothers	-	-	-	UC
Kabir Steel Re-Rolling Mills Limited	136.40	738.90	875.30	UC
Liberty Enterprise Limited & its allied concern	453.80	303.20	757.00	UC
Smart Jeans Limited	-	28.50	28.50	UC
Bay Developments	638.20	15.30	653.50	UC
Jahangir & Others Limited	698.80	7.80	706.60	UC
Sheema Automatic Re-Rolling Mills Limited	850.20	332.00	1,182.20	UC
MRS Industries Limited	253.10	24.20	277.30	UC
Abul Khair Ceramic Industries Limited	163.90	74.80	238.70	UC
S. N. Corporation	200.70	-	200.70	UC
Portlink Logistics Centre Limited	309.90	1.00	310.90	UC
PRAN Confectionary Limited	28.10	-	28.10	UC
PRAN Exports Limited	429.00	753.80	1,182.80	UC
Grameen Phone	-	260.70	260.70	UC
ORASCOM Telecom (BD) Limited	796.00	17.10	813.10	UC
ORASCOM Telecom (BD) Limited	250.00	-	250.00	UC
Axiata Bangladesh Limited	-	276.00	276.00	UC
Total	13,470.20	7,851.80	21,322.00	

6.07 Classification of Loans and Advances: Unclassified (UC):

Standard	52,126,161,670	43,930,002,532
Special Mention Account (SMA)	870,870,000	1,064,634,000
Sub total	52,997,037,670	44,994,636,532
Classified:		
Substandard	521,483,000	107,992,000
Doubtful	149,389,000	204,412,000
Bad & Loss	1,414,140,000	882,699,000
Sub total	2,085,012,000	1,195,103,000
Total	55,082,049,670	46,189,739,532

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

Standard	53,555,189,223	44,745,742,862
Special Mention Account (SMA)	870,876,000	1,064,634,000
Sub total	54,426,065,223	45,810,376,862
Consolidated Classified Loans & Advances:		
Substandard	521,483,000	107,992,000
Doubtful	149,389,000	204,412,000
Bad & Loss	1,414,140,000	882,699,000
Sub total	2,085,012,000	1,195,103,000
Total	56,511,077,223	47,005,479,862

6.08 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate	Provision		
			Required	Maintained	
Unclassified (UC):					
Standard	53,783,725,169	0.25%, 1%, 2% & 5%	655,300,000	656,700,000	
Special Mention Account (SMA)	857,066,854	5%	43,300,000	43,300,000	
Sub total			698,600,000	700,000,000	
Classified:					
Substandard	345,089,916	20%	69,000,000	69,000,000	
Doubtful	50,867,771	50%	25,400,000	25,400,000	
Bad & Loss	823,881,450	100%	831,900,000	831,900,000	
Sub total			926,300,000	926,300,000	
Total			1,624,900,000	1,626,300,000	
Excess/(short) Provision at December 31, 2012				1,400,000	

6.09 Details of Required Provision for Off Balance Sheet Exposures

Required Provision for Off- Balance Sheet Exposures	176,800,000	153,300,000
Total Provision maintained (note -11.02)	176,800,000	153,300,000
Excess/(Short) Provision	-	-

6.10 Suits filed by the Bank (Branch wise details)

Name of the Branch	No. of Suits 2012	No. of Suits 2011	2012 BDT	2011 BDT
Principal Branch	4	4	28,487,912	29,170,000
Babu Bazar Branch	19	19	494,606,375	299,220,000
Uttara Model Town Branch	2	2	810,769	660,000
Dhanmondi Branch	7	7	53,227,163	26,420,000
Agrabad Branch	7	7	356,982,940	356,980,000
CDA Avenue Branch	6	5	568,713,621	203,480,000
Khatungonj Branch	10	9	336,894,654	185,670,000
Gulshan Branch	8	8	13,853,866	11,910,000
Progati Sharani Branch	4	3	95,932,787	57,850,000
Haidergonj SME/Agri Branch	6	2	2,250,352	900,000
Narayangonj Branch	1	1	379,728	380,000
Aman Bazar Branch	1	1	3,500,000	3,500,000
Bashundhara City	6	-	128,230,439	-
Banani	2	-	464,296	-
Aganagar	2	-	1,423,824	-
Raipur	5	-	3,038,511	-
			2,088,797,237	1,176,140,000

6.11 Geographical Location wise Consolidated Loans and Advances

Inside Bangladesh		
Urban		
Dhaka Division	39,191,007,223	31,838,863,502
Chittagong Division	10,537,900,000	10,345,255,082
Rajshahi Division	886,850,000	570,236,663
Sylhet Division	532,750,000	457,528,760
Khulna Division	610,450,000	742,703,779
Rangpur Division	339,850,000	182,514,553
Barisal Division	-	-
	52,098,807,223	44,137,102,339

	2012 BDT	2011 BDT
Rural		
Dhaka Division	1,942,550,000	1,622,880,254
Chittagong Division	1,937,490,000	790,124,747
Rajshahi Division	477,880,000	409,649,408
Sylhet Division	11,290,000	180,427
Khulna Division	-	-
Rangpur Division	2,500,000	-
Barisal Division	40,560,000	45,542,687
	4,412,270,000	2,868,377,523
Outside Bangladesh	-	-
	56,511,077,223	47,005,479,862
6.12 Sector-wise Loans including Bill Purchased and Discounted		
Public sector	80,173,476	604,845,905
Co-Operative sector	47,744,221	57,674,000
Private sector	56,383,159,526	46,342,959,957
	56,511,077,223	47,005,479,862
6.13 Particulars of Loans and Advances:		
I) Debts considered good in respect of which the bank company is fully secured.	47,266,029,270	40,044,966,424
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	199,166,635	48,269,037
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	5,591,853,765	4,901,401,071
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.	525,566,351	468,365,982
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.	525,566,351	468,365,982
VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as member.	-	-
IX) Due from banking companies;	-	-
X) Amount of classified loan on which interest has not been charged :		
a. i) (Decrease)/Increase in provision	831,900,000	(15,925,000)
ii) amount of loan written off	135,756,829	-
iii) amount realized against loan previously written off;	-	-
b. Amount of provision kept against loan classified as 'bad/loss'	831,900,000	638,200,000
c. Interest creditable to the interest Suspense A/c;	250,079,050	155,651,543
XI) Cumulative amount of loans written off	866,769,239	731,012,410
XII) Amount of loans written off during the year	135,756,829	-
XIII) The amount of written off loan for which law suit has been filed	866,769,239	731,012,410

	2012 BDT	2011 BDT
6.14 Maturity grouping of Bill Purchased and Discounted		
Payable within one month	1,267,306,313	1,109,982,600
More than one month but less than three months	894,568,772	783,516,788
More than three months but less than six months	253,864,110	222,349,358
More than or equal to six months	2,014,243	1,764,194
	2,417,753,438	2,117,612,940
6.15 Consolidated List of Asset pledged as Security/Collaterals		
Nature of Secured Asset:		
Gold & Gold Ornaments	-	-
Shares & Securities	53,782,562	143,479,000
Merchandise	4,923,286,373	4,463,389,000
Machinery with other Fixed Asset and Financial obligations	643,001,557	1,194,103,000
Real Estate with Financial obligations	8,655,598,483	17,914,131,000
Financial Obligations only (Insurance policies, Savings certificates, Bank deposits etc)	1,526,578,190	2,554,351,000
Miscellaneous:		
i) Crops/stock of crops hypothecation	123,200,802	55,350,000
ii) Guarantee of individuals/ Institutions	36,513,965,765	18,564,024,094
iii) Others	4,071,663,491	2,116,652,768
Without any security	-	-
	56,511,077,223	47,005,479,862
6.16 Maturity grouping of Consolidated Loans and Advances		
On Demand	4,202,278,051	3,495,422,597
Not more than three months	20,394,674,017	16,964,133,156
More than three months but less than one year	13,763,759,441	11,448,589,357
More than one year but less than five years	13,386,434,873	11,134,733,680
More than five years	4,763,930,840	3,962,601,072
	56,511,077,223	47,005,479,862
6 (a) Consolidated loans, advances and lease		
Mutual Trust Bank Limited (note-6.01.01)	52,664,296,232	44,072,126,592
MTB Securities Limited	4,120,360,234	3,493,459,094
MTB Capital Limited	5,236,479	1,963,503
MTB Exchange (UK) Limited	-	-
	56,789,892,945	47,567,549,189
Less: Loan to Subsidiaries	2,696,569,160	2,679,682,267
	54,093,323,785	44,887,866,922
Consolidated bills purchased and discounted		
Mutual Trust Bank Limited (note-6.01.02)	2,417,753,438	2,117,612,940
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,417,753,438	2,117,612,940
	56,511,077,223	47,005,479,862
7.00 Fixed Asset including Premises, Furniture & Fixture Cost		
Land	104,253,000	104,253,000
Immovable Property	995,326,830	472,167,480
Furniture & Fixtures	829,148,745	616,980,234
Office Equipments	849,826,785	627,793,318
Motor Vehicles	33,453,048	30,360,310
Books & Periodicals	423,974	423,974
Intangible Assets	7,913,810	-
Leased Asset	48,455,000	48,455,000
Total Cost	2,868,801,192	1,900,433,316
Less: Accumulated Depreciation	610,006,258	431,726,786
Net book value at the end of the year	2,258,794,934	1,468,706,530
Details are shown in Annexure-C		

		2012 BDT	2011 BDT
7 (a)	Consolidated fixed asset including premises, furniture & fixtures		
	Mutual Trust Bank Limited (note-7)	2,258,794,934	1,468,706,530
	MTB Securities Limited	114,837,218	71,027,866
	MTB Capital Limited	6,474,681	7,784,040
	MTB Exchange (UK) Limited	4,551,975	5,409,053
	Consolidated net book value at the end of the year	2,384,658,808	1,552,927,489
	Details are shown in Annexure-C (i)		
8.00	Other Asset		
	Classification of Other Asset		
	A) Income generating Other Asset	-	-
	i) Investment in Shares of Subsidiary Companies (note-8.01)	1,398,395,800	1,116,055,000
	B) Non-Income generating Other Asset:		
	i) Stationery, Stamps, Printing materials in stock etc.	32,982,962	23,152,211
	ii) Advance Rent and Advertisement	406,907,514	438,765,335
	iii) Interest Accrued on Investment but not collected & other income receivable	542,066,132	352,836,483
	iv) Security Deposit	8,319,891	7,203,665
	v) Branch Adjustment (note-8.02)	-	-
	vi) Suspense Account (note-8.03)	8,878,028	5,865,701
	vii) Others (note-8.04)	2,425,619,025	1,949,181,669
		4,823,169,351	3,893,060,064
8.01	Investment in Shares of Subsidiary Companies		
	MTB Securities Limited	1,270,000,000	1,000,000,000
	MTB Capital Limited	100,000,000	100,000,000
	MTB Exchange (UK) Limited	28,395,800	16,055,000
		1,398,395,800	1,116,055,000
8.02	Branch Adjustment (net)		
	Entries	No. of Entries Outstanding as at 31-12-2012	BDT
	Debit entries	-	-
	Credit entries	-	-
		-	-
8.03	Suspense account represents petty expenses for opening of new branches etc., awaiting for adjustment.		
8.04	Others		
	Advance Income Tax (note-8.04.01)	1,616,649,356	1,173,356,305
	Prepaid Expense	-	8,000
	Clearing House Adjustment	54,887,877	69,448,508
	Payment Against Construction	247,170,747	160,736,090
	Deferred Tax Assets (note-8.04.02)	31,841,684	29,449,775
	Advance Salary	650,000	450,000
	Advance Against Interior Decoration	55,330,000	70,615,000
	Advance to Employee	15,071,135	3,133,477
	Advance to Suppliers/Parties	9,396,617	49,379,803
	Interest on Treasury Bond	394,621,609	392,604,711
	Total	2,425,619,025	1,949,181,669
8.04.01	Advance Income Tax		
	Opening Balance	1,173,356,305	857,682,713
	Less: Adjustment made during the year	-	-
	Add: Payment during the year	443,293,051	315,673,592
	Closing Balance	1,616,649,356	1,173,356,305
8.04.01 (a)	Consolidated Advance Income Tax		
	Mutual Trust Bank Limited (note-8.04.01)	1,616,649,356	1,173,356,305
	MTB Securities Limited	25,775,219	47,980,850
	MTB Capital Limited	1,183,369	-
	MTB Exchange (UK) Limited	-	-
		1,643,607,944	1,221,337,155

		2012 BDT	2011 BDT
8.04.02 Deferred Tax Asset			
Opening Balance		29,449,775	11,337,834
Add: Deferred Tax Income during the year (Note 8.04.02 (a))		2,391,909	18,111,941
Less: Deferred Tax Expense during the year		-	-
Adjustment with Deferred Tax Liabilities		-	-
Closing Balance		31,841,684	29,449,775
8.04.02 (a) Computation of deferred tax for the year 2012			
Accounting written down value-Fixed Assets	2,258,794,934		
Less: Tax Base written down value- Fixed Assets	2,158,687,408		
Taxable temporary difference	(100,107,526)		
Book Value-Gratuity provision	170,866,823		
Less: Tax Base- Gratuity provision	-		
Deductable temporary difference	170,866,823		
Net Deductable temporary difference	70,759,297		
Effective tax rate	42.5%		
Deferred Tax Assets	31,841,684		
Deferred Tax (Expenses)/ Income			
Closing Deferred Tax Assets	31,841,684		
Opening Deferred Tax Assets	29,449,775		
Deferred Tax (Expenses)/ Income	2,391,909		
8.05 Classification of Other Asset			
Unclassified		4,823,169,351	3,893,060,064
Substandard		-	-
Doubtful		-	-
Bad/Loss		-	-
		4,823,169,351	3,893,060,064
8 (a) Consolidated other asset			
Mutual Trust Bank Limited (note-8)		4,823,169,351	3,893,060,064
Less: Investment in subsidiary		(1,398,395,800)	(1,116,055,000)
		3,424,773,551	2,777,005,064
MTB Securities Limited		111,550,776	85,245,108
MTB Capital Limited		3,158,471	12,877,009
MTB Exchange (UK) Limited		1,661,392	1,202,520
Less: Intragroup receivable & payable		(169,483,962)	(84,856,203)
Interim Dividend Paid by MTB Securities Limited		-	(194,672,030)
		(53,113,323)	(180,203,596)
		3,371,660,229	2,596,801,468
9.00 Borrowing From Other Banks, Financial Institutions & Agents			
In Bangladesh		5,882,470,000	5,207,500,000
Outside Bangladesh		-	-
Borrowing from other banks & financial institutions-Offshore Banking Unit		79,750,000	573,234,592
		5,962,220,000	5,780,734,592
In Bangladesh:			
Borrowing from Bank/Other Institutions:		4,150,000,000	5,207,500,000
Trust Bank Limited		750,000,000	50,000,000
United Commercial Bank Limited		650,000,000	400,000,000
Rupali Bank Limited		100,000,000	-
Pubali Bank Limited		250,000,000	200,000,000
Delta Brac Housing Limited		-	80,000,000
Premier Bank Limited		300,000,000	-
Standard Bank Limited		50,000,000	200,000,000
Basic Bank Limited		300,000,000	490,000,000
Bangladesh Commerce Bank Limited		-	150,000,000
State Bank of India		100,000,000	70,000,000
Bank Al-Falah		50,000,000	80,000,000

	2012 BDT	2011 BDT
Citibank N.A.	-	70,000,000
Janata Bank Limited	300,000,000	1,000,000,000
Sonali Bank Limited	700,000,000	1,500,000,000
The City Bank Limited	-	250,000,000
One Bank Limited	100,000,000	400,000,000
Dutch Bangla Bank Limited	50,000,000	100,000,000
National Bank Limited	200,000,000	150,000,000
AB Bank Limited	200,000,000	-
Bank Asia Limited	50,000,000	-
SME Foundation	-	17,500,000
Repo of Treasury Bill/Bond	1,732,470,000	-
Bangladesh Bank	1,732,470,000	-
Total	5,882,470,000	5,207,500,000
9.01 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured	1,732,470,000	-
Unsecured	4,229,750,000	5,780,734,592
	5,962,220,000	5,780,734,592
9.02 Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
On Demand	5,882,470,000	5,780,734,592
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	-	-
	5,882,470,000	5,780,734,592
9 (a) Consolidated borrowing from other banks, financial institutions and agents		
Mutual Trust Bank Limited (note-9)	5,962,220,000	5,780,734,592
MTB Securities Limited	2,665,569,081	2,665,554,081
MTB Capital Limited	407,891	2,384,302
MTB Exchange (UK) Limited	30,592,188	11,743,884
Less: Intragroup Borrowings	(2,696,569,160)	(2,679,682,267)
	5,962,220,000	5,780,734,592
10.00 Deposit and Other Accounts		
From Banks (note 10.01)	-	950,000,000
From Customers (note 10.02)	75,368,729,652	58,755,258,361
	75,368,729,652	59,705,258,361
10.01 Deposits From Banks		
Fixed Deposit Receipts (FDR)		
Name of the Banks:		
ICB Islamic Bank Limited	-	150,000,000
Dutch Bangla Bank Limited	-	800,000,000
Sub-total	-	950,000,000
Total	-	950,000,000
10.02 Customer Deposit and Other Accounts:		
Current Deposit & Other Accounts:		
Current Deposit	3,278,728,472	3,014,429,122
Short Notice Deposit (SND)	3,295,174,170	3,969,466,764
Foreign Currency Deposit	344,114,471	493,990,541
Non-Resident Taka account	6,834,930	5,712,701
Sundry Deposit	2,305,107,439	1,722,586,450
	9,229,959,482	9,206,185,578

	2012 BDT	2011 BDT
Bills Payable :		
Payment Order Issued	1,772,646,976	534,712,106
Pay Slip Issued	643,158	999,585
Demand Draft Payable	40,391,229	66,481,586
	1,813,681,363	602,193,277
Savings Deposit	9,224,420,233	7,839,511,192
Fixed Deposit	45,350,855,194	34,473,961,603
Deposit-Products :		
Brick by Brick	3,668,535,437	2,765,581,731
Save Everyday Deposit	1,102,522	1,038,836
Festival Savings Plan	14,822,534	15,249,017
Children Education Deposit Scheme	1,863,491	5,540,745
Best invest Deposit	3,611,416	26,305,415
Unique Savings Plan	3,251,150	8,326,463
NRB Deposit Pension Scheme	17,811,452	872,498
MTB Kotipati	23,092,294	-
MTB 1.5 Times Benefit Plan	6,273,788	6,925,160
MTB Double Saver Plan	3,068,262,842	2,482,029,031
MTB Triple Saver Plan	231,799,325	210,248,160
MTB Millionaire Plan	953,510,572	713,502,785
MTB Education Plan	130,837,171	105,808,316
MTB Monthly Benefit Plan	1,624,454,231	290,131,924
MTB Quarterly Benefit Plan	585,156	1,846,630
	9,749,813,380	6,633,406,711
Total	75,368,729,652	58,755,258,361
10.03 Maturity grouping of Deposit and Other Accounts:		
On Demand	19,849,185,341	15,724,037,602
Repayable within one month	13,355,951,147	10,580,256,793
More than one month but within six months	23,226,945,068	18,399,815,980
More than six months but within one year	11,185,847,545	8,861,153,966
More than one year but within five years	4,807,105,416	3,808,070,962
More than five year but within ten years	2,823,972,286	2,237,081,555
More than ten years	119,722,848	94,841,503
	75,368,729,652	59,705,258,361
10.04 Demand & Time Deposit		
a) Demand Deposit	8,578,664,496	6,544,468,098
Current Deposit	3,278,728,472	3,014,429,122
Savings Deposit	830,197,821	705,556,007
Foreign Currency Deposit non interest bearing	344,114,471	493,990,541
Non Resident Taka Deposit	6,834,930	5,712,701
Sundry Deposit	2,305,107,439	1,722,586,450
Bills Payable	1,813,681,363	602,193,277
b) Time Deposits	66,790,065,156	53,160,790,263
Saving Deposit	8,394,222,412	7,133,955,185
Fixed Deposit	45,350,855,194	35,423,961,603
Short Term Deposit	3,295,174,170	3,969,466,764
Deposit Under Scheme	9,749,813,380	6,633,406,711
Total Demand & Time Deposits	75,368,729,652	59,705,258,361

	2012 BDT	2011 BDT
10.05 Sectorwise Deposit		
Government	423,594,000	237,309,000
Deposit Money Banks	-	950,000,000
Autonomous & Semi-Autonomous Bodies	662,086,000	679,564,000
Public Non- Financial Organisation	1,753,466,000	1,470,659,000
Other Public	467,742,000	272,584,000
Foreign Currency	344,114,471	493,990,541
Private	71,717,727,181	55,601,151,820
	75,368,729,652	59,705,258,361
10 (a) Consolidated deposits and other accounts		
Current deposits and other accounts		
Mutual Trust Bank Limited (note-10.02)	9,229,959,482	9,206,185,578
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(178,585,146)	(423,839,877)
	9,051,374,336	8,782,345,701
Bills payable		
Mutual Trust Bank Limited (note-10.02)	1,813,681,363	602,193,277
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,813,681,363	602,193,277
Saving deposit		
Mutual Trust Bank Limited (note-10.02)	9,224,420,233	7,839,511,192
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	9,224,420,233	7,839,511,192
Fixed deposit		
Mutual Trust Bank Limited (note-10.02)	45,350,855,194	35,423,961,603
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(50,000,000)	(230,614,130)
	45,300,855,194	35,193,347,473
Deposit Products		
Mutual Trust Bank Limited (note-10.02)	9,749,813,380	6,633,406,711
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	9,749,813,380	6,633,406,711
	75,140,144,506	59,050,804,354
11.00 Other Liabilities		
Provision for Loans and Advances (note-11.01)	1,626,300,000	1,329,899,700
Provision for Off Balance Sheet Items (note-11.02)	176,800,000	153,300,000
Provision for Other Assets	-	-
Provision against Shares in quoted companies (note-11.03)	25,132,180	10,432,180
Interest Suspense (note- 11.04)	235,590,439	183,454,798
Short term liabilities to Banks Abroad (note-11.05)	558,091	250,920,239
Provision for Income Tax (note-11.06)	1,880,643,398	1,489,621,250
Provision for Gratuity (note-2.11.2-b)	46,422,901	37,858,995

		2012 BDT	2011 BDT
	Provision for Bonus	1,448,686	60,000,000
	Contribution to MTB Foundation	-	1,000,000
	Contribution for MTB Employees Death Benefit Scheme	-	1,000,000
	Contribution to MTB Employees Welfare Fund	456	-
	Provision for Expenses	14,645,032	9,345,977
	Interest Payable on Subordinated debt	75,202,353	75,616,437
	Other Liabilities- Offshore Banking Unit	307,260	45,864,115
	Liabilities Under Finance Lease	25,580,130	35,162,235
		4,108,630,927	3,683,475,926
11.01	Provision for Loans and Advances		
	For Unclassified		
	Opening Balance	613,399,900	489,643,900
	Add: Provision made during the year	86,600,100	123,756,000
	Less: Provision transferred to Classified Loans and Advances	-	-
	Closing Balance	700,000,000	613,399,900
	For Classified		
	Opening Balance	716,499,800	677,968,800
	Add: Provision made during the year	345,557,029	38,531,000
	Add: Provision transferred from Off Balance Sheet Items	-	-
	Less: Adjustment during the year	-	-
	Less: Loans written off during the year	135,756,829	-
	Closing Balance	926,300,000	716,499,800
		1,626,300,000	1,329,899,700
11.02	Provision for Off Balance Sheet Items		
	Opening Balance	153,300,000	115,538,000
	Add: Provision made during the year	23,500,000	37,762,000
	Less: Provision transferred to Classified Loans and Advances	-	-
	Closing Balance	176,800,000	153,300,000
11.03	Provision against Shares in quoted companies		
	Opening Balance	10,432,180	4,237,037
	Add: Provision made during the year	14,700,000	6,195,143
	Less: Adjustment made during the year	-	-
	Closing Balance	25,132,180	10,432,180
11.04	Interest suspense account		
	Opening Balance	183,454,798	142,011,997
	Add: Addition during the year	250,079,050	155,651,543
	Less: Adjustment made during the year	197,943,409	114,208,742
	Closing Balance	235,590,439	183,454,798
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\$	96,739,434
	3. Wells Fargo, New York	US\$	3,076,560
	4. JP Morgan, New York	US\$	37,449,350
	5. Standard Chartered Bank, London	GBP	15,861,693
	6. Unicredit, Germany	EUR	70,930,337
	7. Commerz Bank, Germany	EUR	2,778,409
	8. AB Bank, Mumbai	ACU	23,014,588
	9. United Bank of India	ACU	1,069,868
	10. ICICI, Hong Kong	US\$	-
	11. Habib American Bank, Zurich	CHF	-
		558,091	250,920,239

	2012 BDT	2011 BDT
11.06 Provision for Income Tax*		
Opening Balance	1,489,621,250	1,041,386,250
Less: Adjustment made during the year	-	-
Add: Provision made during the year	391,022,148	448,235,000
	1,880,643,398	1,489,621,250

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

11.06 (a) Consolidated Provision for Income Tax*		
Mutual Trust Bank limited (note-11.06)	391,022,148	448,235,000
MTB Securities Limited	101,911,114	141,354,884
MTB Capital Limited	416,860	-
MTB Exchange (UK) Limited	-	-
	493,350,122	589,589,884

*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)	4,108,630,927	3,683,475,926
MTB Securities Limited	789,288,605	775,302,744
MTB Capital Limited	2,846,051	2,453,292
MTB Exchange (UK) Limited	(5,237,300)	3,153,304
Interim Dividend Paid by MTB Securities Limited	-	(194,672,030)
Less: Intragroup receivable & payable	(169,483,962)	(84,856,203)
	4,726,044,321	4,184,857,033

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
	2,500,000,000	2,500,000,000

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	10,000,000,000	10,000,000,000
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, 2012 is BDT 2,543,498,400 divided into 254,349,840 Ordinary shares of BDT 10 each as follows:

	2012 BDT	2011 BDT
60,000,000 Ordinary shares of BDT 10 each issued for cash	600,000,000	600,000,000
91,683,840 Ordinary shares of BDT 10 each issued as bonus shares up to the year of 2008	916,838,400	916,838,400
24,948,000 Ordinary shares of BDT 10 each issued as Right Shares in the year 2008	249,480,000	249,480,000
35,326,360 Ordinary shares of BDT 10 each issued as bonus shares in the year 2009	353,263,600	353,263,600
42,391,640 Ordinary shares of BDT 10 each issued as bonus shares in the year 2010	423,916,400	423,916,400
	2,543,498,400	2,543,498,400

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
		254,349,840	2,543,498,400	

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

	December 31, 2012		
	No. of shares	Value of shares BDT	% of holding
Sponsors	121,066,330	1,210,663,300	47.60%
Financial Institutions	60,470,850	604,708,500	23.77%
General	72,812,660	728,126,600	28.63%
	254,349,840	2,543,498,400	100%

13.05 Capital Adequacy Ratio

There is a surplus of BDT 458.71 million in the capital fund of the Bank as at December 31, 2012 computed in accordance with BRPD Circular No.10 dated November, 2002 and BRPD Circular No. 03 dated May 09, 2004 and subsequent changes. Details of such surplus capital fund are given below:

	2012 BDT Million	2011 BDT Million
Total risk weighted assets	65,221.01	57,925.94
Required Capital : 10% of total risk weighted asset	6,522.11	5,792.59
Actual capital maintained		
Core Capital (Tier-I):		
Paid-up Capital	2,543.50	2,543.50
Statutory Reserve	1,638.84	1,473.58
General Reserve	276.80	361.78
Minority Interest	0.07	0.04
Retained Earnings	255.20	311.45
	4,714.42	4,690.35

	2012 BDT Million	2011 BDT Million
Deduction from Tier -I (Core Capital)		
Short fall provision required against investment in share	65.90	-
	4,648.52	4,690.35
Supplementary Capital (Tier-II) :		
General Provision including Off Balance Sheet items	875.30	766.70
Revaluation Reserve on Investment in Securities	60.40	61.16
Subordinated debt	1,396.60	1,407.10
	2,332.30	2,234.96
Total Capital (Tier-I+Tier-II)	6,980.82	6,925.31
Surplus	458.71	1,132.72
Capital Adequacy Ratio	10.70%	11.96%

13.05.01 Capital Requirement

	2012		2011	
	Required	Held	Required	Held
Tier-I	5.00%	7.13%	5.00%	8.10%
Tier-II		3.57%		3.86%
Tier-III		0.00%		0.00%

13.06 a. Computation of Risk-Weighted Asset Balance Sheet Exposure

BDT in Million

Balance Sheet Exposure			2012		2011	
Sl.	Particulars	Bangladesh Bank's Rating Grade	Exposure	Risk Weight	Risk Weighted Assets	Risk Weighted Assets
1	2	3	4	5	6=4X5	
a)	Cash		1,100.20	0%	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		20,101.10	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	80.20	20%	16.04	16.04
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
g)	Claims on Banks and NBFIs		-	-	-	-
	i.Original Maturity Over 3 month	1	180.90	20%	36.18	36.18
		2,3	6,235.70	50%	3,117.85	3,117.85
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	412.40	100%	412.40	412.40
	ii) Original Maturity less than 3 months		699.50	20%	139.90	139.90
h)	Claims on Corporates	1	1,281.70	20%	256.34	256.34
		2	4,649.60	50%	2,324.80	2,324.80
		3,4	3,790.10	100%	3,790.10	3,790.10
		5,6	-	150%	-	-
		Unrated	10,462.20	125%	13,077.75	13,077.75

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b. Off-Balance Sheet Exposure

					BDT in Million	
					2012	2011
Sl.	Particulars	Bangladesh Bank's Rating Grade	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				
		2,3	-	20%	-	
		4,5	-	50%	-	
		6	-	100%	-	
		Unrated	-	150%	-	
e)	Claims on Public Sector Entities (other than Govt.) in Bangladesh	1	-	50%	-	
		2,3	-	20%	-	
		4,5	-	50%	-	
		6	-	100%	-	
		Unrated	-	150%	-	
f)	Claims on Banks & NBFIs		-	50%	-	
	1. Maturity Over 3 month	1	-	20%	-	
		2,3	-	50%	0.35	
		4,5	0.70	100%	-	
		6	-	150%	-	
		Unrated	-	100%	-	
	ii) Maturity less than 3 months		-	20%	-	
g)	Claims on Corporate	1	-	20%	765.98	213.34
		2	3,829.90	50%	744.40	1,049.30
		3,4	1,488.80	100%	1,075.20	1,122.90
		5,6	1,075.20	150%	-	-
		Unrated	-	125%	624.13	1,683.63
h)	Claims on categorized as Retail Portfolio and Small Enterprise (excluding consumer loan)		499.30	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%	-	
Total:			6,893.90		3,210.01	4,069.17

c. Capital Charge for Market Risk

Sl.	Details	Capital Charge for Specific Risk	Capital Charge for General Market Risk	2012 BDT in Million	2011 BDT in Million
				Total Capital Charge for Market Risk	Total Capital Charge for Market Risk
1	2	3	4=(2+3)		
A. Interest Rate Related instruments	-	150.20	150.20		246.70
B. Equities	-	168.30	168.30		84.40
C. Foreign Exchange Position	-	134.10	134.10		28.40
Total (A+B+C):	-	452.60	452.60		359.50

d. Capital Charge for Operational Risk

Sl.	Year	Gross Income (GI)	Average GI	Alpha	CCFOR	CCFOR
A.	2012	3,553.3				
B.	2011	3,145.6	3,366.40	15%	505.00	454.49
C.	2010	3,400.3				

Total Risk Weighted Assets (RWA)

Particulars				RWA	RWA
A. Credit Risk on					
Balance Sheet Exposure	52,435.00	1.00		52,435.00	45,716.87
Off Balance Sheet Exposure	3,210.01	1.00		3,210.01	4,069.17
B. Market Risk	452.60	10.00		4,526.00	3,595.00
C. Operational Risk	505.00	10.00		5,050.00	4,544.90
Total Risk Weighted Assets (A+B+C)				65,221.01	57,925.94

13.07 Minimum Capital Requirement Under Basel II

Sl.	Particulars	BDT in Million	BDT in Million
A.	Eligible Capital :		
1	Tier-1 (Core Capital)	4,648.52	4,690.35
2	Tier-2 (Supplementary Capital)	2,332.30	2,234.96
3	Tier-3 (eligible for market risk only)	-	-
4	Total Eligible Capital (1+2+3):	6,980.82	6,925.31
B.	Total Risk Weighted Assets (RWA):	65,221.08	57,925.94
C.	Capital Adequacy Ratio (CAR) (A4 / B)*100	10.70%	11.96%
D.	Core Capital to RWA (A1 / B)*100	7.13%	8.10%
E.	Supplementary Capital to RWA (A2 / B)*100	3.57%	3.86%
F.	Minimum Capital Requirement (MCR)- as at December 31, 2012	6,522.11	5,792.59

13.08 Distribution Schedule of Shareholders by holdings as at December 31, 2012

Holdings	No. of Shareholders	No. of Shares	Value of shares in Taka	Total Holdings %
Less than 499 shares	5,920	759,531	7,595,310	0.30%
500 to 5,000 shares	7,655	11,924,817	119,248,170	4.69%
5,001 to 10,000 shares	762	5,486,702	54,867,020	2.16%
10,001 to 20,000 shares	444	6,285,180	62,851,800	2.47%
20,001 to 30,000 shares	140	3,496,990	34,969,900	1.37%
30,001 to 40,000 shares	65	2,307,710	23,077,100	0.91%
40,001 to 50,000 shares	55	2,502,130	25,021,300	0.98%
50,001 to 100,000 shares	110	7,707,630	77,076,300	3.03%
100,001 to 1,000,000 shares	144	40,640,790	406,407,900	15.98%
Over 1,000,000 shares	48	173,238,360	1,732,383,600	68.11%
Total	15,343	254,349,840	2,543,498,400	100.00%

	2012 BDT	2011 BDT
14.00 Statutory Reserve		
Opening Balance	1,473,576,620	1,278,436,492
Add: Transferred during the year (20% of pretax profit)	163,765,205	195,140,128
Closing Balance	1,637,341,825	1,473,576,620
14 (a) Consolidated Statutory Reserve		
Opening Balance	1,473,576,620	1,278,436,492
Add: Transferred during the year (20% of Consolidated pretax bank's profit)	163,765,205	195,140,128
Closing Balance	1,637,341,825	1,473,576,620
15.00 General Reserve		
Opening Balance	361,777,324	361,777,324
Less: Transferred to Retained Earnings	85,000,000	-
Closing Balance	276,777,324	361,777,324
16.00 Retained Earnings		
Opening Balance	330,116,089	313,781,621
Less: Bonus Share Issued during the year	-	423,916,400
Less: Cash Dividend paid	305,219,808	-
Add: Transferred from General Reserve	85,000,000	-
Add: Profit made during the year	338,637,974	635,390,996
Less: Transferred to Statutory Reserve	163,765,205	195,140,128
Closing Balance	284,769,050	330,116,089
16 (a) Consolidated Retained Earnings / movement of profit and loss account		
Opening Balance	311,451,467	526,304,763
Less: Bonus Share Issued during the year	-	423,916,400
Less: Cash Dividend paid	305,219,808	-
Add: Transferred from General Reserve	85,000,000	-
Add: Consolidated Profit made during the year	327,836,170	404,203,232
Less: Transferred to Statutory Reserve	163,765,205	195,140,128
	255,302,623	311,451,467
Less: Foreign currency translation loss	65,561	-
	255,237,061	311,451,467
17.00 Contingent Liabilities & Commitments		
Letter of Guarantee	4,966,662,479	3,728,887,570
Letter of Credit :		
Letter of Credit (Cash)	3,669,944,903	2,888,834,446
Letter of Credit (Back to Back)	594,671,314	331,216,944
Letter of Credit (EDF)	20,999,902	22,701,857
Letter of Credit (Deferred)	1,377,625,380	524,766,208
Letter of Credit (Inland)	746,632,051	117,294,323
	6,409,873,550	3,884,813,778
Bills for collection :		
Inland	8,801,590	15,447,560
Foreign	-	-
LDBC	718,044,867	1,277,472,927
FDBC	620,570,270	574,914,279
	1,347,416,727	1,867,834,766

	2012 BDT	2011 BDT
Other Contingent Liabilities :		
IFDBC (Back to Back)	1,574,235,000	931,030,779
IFDBC (Cash)	703,705,000	2,167,880,700
Accepted Bill (Inland)	635,696,550	434,104,830
Accepted Bill (Foreign)	2,038,932,542	2,313,264,829
	4,952,569,092	5,846,281,138
Other Commitments		
Undrawn formal standby facilities, credit lines and other commitments	-	-
	17,676,521,847	15,327,817,252
Loan written off		
17.01 During the year Loans and Advances of 01 (One) client/party has been written off.		
Letter of Guarantee		
17.02 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	295,394	371,934
Government	1,967,967,350	1,477,517,150
Bank and other Financial Institutions	2,350,435	1,764,668
Others	2,996,049,300	2,249,233,818
	4,966,662,479	3,728,887,570
Less: Margin	1,765,528,433	1,325,529,379
	3,201,134,046	2,403,358,191
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	3,201,134,046	2,403,358,191
Segregation of Commitment by Type		
17.03 Documentary Credit and Short Term Business Related Transaction	6,409,873,550	3,884,813,778
Forward Asset Purchased and Forward Deposit		
Endorsed formal standby facilities, Credit facilities and other commitments:		
Less than One Year	9,919,231,571	9,575,168,708
One Year and Above	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	1,347,416,727	1,867,834,766
	17,676,521,847	15,327,817,252
Consolidated contingent liabilities		
17 (a) Acceptances and endorsements		
Mutual Trust Bank Limited (note-17)	4,952,569,092	5,846,281,138
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	4,952,569,092	5,846,281,138
Letters of guarantee		
Mutual Trust Bank Limited (note-17)	4,966,662,479	3,728,887,570
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	4,966,662,479	3,728,887,570

		2012 BDT	2011 BDT
	Letters of Credit		
	Mutual Trust Bank Limited (note-17)	6,409,873,550	3,884,813,778
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		6,409,873,550	3,884,813,778
	Bills for collection		
	Mutual Trust Bank Limited (note-17)	1,347,416,727	1,867,834,766
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		1,347,416,727	1,867,834,766
	Other Commitments		
	Mutual Trust Bank Limited (note-17)	-	-
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		17,676,521,847	15,327,817,252
18.00	Income Statement		
	Income:		
	Interest, Discount and Similar Income	9,189,094,129	7,121,714,219
	Dividend income	188,232,707	426,162,667
	Fee, Commission and Brokerage	339,750,886	287,545,921
	Gain less losses arising from investment securities	15,331,809	(81,961,604)
	Gain less losses arising from dealing in Foreign Currencies	222,200,973	266,480,696
	Other Operating Income	282,331,007	279,343,376
		10,236,941,512	8,299,285,275
	Expenses:		
	Interest, Fee and Commission	7,005,065,350	5,279,866,439
	Administrative expenses	1,484,528,826	1,269,551,298
	Other operating expenses	367,643,019	333,842,313
	Depreciation on Banking Assets	182,078,972	144,267,027
		9,039,316,168	7,027,527,077
	Operating profit	1,197,625,344	1,271,758,198
19.00	Interest Income		
	Loans and Advances (note-19.01)	7,561,897,281	5,788,739,856
	Money at Call and Short Notice	14,302,986	53,838,292
	Balance with Other Banks and Financial Institutions (note-19.02)	46,325,487	76,649,235
	Bangladesh Bank Foreign Currency Clearing Account	-	-
		7,622,525,755	5,919,227,383
19.01	Interest Income on Loans and Advances		
	Term Loan	1,523,711,437	1,479,750,194
	Small and Medium Enterprise Financing	499,087,310	198,232,503
	Retail/Consumer Financing	221,826,525	143,155,709
	General Loans	27,809,572	18,914,371
	Demand Loan	83,790,215	65,561,582
	Payment Against Documents	119,542,588	136,949,646
	Trust Receipts	1,394,198,356	994,871,964
	Lease Finance	43,444,712	34,428,327
	Export Development Fund	16,020	-
	House Building Loan	360,001,936	310,855,762
	Cash Credit	1,155,705,608	907,656,618
	Secured Overdraft	1,229,914,757	824,024,592
	Bills Purchased and Discounted	402,470,952	272,306,426
	Interest on Loans to Subsidiaries	413,169,676	349,007,274
	Interest Income- Offshore Banking Unit	33,924,448	50,013,471
	Other Loans and Advances	53,283,169	3,011,417
		7,561,897,281	5,788,739,856

	2012 BDT	2011 BDT
19.02 Interest Income on Balance with other Bank and Financial Institution		
Balance with other Bank in Bangladesh	46,325,487	76,649,235
Balance held with outside Bangladesh	-	-
	46,325,487	76,649,235
19 (a) Consolidated Interest Income		
Mutual Trust Bank Limited (note-19)	7,622,525,755	5,919,227,383
MTB Securities Limited	638,903,874	527,280,163
MTB Capital Limited	640,916	23,163
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Income (Loans)	(413,169,676)	(349,007,274)
	7,848,900,869	6,097,523,435
20.00 Interest Paid on Deposits & Borrowings, etc.		
Deposits and Other Accounts (note-20.01)	6,645,955,713	5,121,284,981
Borrowings from other Banks and Financial Institutions	359,109,638	158,581,458
	7,005,065,350	5,279,866,439
20.01 Interest Paid on Deposits and Other Accounts		
Savings Deposits	318,152,185	264,760,776
Short Term Deposits	242,921,552	212,437,977
Fixed Deposits	4,832,707,933	3,671,012,125
Deposit Products	927,427,364	645,523,690
Offshore Banking Unit	24,746,679	27,290,686
Subordinated Debt	300,000,000	300,259,727
	6,645,955,713	5,121,284,981
20(a) Consolidated Interest Paid on Deposits & Borrowings, etc.		
Mutual Trust Bank Limited (note-20)	7,005,065,350	5,279,866,439
MTB Securities Limited	413,173,105	348,683,402
MTB Capital Limited	-	323,872
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Expense (Borrowings)	(413,169,676)	(349,007,274)
Less: Intragroup Interest Expense (Deposits)	(7,161,741)	(70,038,993)
	6,997,907,040	5,209,827,446
21.00 Income From Investments		
Interest on Treasury Bill	(176,327,107)	170,740,454
Interest on Treasury Bond	1,700,341,627	987,839,228
Gain/(Loss) on Investment in shares of quoted companies	84,131	(81,961,604)
Investment Income/Dividend from Subsidiary	-	215,406,001
Interim Dividend from MTB Securities Limited	169,483,962	194,672,030
Prize Bond	1,100	-
Dividend on Investment in Shares	18,748,745	16,084,636
Other Investment	57,800,433	43,907,154
	1,770,132,891	1,546,687,899
21(a) Consolidated Income From Investments		
Mutual Trust Bank Limited (note-21)	1,770,132,891	1,546,687,899
MTB Securities Limited	-	(5,629,282)
MTB Capital Limited	1,945,929	(205,886)
MTB Exchange (UK) Limited	-	-
Dividend paid by MTB Securities Limited	-	(215,406,001)
Interim Dividend paid by MTB Securities Limited	(169,483,962)	(194,672,030)
	1,602,594,858	1,130,774,700
22.00 Commission, Exchange and Brokerage		
Commission (note-22.01)	339,750,886	287,545,921
Exchange	222,200,973	266,480,696
Brokerage	-	-
	561,951,859	554,026,617

		2012 BDT	2011 BDT
22.01	Commission		
	Letter of Guarantee	54,796,221	20,827,446
	Letter of Credit	131,833,436	127,401,345
	Acceptance of Bills	42,870,358	39,513,002
	LC Advising	6,318,244	4,648,563
	Export Bills	6,840,458	18,980,366
	PO, DD & TT	6,068,849	6,855,015
	Exchange houses	7,085,151	5,212,273
	Foreign Remittance	1,972,753	2,397,089
	On-line service	5,611,469	9,719,353
	IBP/FBP/IDBP	972,567	949,410
	FDBC/IFDBC/LDBC	47,134,768	31,530,122
	OBC/IBC	978,649	1,985,007
	Sales and Purchase of Shares	1,833,432	259,685
	Underwriting Comm. on Treasury Bill/Bond	11,245,766	16,761,449
	POS Commission	14,188,765	505,796
		339,750,886	287,545,921
22(a)	Consolidated Commission, Exchange and Brokerage		
	Mutual Trust Bank Limited (note-22)	561,951,859	554,026,617
	MTB Securities Limited	138,617,091	214,862,528
	MTB Capital Limited	3,531,175	442,000
	MTB Exchange (UK) Limited	6,230,035	4,760,701
		710,330,160	774,091,846
23.00	Other Operating Income		
	Postage Charge Recoveries	8,258,016	7,042,435
	Telephone & Telegram Charge Recoveries	11,128	3,183
	Handling Charges	6,916,552	6,127,256
	VISA ATM	915,716.96	-
	VISA POS	6,616,795	2,921,110
	Service Charges	90,049,293	78,055,610
	Margin A/c Maintenance Income	9,626	-
	SWIFT Charge Recoveries	14,717,399	7,485,156
	Management fees	38,105,733	12,168,894
	Early Settlement and Loan processing fees	7,654,715	9,631,391
	Incidental charges, CVP Charges and other recoveries	476,650	716,850
	Charges against cards	29,587,280	10,231,511
	Recovery from written off loans	6,500,000	79,391,616
	Locker Rent	2,522,715	1,432,955
	Miscellaneous Earnings	75,630,197	64,135,409
		287,971,816	279,343,376
23 (a)	Consolidated Other Operating Income		
	Mutual Trust Bank Limited (note-23)	282,331,007	279,343,376
	MTB Securities Limited	60,627,722	94,568,052
	MTB Capital Limited	7,161,741	7,197,009
	MTB Exchange (UK) Limited	325,132	221,905
	Less: Intragroup Other Operating Income	(7,161,741)	(70,038,993)
		343,283,861	311,291,349
24.00	Salary & Allowances		
	Basic Pay	398,279,470	305,642,602
	Allowances	345,974,697	255,419,266
	Bonus	66,758,412	103,180,335
	Gratuity	46,422,901	37,856,995
	Daily Wages	1,535,757	1,312,215
	Leave Fare Assistance	39,474,045	32,852,358
	Provident Fund	34,184,829	21,488,951
		932,630,110	757,752,722

	2012 BDT	2011 BDT
24 (a) Consolidated salaries and allowances		
Mutual Trust Bank Limited (note-24)	932,630,110	757,752,722
MTB Securities Limited	52,736,168	45,097,630
MTB Capital Limited	5,622,473	2,637,224
MTB Exchange (UK) Limited	7,704,450	5,826,193
	998,693,201	811,313,769
24.01 Managing Director's Remuneration		
Basic	5,226,667	4,800,000
House Rent	1,626,667	1,200,000
House Maintenance	1,258,400	900,000
Entertainment	193,000	120,000
Festival Bonus	1,350,000	2,200,000
Security and personal wages	517,666	420,000
Providend Fund	522,667	480,000
	10,695,067	10,120,000
25.00 Rent, Tax, Insurance and Electricity		
Rent	279,425,161	271,306,765
Rates & taxes	807,123	1,091,063
Insurance	36,573,101	34,873,324
Power and electricity	63,059,411	37,368,156
Lease Rent	3,186,378	4,004,756
	383,051,174	348,644,064
25 (a) Consolidated Rent, Taxes, Insurance and Electricity, etc.		
Mutual Trust Bank Limited (note-25)	383,051,174	348,644,064
MTB Securities Limited	31,823,700	28,388,026
MTB Capital Limited	2,645,312	1,635,908
MTB Exchange (UK) Limited	6,658,671	6,033,226
	424,178,857	384,701,224
26.00 Legal Expense		
Legal Expense	1,751,248	1,401,257
	1,751,248	1,401,257
26 (a) Consolidated Legal Expense		
Mutual Trust Bank Limited (note-26)	1,751,248	1,401,257
MTB Securities Limited	345,904	2,796
MTB Capital Limited	141,710	-
MTB Exchange (UK) Limited	-	312,657
	2,238,862	1,716,710
27.00 Postage, Stamps & Telephone, etc		
Postage/Courier Service	9,798,166	8,292,583
Fax & e-mail	1,048,373	988,119
On-line and connectivity charges	46,388,464	42,731,702
Telephone	10,443,507	9,345,272
	67,678,509	61,357,676
27 (a) Consolidated Postage, Stamp, Telecommunication, etc.		
Mutual Trust Bank Limited (note-27)	67,678,509	61,357,676
MTB Securities Limited	1,009,516	1,178,191
MTB Capital Limited	74,382	34,630
MTB Exchange (UK) Limited	108,809	96,959
	68,871,215	62,667,456
28.00 Printing, Stationery, Advertisement etc.		
Printing & Security Stationery	42,797,780	18,648,452
Computer Stationery	9,258,546	11,704,484
Petty & Table Stationery	9,563,635	6,875,812
Publicity & Advertisement	25,704,756	51,834,331
	87,324,718	89,063,079

		2012 BDT	2011 BDT
28 (a) Consolidated Printing, Stationery, Advertisements etc.	Mutual Trust Bank Limited (note-28)	87,324,718	89,063,079
	MTB Securities Limited	1,395,678	2,467,716
	MTB Capital Limited	89,549	859,190
	MTB Exchange (UK) Limited	288,776	441,935
		89,098,721	92,831,920
29.00 Directors' Fee	Meeting fee	685,000	630,000
		685,000	630,000
30.00 Audit Fee	Audit Fee	713,000	582,500
		713,000	582,500
30 (a) Consolidated Audit Fee	Mutual Trust Bank Limited (note-30)	713,000	582,500
	MTB Securities Limited	45,000	35,000
	MTB Capital Limited	36,450	22,900
	MTB Exchange (UK) Limited	388,140	491,820
		1,182,590	1,132,220
31.00 Depreciation on and Repairs to Bank's Property	Depreciation :		
	Immovable Property	12,304,239	1,042,213
	Furniture & Fixture	13,254,693	11,686,256
	Interior Decoration	43,113,000	35,582,962
	Office Equipments	102,402,443	84,914,095
	Motor Vehicles	1,373,601	2,353,836
	Books & Periodicals	-	-
	Leasehold Property	9,630,996	8,687,665
		182,078,972	144,267,027
	Repairs on Bank's property	21,691,532	13,462,567
		203,770,504	157,729,594
31 (a) Consolidated Depreciation and Repair of Assets	Mutual Trust Bank Limited (note-31)	203,770,504	157,729,594
	MTB Securities Limited	9,838,470	8,004,413
	MTB Capital Limited	1,464,240	686,265
	MTB Exchange (UK) Limited	1,186,803	1,794,675
		216,260,017	168,214,947
31 (a.1) Consolidated Depreciation of Assets	Mutual Trust Bank Limited (note-31)	182,078,972	144,267,027
	MTB Securities Limited	8,494,517	7,229,368
	MTB Capital Limited	1,401,009	594,406
	MTB Exchange (UK) Limited	1,142,296	1,282,128
		193,116,794	153,372,929
31 (a.2) Consolidated Repair & Maintenance of Assets	Mutual Trust Bank Limited (note-31)	21,691,532	13,462,567
	MTB Securities Limited	1,343,953	775,045
	MTB Capital Limited	63,231	91,859
	MTB Exchange (UK) Limited	44,507	512,547
		23,143,223	14,842,018

	2012 BDT	2011 BDT
32.00 Other Expenditure		
Security & Auxiliary Service	86,950,712	65,301,198
Office Cleaning & Maintenance	31,169,857	24,409,171
Car Expense	96,756,400	93,968,639
Entertainment	14,577,402	18,323,203
Newspaper & Periodicals	911,318	929,346
Clearing House Expense	1,707,544	2,175,675
Traveling & Conveyance	22,444,627	24,321,961
Bank Charge	1,247,471	1,279,569
Training/ Seminar Participation	12,051,178	8,597,668
Professional Fee	1,125,162	7,373,746
AGM Expense	4,330,708	4,337,375
Utility	1,986,901	1,465,120
Subscription & Donation	6,173,821	3,745,366
VISA Expense	20,662,486	7,675,913
Reuters Charge	1,715,485	1,834,961
CDBL Charges	250,000	502,125
Fees & Registration	6,307,051	10,025,322
Business Development Expense	14,129,380	23,761,899
Corporate Social Responsibility (CSR) activities	4,353,650	2,877,575
Branch Opening Expenses	1,651,503	4,260,435
Contribution to MTB Foundation	-	1,000,000
MTB Employees Death Benefit Fund	-	1,000,000
Honorarium	261,133	171,500
Cash Carrying Expense	10,963,658	7,005,472
CVP Charges	981,198	1,477,520
Site Maintenance & Support Service	1,861,991	1,096,386
Other Expenditure-Offshore Banking Unit	-	1,187,200
CDs Charge	1,363,858	-
Miscellaneous Expense	16,995	275,401
	345,951,487	320,379,746
32 (a) Consolidated other expenditure		
Mutual Trust Bank Limited (note-30)	345,951,487	320,379,746
MTB Securities Limited	14,018,175	38,108,735
MTB Capital Limited	518,186	2,993,685
MTB Exchange (UK) Limited	2,479,956	3,786,546
	362,967,804	365,268,712
33.00 Provision Against Loans and Advances		
Provision for Classified Loans and Advances	345,557,029	38,531,000
Provision for Unclassified Loans and Advances	86,600,100	123,756,000
Provision for Off Balance Sheet Items	23,500,000	37,762,000
Total amount of provision made during the year	455,657,129	200,049,000
34.00 Provision for Tax		
Current tax	391,022,148	448,235,000
Deferred tax*	(2,391,909)	(18,111,941)
Total	388,630,239	430,123,059
34 (a) Consolidated Provision for Tax		
Mutual Trust Bank Limited (note-34)	388,630,239	430,123,059
MTB Securities Limited	102,327,974	141,354,884
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	490,958,213	571,477,943

*Diferred tax has been calculated as per "BAS:12 Income Taxes" and it is the timing differences arising between the carrying value of gratuity liability & fixed Assets.

		2012 BDT	2011 BDT
35.00 Earnings Per Share (EPS):*			
Net Profit After Tax		338,637,975	635,390,996
Number of Ordinary Shares outstanding		254,349,840	254,349,840
Earnings Per Share (EPS)		1.33	2.50
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
35 (a) Consolidated Earnings Per Share (EPS):*			
Consolidated Net Profit After Tax		327,836,169	404,222,699
Number of Ordinary Shares outstanding		254,349,840	254,349,840
Earnings Per Share (EPS)		1.29	1.59
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).			
36.00 Received from Other Operational Income			
Exchange		222,200,973	266,480,696
Postage charge recoveries		8,258,016	7,042,435
Telephone and Telegram charge recovery		11,128	3,183
Handling charge		6,916,552	6,127,256
Service charge		90,049,293	78,055,610
SWIFT charge recovery		9,076,590	7,485,156
Early Settlement and Loan processing fees		7,654,715	9,631,391
Incidental charges, CVP Charges and other recoveries		476,650	716,850
Locker rent		2,522,715	1,432,955
VISA ATM		915,716	-
Margin A/c Maintenance Income		9,626	-
Management fees		38,105,733	12,168,894
Charges against cards		29,587,280	10,231,511
VISA POS		6,616,795	2,921,110
Miscellaneous income		75,630,197	64,135,409
		498,031,980	466,432,456
36 (a) Consolidated Received from Other Operational Income			
Mutual Trust Bank Limited (note-36)		498,031,980	466,432,456
MTB Securities Limited		60,627,722	94,568,052
MTB Capital Limited		7,161,741	7,197,009
MTB Exchange (UK) Limited		325,132	221,905
Less: Intragroup Other Operating Income		(7,161,741)	(70,038,993)
		558,984,834	498,380,429
37.00 Payment for Other Operational Expenses			
Rent, Tax, Insurance, Electricity		383,051,174	348,644,064
Legal Expense		1,751,248	1,401,257
Postage, Stamps, Telegram and Telephone		67,678,509	61,357,676
Audit fee		713,000	582,500
Printing, Stationery, Advertisement		87,324,718	89,063,079
Directors' Fee		685,000	630,000
Repair & Maintenance		21,691,532	13,462,567
Other Expenditure		345,951,487	318,379,746
		908,846,668	833,520,889
37 (a) Consolidated Payment for Other Operational Expenses			
Rent, Tax, Insurance, Electricity		424,178,857	384,701,224
Legal Expense		2,238,862	1,716,710
Postage, Stamps, Telegram & Telephone		68,871,215	62,667,456
Audit fee		1,182,590	1,132,220
Printing, Stationery, Advertisement		89,098,721	92,831,920
Directors' Fee		685,000	630,000
Repair & Maintenance		23,143,223	14,842,018
Other Expenditure		362,967,804	363,268,712
		972,366,272	921,790,260

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 1,317.

	2012 BDT	2011 BDT
39.00 Number of Branches	86	76
40.00 Number of Meeting		
Board Meeting	12	12
Executive Committee Meeting	05	01

41.00 BDT 4.19 million worth of assets have been sold during the year 2012.

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 at December 31, 2012

Name	Designation	December 2012		
		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 Ahmed 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	5,089,920	50,899,200	2.00%
Astras Ltd. Represented by Mr. Anjan Chowdhury	Director	6,358,720	63,587,200	2.50%
Mr. M. A. Rouf	Director	5,087,410	50,874,100	2.00%
Mr. Md. Abdul Malek	Director	5,130,110	51,301,100	2.02%
Mr. Md. Wakiluddin	Director	5,091,640	50,916,400	2.00%
Mrs. Khwaja Nargis Hossain	Director	5,087,150	50,871,500	2.00%
Pioneer Insurance Company Ltd represented by Mr. Q.A.F.M Serajul Islam	Director	17,891,950	178,919,500	7.03%
		79,622,970	796,229,700	31.30%

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

43.02 Related Party Transactions

Name of party	Related with	Transaction nature	Outstanding amount BDT Million	Nature of Security
Apex Tannery Limited	"Mr Syed Manzur Elahi, Founding Chairman & Mr. Hedayetullah, Director"	Bank Guarantee (Non-funded)	0.372	FDR
Britannia Holdings & Management Ltd.	Mr. M. A. Rouf, Director	GHBL	2.448	Land
Britannia Holdings & Management Ltd.	Mr. M. A. Rouf, Director	GHBL	12.760	Land
Mrs. Rozin Afroz	Mr. Md. Wakiluddin, Director	GHBL	5.431	Land & Building
Mrs. Banasa Khatun	Mr. Md. Wakiluddin Director	GHBL	2.76	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		Approved by Bangladesh Bank
	Pabna Branch ATM Booth		
	Square Textile ATM Booth	Mr. Anjan Chowdhury	Approved by Board of MTB
	Square Pharmaceuticals ATM Booth		
Lease agreement	Square Hospital ATM Booth		
	Bilquis Tower ATM Booth		
	ABC House ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	ABC Heritage ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank

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 Companies Act 1991.

44.00 Financial Highlights as at 31 December 2012 are shown in Annexure- F

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

Annexure - A

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local Currency as at December 31, 2012

Name of the Bank	Currency	2012		2011	
		Foreign Currency Amount	Exchange Rate	Foreign Currency Amount	Exchange Rate
Mashreqbank, New York	US\$	1,696,970.56	79.75	135,333,402.16	81.85
Standard Chartered Bank, New York	US\$	475,733.02	79.75	37,939,707.99	-
Habib American Bank, New York	US\$	680,214.22	79.75	54,247,084.04	81.85
UBAF, Hong Kong	US\$	106,493.62	79.75	8,492,866.20	81.85
HSBC, New York	US\$	1,054,640.95	79.75	84,107,615.76	81.85
Mashreqbank, London	US\$	185,097.99	79.75	14,761,564.94	81.85
JP Morgan, New York	US\$	664,476.77	79.75	52,992,022.81	-
Citibank N.A.	US\$	948,550.70	79.75	75,646,918.26	81.85
ICICI, Hong Kong	US\$	27,090.11	79.75	2,160,436.27	81.85
National Commercial Bank, Jeddha	US\$	147,796.16	79.75	11,786,743.76	81.85
Sonali Bank, London	US\$	357,777.08	79.75	28,532,722.13	81.85
Standard Chartered Bank, Singapore	SGD	6,800.40	65.20	443,386.08	61.25
Mashreqbank, London	GBP	165,113.78	128.90	21,283,166.24	123.50
Standard Chartered Bank, London	GBP	90,874.74	128.90	11,713,753.99	-
Sonali Bank, London	GBP	13,154.43	128.90	1,695,606.03	123.50
Habib American Bank, Zurich	CHF	25,937.06	87.20	2,261,711.63	84.75
Standard Chartered Bank, Tokyo	JPY	545,577.00	0.93	505,858.99	1.02
UBAF, Tokyo	JPY	637,139.00	0.93	590,755.28	1.02
Mashreqbank, London	EUR	19,027.26	105.30	2,003,570.48	103.75
Standard Chartered Bank, Germany	EUR	9,981.71	105.30	1,051,074.06	103.75
Sonali Bank, London	EUR	5,084.00	105.30	535,345.20	103.75
ICICI, Mumbai	EUR	1,941.42	105.30	204,431.53	103.75
Unicredit, Germany	EUR	133,378.64	105.30	14,044,770.79	-
Commerze Bank, Germany	EUR	98,477.13	105.30	10,369,641.79	-
Standard Chartered Bank, Mumbai	ACU	50,059.37	79.75	3,992,234.76	81.85
Standard Chartered Bank, Kolkata	ACU	30,587.47	79.75	2,439,350.73	81.85
Standard Chartered Bank, Pakistan	ACU	781,061.14	79.75	62,289,625.92	81.85
Citibank N.A., Mumbai	ACU	45,147.86	79.75	3,600,541.84	81.85
Arif Habib Bank, Pakistan	ACU	12.91	79.75	1,029.57	12.91
Mashreqbank, Mumbai	ACU	21,531.72	79.75	1,717,154.67	81.85
AB Bank, Mumbai	ACU	350,141.74	79.75	27,923,803.77	-
ICICI, Mumbai	ACU	225,406.24	79.75	17,976,147.64	81.85
HSBC, Mumbai	ACU	57,993.60	79.75	4,624,989.60	81.85
Himalayan Bank Ltd., Kathmundu	ACU	19,800.00	79.75	1,579,050.00	81.85
Nepal Bangladesh Bank Ltd.	ACU	250.00	79.75	19,937.50	81.85
ICICI, Mumbai	US\$	-	-	31,899,000.00	-
United Bank of India, Kolkata	ACU	14,153.13	79.75	1,128,712.12	-
HDFC Bank, Mumbai	ACU	320.00	79.75	25,520.00	-
Offshore Banking Unit (OBU)		-	-	-	-
		9,693,792.93		731,921,254.52	
				6,297,409.30	
					365,802,854.36

Annexure - B

INVESTMENT IN QUOTED SHARES

as at December 31, 2012

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2012	Total Market Value of Share as at December 31, 2012	Unrealised Gain/(Loss)
1	Active Fine Chemical Limited	90,000	10	6,978,600.00	77.54	72.70	6,543,000.00	(435,600.00)
2	APEX Adelchi Footwear Limited	5,000	10	1,606,550.00	321.31	231.10	1,155,500.00	(451,050.00)
3	Bata Shoe Co (BD) Limited	300	10	178,221.00	594.07	535.70	160,710.00	(17,511.00)
4	BRAC Bank Limited	100,000	10	3,367,000.00	33.67	34.80	3,480,000.00	113,000.00
5	Confidence Cement Limited	6,900	10	1,325,007.00	192.03	104.90	723,810.00	(601,197.00)
6	DESCO Limited	21,562	10	2,907,851.32	134.86	72.10	1,554,620.20	(1,353,231.12)
7	Eastern Bank Limited	100,040	10	4,123,648.80	41.22	31.70	3,171,268.00	(952,380.80)
8	GBB Power Limited	200,500	10	6,632,540.00	33.08	33.50	6,716,750.00	84,210.00
9	Goldenson Limited	106,500	10	6,419,820.00	60.28	50.70	5,399,550.00	(1,020,270.00)
10	Grameenphone Limited	175,000	10	32,893,000.00	187.96	175.00	30,625,000.00	(2,268,000.00)
11	Heidelberg Cement Limited	1,000	10	300,280.00	300.28	264.70	264,700.00	(35,580.00)
12	Islami Bank BD Limited	99,925	10	4,133,897.25	41.37	42.80	4,276,790.00	142,892.75
13	Jamuna Oil Co. Limited	227,500	10	50,263,850.00	220.94	178.50	40,608,750.00	(9,655,100.00)
14	LankaBangla Finance Limited	20,000	10	1,884,200.00	94.21	59.00	1,180,000.00	(704,200.00)
15	Linde Bangladesh Limited	5,600	10	3,395,504.00	606.34	549.10	3,074,960.00	(320,544.00)
16	Marico Bangladesh Limited	7,450	10	2,809,171.50	377.07	380.90	2,837,705.00	28,533.50
17	Meghna Petroleum Limited	234,000	10	41,165,280.00	175.92	158.50	37,089,000.00	(4,076,280.00)
18	Mercantile Bank Limited	99,650	10	2,407,544.00	24.16	19.10	1,903,315.00	(504,229.00)
19	National Bank Limited	100,000	10	3,776,000.00	37.76	22.10	2,210,000.00	(1,566,000.00)
20	ONE Bank Limited	100,000	10	3,194,000.00	31.94	22.80	2,280,000.00	(914,000.00)
21	Olympic Industries Limited	75,000	10	8,276,250.00	110.35	98.40	7,380,000.00	(896,250.00)
22	Phoenix Insurance Limited	34,200	10	2,579,022.00	75.41	58.00	1,983,600.00	(595,422.00)
23	Pioneer Insurance Company Limited	50,427	10	2,314,095.03	45.89	73.00	3,681,171.00	1,367,075.97
24	Prime Bank Limited	49,900	10	1,746,999.00	35.01	37.00	1,846,300.00	99,301.00
25	Pubali Bank Limited	30,000	10	1,040,100.00	34.67	33.00	990,000.00	(50,100.00)
26	R. N. Spinning Mills Limited	159,400	10	6,207,036.00	38.94	34.10	5,435,540.00	(771,496.00)
27	Republic Insurance Limited	72,000	10	4,312,080.00	59.89	45.00	3,240,000.00	(1,072,080.00)
28	Renata Limited	1,087	10	875,198.05	805.15	739.50	803,836.50	(71,361.55)
29	Square Pharmaceuticals Limited	70,000	10	11,536,700.00	164.81	168.60	11,802,000.00	265,300.00
30	Summit Power Limited	450,606	10	38,914,334.16	86.36	53.30	24,017,299.80	(14,897,034.36)
31	Titas Gas T&D Co. Limited	117,075	10	9,883,471.50	84.42	65.30	7,644,997.50	(2,238,474.00)
32	United Airways Limited	250,000	10	7,007,500.00	28.03	21.00	5,250,000.00	(1,757,500.00)
33	Unique Hotel & Resort Limited	690	10	45,001.80	65.22	126.20	87,078.00	42,076.20
34	Agni Systems Limited	55,000	10	1,403,050.00	25.51	23.90	1,314,500.00	(88,550.00)
35	BEDL Limited	100,000	10	3,278,000.00	32.78	32.60	3,260,000.00	(18,000.00)
36	BD Submarine Cable Limited	4,000	10	621,720.00	155.43	132.90	531,600.00	(90,120.00)
37	Envoy Textiles Limited	102,500	10	5,346,400.00	52.16	52.40	5,371,000.00	24,600.00

INVESTMENT IN QUOTED SHARES

As at December 31, 2012

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2012	Total Market Value of Share as at December 31, 2012	Unrealised Gain/(Loss)
38	Keya Cosmetics Limited	215,000	10	6,841,300.00	31.82	30.60	6,579,000.00	(262,300.00)
39	Mercantile Bank Limited	100,000	10	1,905,000.00	19.05	19.10	1,910,000.00	5,000.00
40	Olympic Industries Limited	60,000	10	7,168,200.00	119.47	98.40	5,904,000.00	(1,264,200.00)
41	Saiham Cotton Mills Limited	300,000	10	10,149,000.00	33.83	28.30	8,490,000.00	(1,659,000.00)
42	Standard Bank Limited	100,000	10	1,991,000.00	19.91	19.20	1,920,000.00	(71,000.00)
43	Summit Power Limited	200,000	10	12,672,000.00	63.36	53.30	10,660,000.00	(2,012,000.00)
44	Zahintex Industries Limited	63,500	10	2,233,295.00	35.17	30.90	1,962,150.00	(271,145.00)
45	RD Food Products Limited	50,000	10	1,314,500.00	26.29	25.30	1,265,000.00	(49,500.00)
46	IFIC Bank Limited	24,000	10	993,600.00	41.40	35.70	856,800.00	(136,800.00)
47	Prime Bank Limited	28,000	10	994,000.00	35.50	36.60	1,024,800.00	30,800.00
48	JAMUNA OIL Limited	11,180	10	2,461,200.00	220.14	177.10	1,979,978.00	(481,222.00)
49	M PETROLEUM Limited	13,000	10	2,445,250.00	188.10	156.60	2,035,800.00	(409,450.00)
50	PHENIX Insurance Limited	10,000	10	721,400.00	72.14	55.90	559,000.00	(162,400.00)
51	Pioneer Insurance Company Limited	10,000	10	894,000.00	89.40	72.50	725,000.00	(169,000.00)
52	MEGHNA LIFE Insurance Limited	4,800	10	606,720.00	126.40	110.60	530,880.00	(75,840.00)
53	RENATA Limited	700	10	606,520.00	866.46	733.10	513,170.00	(93,350.00)
54	Grameen Phone	4,400	10	769,839.84	174.96	170.50	750,200.00	(19,639.84)
55	BD Submarine CBL Limited	100	10	14,329.00	143.29	132.90	13,290.00	(1,039.00)
56	Envoy Textiles Limited	800	10	42,680.00	53.35	52.40	41,920.00	(760.00)
57	GBB Power Limited	18,750	10	1,050,000.00	56.00	33.50	628,125.00	(421,875.00)
58	Meghna Petroleum Limited	780	10	148,457.40	190.33	158.50	123,630.00	(24,827.40)
59	ONE Bank Limited	3,000	10	84,300.00	28.10	22.80	68,400.00	(15,900.00)
60	R.N. Spinning Limited	6,000	10	275,280.00	45.88	34.10	204,600.00	(70,680.00)
61	Square Pharmaceuticals Limited	2,000	10	347,360.00	173.68	168.60	337,200.00	(10,160.00)
62	Square Textiles Limited	2,000	10	233,300.00	116.65	102.80	205,600.00	(27,700.00)
63	Titas Gas T&D Co. Limited	1,050	10	89,397.00	85.14	65.30	68,565.00	(20,832.00)
64	Summit Power Limited	1,000	10	66,660.00	66.66	53.30	53,300.00	(13,360.00)
65	AB Bank 1st Mutual Fund	23,905,000.00	10	239,050,000.00	10.00	10.40	248,612,000.00	9,562,000.00
66	EBL NRB Mutual Fund	12,517,500.00	10	125,175,000.00	10.00	9.40	117,664,500.00	(7,510,500.00)
67	MBL 1st Mutual Fund	4,160,000.00	10	41,600,000.00	10.00	6.90	28,704,000.00	(12,896,000.00)
68	PHP 1st Mutual Fund	3,600,000.00	10	36,000,000.00	10.00	6.70	24,120,000.00	(11,880,000.00)
				784,092,510.65			708,405,259.00	(75,687,251.65)
	Free fund available			16,146,222.67				
	Total			800,238,733.32			708,405,259.00	(75,687,251.65)

CONSOLIDATED FIXED ASSET SCHEDULE

As at December 31, 2012

Annexure - C (i)

Cost					Depreciation					Written down value as at 31.12.2012
Particulars	Balance as at 01.01.2012	Addition during the year	Disposal during the year	Balance as on 31.12.2012	Rate	Balance as at 01.01.2012	Charged for the year	Adjustment made during the year	Balance as at 31.12.2012	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000
Immovable Property	472,167,480	569,524,350	-	1,041,691,830	2.50%	4,724,035	12,304,239	-	17,028,274	1,024,663,556
Furniture & Fixture	679,577,811	220,552,518	3,352,633	896,777,696	10%	129,843,216	65,597,788	2,992,116	192,448,888	704,328,808
Office Equipments	661,107,360	223,914,616	837,533	884,184,443	20%	264,149,833	103,358,184	807,384	366,700,633	517,483,810
Motor Vehicles	30,360,310	3,092,738	-	33,453,048	20%	27,593,428	1,373,601	-	28,967,029	4,486,019
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	-	48,455,000	20%	16,446,451	9,630,996	-	26,077,447	22,377,553
Intangible Asset	-	7,913,810	-	7,913,810	20%	-	847,748	-	847,748	7,066,062
Total 2012	1,996,344,935	1,024,998,032	4,190,166	3,017,152,801		443,180,937	193,112,556	3,799,500	632,493,993	2,384,658,808
Total 2011	1,058,653,145	943,703,199	6,774,955	1,995,581,389		293,392,525	152,090,802	4,181,752	441,301,575	1,554,279,814

FIXED ASSET SCHEDULE

As at December 31, 2012

Particulars	Cost				Rate	Depreciation				Written down value as at 31.12.2012
	Balance as at 01.01.2012	Addition during the year	Disposal during the year	Balance as at 31.12.2012		Balance as at 01.01.2012	Charged for the year	Adjustment made during the year	Balance as at 31.12.2012	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000
Immovable Property	472,167,480	523,159,350	-	995,326,830	2.50%	4,724,035	12,304,239	-	17,028,274	978,298,556
Furniture & Fixture	616,980,234	215,521,144	3,352,633	829,148,745	10%	124,422,502	59,666,438	2,992,116	181,096,824	648,051,921
Office Equipments	627,793,318	222,871,000	837,533	849,826,785	20%	258,116,396	98,255,950	807,384.00	355,564,962	494,261,823
Motor Vehicles	30,360,310	3,092,738	-	33,453,048	20%	27,593,428	1,373,601	-	28,967,029	4,486,019
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	-	48,455,000	20%	16,446,451	9,630,996	-	26,077,447	22,377,553
Intangible Assets	-	7,913,810	-	7,913,810	20%	-	847,748	-	847,748	7,066,062
Total 2012	1,900,433,316	972,558,042	4,190,166	2,868,801,192		431,726,786	182,078,972	3,799,500	610,006,258	2,258,794,934
Total 2011	1,013,694,520	893,513,751	6,774,955	1,900,433,316		291,641,511	144,267,027	4,181,752	431,726,786	1,468,706,530

LIST OF SUBORDINATED DEBT HOLDERS

List of Subordinated Debt Holders as at December 31, 2012

Annexure - D

SL #	Name of clients	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
Total		2,500,000,000

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

Annexure - E

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
1	Dr. Arif Dowla Chairman (Representing Advanced Chemical Industries Limited)	Chairman <ul style="list-style-type: none"> • Tetley ACI (Bangladesh) Limited Managing Director <ul style="list-style-type: none"> • Advanced Chemical Industries Limited • ACI Pure Flour Limited • ACI Foods Limited • ACI Motors Limited • ACI Logistics Limited • ACI Agro Chemicals Limited • PremiaFlex Plastics Limited • Stochastic Logic Limited Director <ul style="list-style-type: none"> • ACI Formulations Limited • ACI Salt Limited • ACI Edible Oils Limited • ACI Godrej Agro vet (Pvt.) Limited. • Apex Leather Craft Limited • Creative Communication Limited • Consolidated Chemicals Limited
2	Mr. Rashed Ahmed Chowdhury Vice-Chairman (Representing Associated Builders Corp. Limited)	Chairman <ul style="list-style-type: none"> • ABC Building Products Limited • Banga Garments Limited Director <ul style="list-style-type: none"> • Associated Builders Corporation Limited • ABC Real Estate Limited • Shamsuddin Tawels Limited
3	Mr. Syed Manzur Elahi Director	Chairman <ul style="list-style-type: none"> • Apex Tannery Limited • Apex Adelchi Footwear Limited • Apex Pharma Limited • Blue Ocean Footwear • Apex Enterprise Limited • Apex Investments • Central Depository Bangladesh Limited • Grey Advertising (Bangladesh) Limited • Quantam Market Research • Manusher Jonno Foundation • Holiday Publications • Bangladesh Freedom Foundation Director <ul style="list-style-type: none"> • Financial Express • Credit Rating Agency of Bangladesh Limited • East West University

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
4	Mr. Hedayetullah Director	Chairman <ul style="list-style-type: none"> • Hedayetullah Securities Limited Director <ul style="list-style-type: none"> • Apex Tannery Limited • FB Footwear Limited • Apex Property Development Limited Managing Director <ul style="list-style-type: none"> • BW International Limited • RYT Joint Co. Limited
5	Mr. M.A. Rouf Director	Chairman <ul style="list-style-type: none"> • Britannia Properties Limited • Britannia Holdings & Management Limited • Britannia Developments Limited • Diamond Properties (BD) Limited • Diamond Properties, UK • Balaka Group, UK Director <ul style="list-style-type: none"> • Tiger Tours Limited • Sonata Shipping Lines Limited
6	Mr. Md. Abdul Malek Director	Chairman <ul style="list-style-type: none"> • Sheltech consultants (Pvt.) Limited Proprietor <ul style="list-style-type: none"> • Gardenia
7	Mr. Md. Wakiluddin Director	Chairman <ul style="list-style-type: none"> • Baridhara Enterprise • Baridhara Corporation Limited Director <ul style="list-style-type: none"> • HURDCO International School Managing Director <ul style="list-style-type: none"> • Swadesh Properties Limited
8	Mrs. Khawaja Nargis Hossain Director	Director <ul style="list-style-type: none"> • SAHCO International Limited

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
9	Mr. Anjan Chowdhury Director (Representing ASTRAS Limited)	Chairman • Oracle Travels Limited Managing Director • Maasranga Television Limited • Square Toiletries Limited • Square Spinning Limited • Square Securities Management Limited • Mediacom Limited • Square Consumer Products Limited • Aegis Services Limited Director • Square Pharmaceuticals Limited • Square Air Limited • Square Textiles Limited • Square Hospitals Limited • Health Products Limited • Pharma Packages (Pvt.) Limited • ASTRAS Limited • Barnali Printers Limited • Square Holdings Limited • New Dhaka Refractories (BD) Limited • Square Distributions Limited • Square Informatix Limited • Abahani Limited • Square Hospitals Limited
10	Mr. Q.A.F.M Serajul Islam Director (Representing Pioneer Insurance Company Limited)	• N/A
11	Mr. Anis A. Khan Managing Director & CEO	• N/A

Overview of MTB

Governance

Management Report

To Our Shareholders

Financial Information

Further Information

CONSOLIDATED FINANCIAL HIGHLIGHTS

As at December 31, 2012

		Annexure - F BDT Million	
SI No.	Items	2012	2011
1	Paid-up Capital	2,543.50	2,543.50
2	Total Capital	6,980.82	6,925.31
3	Surplus in Capital Fund	458.71	1,132.72
4	Total Asset	93,162.05	76,331.37
5	Total Deposit	75,140.14	59,050.80
6	Total Loans and Advances	56,511.08	47,005.48
7	Total Contingent Liabilities	17,676.52	15,327.82
8	Lending-Deposit Ratio	75.21%	79.60%
9	Classified Loans as % of Total Loans and Advances	3.69%	2.54%
10	Profit After Provision and Tax	327.87	404.22
11	Total Classified loans and advances	2,085.01	1,195.10
12	Total Provision Maintained against Classified Loans	926.30	716.50
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	13.67%	13.65%
15	Earning Asset	78,806.55	66,660.79
16	Non-Interest Earning Asset	14,355.50	9,670.58
17	Return on Investments (ROI)	7.45%	7.70%
18	Return on Asset (ROA)	0.39%	0.60%
19	Income from Investment	1,602.59	1,130.77
20	Earnings per Share (BDT)	1.29	1.59
21	Profit per Share (BDT)	1.29	1.59
22	Price-Earning Ratio (Times)	16.99	20.84

OFF-SHORE BANKING UNIT BALANCE SHEET

As at December 31, 2012

Annexure- G

Property and Assets	Note	2012		2011	
		USD	BDT	USD	BDT
Cash		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances		1,005,310	80,173,476	9,927,312	812,550,487
Loans, cash credits, overdrafts etc.	4	1,005,310	80,173,476	9,927,312	812,550,487
Bills purchased and discounted	5	-	-	-	-
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	6	113,452	9,061,553	-	-
Non - banking assets		-	-	-	-
Total assets		1,118,762	89,235,029	9,927,312	812,550,487
Liabilities and Capital					
Liabilities					
Borrowings from other banks, financial institutions and agents	7	1,000,000	79,750,000	7,003,477	573,234,593
Deposits and other accounts	8	-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
Other liabilities	9	3,853	307,260	2,633,598	215,559,997
Total liabilities		1,003,853	80,057,260	9,637,075	788,794,589
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	2,220,313
Other reserve		-	-	-	-
Deficit in profit and loss account / Retained earnings	10	114,909	9,177,769	290,237	21,535,585
Total Shareholders' equity		114,909	9,177,769	290,237	23,755,898
Total Liabilities and Shareholders' equity		1,118,762	89,235,029	9,927,312	812,550,487
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		-	-	-	-

OFF-SHORE BANKING UNIT PROFIT AND LOSS ACCOUNT

As at December 31, 2012

Annexure- G

Particulars	Note	2012		2011	
		USD	BDT	USD	BDT
Interest income	11	424,746	33,924,497	674,036	50,013,471
Less: Interest on deposits, borrowings, etc.	12	309,837	24,746,679	367,799	27,290,687
Net Interest Income		114,909	9,177,819	306,237	22,722,785
Total Operating Income (A)		114,909	9,177,819	306,237	22,722,785
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication, etc.		-	-	-	-
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses		-	-	16,000	1,187,200
Total operating expenses (B)		-	-	16,000	1,187,200
Profit / (loss) before provision (C=A-B)		114,909	9,177,819	290,237	21,535,585
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		-	-	-	-
Total profit / (loss) before taxes (C-D)		114,909	9,177,819	290,237	21,535,585
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Net profit / (loss) after taxation		114,909	9,177,819	290,237	21,535,585
Retained earnings brought forward from previous years		-	-	-	-
		114,909	9,177,819	290,237	21,535,585

OFF-SHORE BANKING UNIT STATEMENT OF CASH FLOW

As at December 31, 2012

Annexure- G

Particulars	Note	2012		2011	
		USD	BDT	USD	BDT
A) Cash flows from operating activities					
Interest receipts in cash		424,746	33,924,448	674,036	50,013,471
Interest payments		(305,984)	(24,439,419)	(367,799)	(27,290,686)
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)
Cash generated from operating activities before changes in operating assets and liabilities		118,762	9,485,029	290,237	21,535,585
Increase / (decrease) in operating assets and liabilities					
Loans and advances to other banks		-	-	-	-
Loans and advances to customers		(1,005,310)	(80,173,476)	(9,927,312)	(812,550,487)
Other assets		(113,452)	(9,061,553)	-	-
Deposits from other banks / borrowings		1,000,000	79,750,000	7,003,477	573,234,593
Deposits from customers		-	-	-	-
Other liabilities		-	-	2,633,598	215,559,996
		(118,762)	(9,485,029)	(290,237)	(23,755,898)
Net cash from operating activities		-	-	-	(2,220,313)
B) Cash flows from investing activities					
Purchase / sale of property, plant and equipment		-	-	-	-
Proceeds from sale of property, plant and equipment		-	-	-	-
Net cash used in investing activities		-	-	-	-
C) Cash flows from financing activities					
Borrowing from Mutual Trust Bank Limited		-	-	-	-
Net Cash from financing activities		-	-	-	-
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)		-	-	-	(2,220,313)
E) Effects of exchange rate changes on cash and cash equivalents		-	-	-	2,220,313
F) Cash and cash equivalents at beginning of the year		-	-	-	-
G) Cash and cash equivalents at end of the year (D+E+F)		-	-	-	-
Cash and cash equivalents at end of the year					
Cash in hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions		-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2012

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 currencies translation

"Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 'The Effects of Changes in Foreign Exchange Rates'". 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, 2012

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.

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

2.6. Provision for liabilities

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

2.7. Interest income

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

2.8. Interest paid and other expenses

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

2.9. Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationary, etc. are not allocated as common expense rather separately accounted for in 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 79.75 (closing rate as at 31st December 2012) and Tk.79.87 (average rate which represents at the year end)

c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

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, 2012

		2012		2011	
		USD	BDT	USD	BDT
4	Loans and advances				
	i) Loans, cash credits, overdrafts etc.				
	Term Loan Industrial	1,005,310	80,173,476	9,927,312	812,550,487
		1,005,310	80,173,476	9,927,312	812,550,487
	ii) Bills purchased and discounted				
	Payable Outside Bangladesh				
	Foreign bills purchased and discounted	-	-	-	-
		1,005,310	80,173,476	9,927,312	812,550,487
4.01	Loans and Advances to Industries				
	Food	-	-	-	-
	Electricity & Gas Industry	-	-	2,537,625	2,537,625
	Service Industries	1,005,310	80,173,476	7,389,687	7,389,687
	Others	-	-	-	-
		1,005,310	80,173,476	9,927,312	812,550,487
4.02	Classification of Loans and Advances				
	including bill discounted				
	Unclassified (UC):				
	Standard	1,005,310	80,173,476	9,927,312	812,550,487
	Special Mention Account (SMA)	-	-	-	-
	Sub total	1,005,310	80,173,476	9,927,312	812,550,487
	Classified:				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Bad & Loss	-	-	-	-
	Sub total	-	-	-	-
	Total	1,005,310	80,173,476	9,927,312	812,550,487

4.03 Client wise details of Loans and Advances are given below:

Name of the clients	2012				2011	
	Outstanding in USD Funded	Non-Funded	Outstanding in BDT Funded	Non-Funded	Outstanding in BDT Funded	Non-Funded
Biman Bangladesh Airlines	1,005,310	-	80,173,476	-	604,845,906	-
RZ Power Limited	-	-	-	-	207,704,582	-
Total	1,005,310	-	80,173,476	-	812,550,487	-

	2012		2011	
	USD	BDT	USD	BDT
4.04 Geographical Location wise Loans and Advances				
Inside Bangladesh				
Urban				
Dhaka Division	1,005,310	80,173,476	7,389,687	604,845,905
	1,005,310	80,173,476	7,389,687	604,845,905
Rural				
Rajshahi Division	-	-	2,537,625	207,704,582
	-	-	2,537,625	207,704,582
Outside Bangladesh	-	-	-	-
	1,005,310	80,173,476	9,927,312	812,550,487
5 Bills purchased and discounted				
Payable in Bangladesh	-	-	-	-
Payable outside Bangladesh	-	-	-	-
	-	-	-	-
6 Other assets				
Due from MTB	113,452	9,061,553	-	-
	113,452	9,061,553	-	-
7 Borrowings from other banks, financial institutions and agents				
In Bangladesh	1,000,000	79,750,000	7,003,477	573,234,592
Outside Bangladesh	1,000,000	79,750,000	-	-
	1,000,000	79,750,000	7,003,477	573,234,592
In Bangladesh:				
Borrowing from Bank:				
Bangladesh Bank	-	-	7,000,000	572,950,000
Other Bank	1,000,000	79,750,000	-	-
Interest payable on Borrowing from Bangladesh Bank	-	-	3,477	284,592
	1,000,000	79,750,000	7,003,477	573,234,592
8 Deposits and other accounts				
Bank deposits (Note 8.1)	-	-	-	-
Customer deposits and other accounts	-	-	-	-
	-	-	-	-
9 Other liabilities				
Provision for Unclassified Loans and Advances	-	-	-	-
Provision for Expenses	-	-	16,000	1,309,600
Provision for Taxation	-	307,260	-	-
Due to Head Office	3,853	-	2,617,598	214,250,396
	3,853	307,260	2,633,598	215,559,996
10 Retained earnings				
Net Profit for the Year	114,909	9,177,769	290,237	21,535,585
	114,909	9,177,769	290,237	21,535,585

		2012		2011	
		USD	BDT	USD	BDT
11	Interest Income				
	Interest on Term Loan	424,746	33,924,497	634,114	47,051,259
	Foreign Documentary Bills Purchased	-	-	39,922	2,962,212
	Total Interest on Loans and Advances	424,746	33,924,497	674,036	50,013,471
12	Interest on Deposits, Borrowings, etc.				
	a) Interest paid on Deposits	-	-	-	-
	b) Interest paid on Borrowings & Others	309,837	24,746,679	367,799	27,290,686
		309,837	24,746,679	367,799	27,290,686

Overview of MTB

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OFF-SHORE BANKING UNIT LIQUIDITY STATEMENT

As at December 31, 2012

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
ASSET :						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	-	-	-	-	-	-
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	80,173,476	-	-	80,173,476
Premises and Fixed Asset	-	-	-	-	-	-
Other Asset	-	9,061,553	-	-	-	9,061,553
Non-Banking Asset	-	-	-	-	-	-
Total Asset	-	9,061,553	80,173,476	-	-	89,235,029
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	-	-	80,057,260	-	-	80,057,260
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	-	-	-	-	-	-
Total Liability	-	-	80,057,260	-	-	80,057,260
Net Liquidity	-	7,998,337	116,216	-	-	9,177,769

AUDITOR'S REPORT

To the Shareholders MTB Securities Limited

We have audited the accompanying Statement of Financial Position of the MTB Securities Limited as at December 31, 2012 and Statement of Comprehensive Income, Statement of changes in Equity, Statement of Cash Flows & 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 Bangladesh Standards on Auditing (BAS). Those standards required 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 amount 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 at December 31, 2012 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 is in agreement with the books of account;

Dated, Dhaka
January 31, 2013.


Malek Siddiqui Wali
Chartered Accountants

MTB SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

	Note	2012 BDT	2011 BDT
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	3	1,270,000,000	1,000,000,000
Retained earnings	4	389,438	21,543
Total sources of funds		1,270,389,438	1,000,021,543
APPLICATION OF FUNDS			
Investment and advances			
Membership at cost	5	8,000,000	8,000,000
Investment in securities	6	143,114,053	177,136,418
Other advances	7	3,236,469	2,078,534
		154,350,522	187,214,952
Current assets			
Advances and prepayments	8	17,223,653	14,239,971
Margin loan to clients	9	4,120,360,234	3,493,459,094
Accounts receivable	10	57,315,435	13,819,151
Advance income tax (AIT)	11	25,775,219	47,980,850
Cash & cash equivalents	12	235,384,843	613,136,484
		4,456,059,384	4,182,635,550
Current liabilities			
Accounts payable	13	150,783,747	312,306,062
Short term borrowing	14	2,665,554,081	2,665,554,081
Interest payable	15	294,312,957	84,856,203
Provision for expenses	16	9,217,716	12,753,083
Provision for income tax	17	111,957,477	145,715,366
Provision for investment	18	53,547,746	25,000,000
Dividend payable	19	169,483,962	194,672,030
		3,454,857,686	3,440,856,825
Net current asset		1,001,201,698	741,778,725
Property, plant & equipment	20	114,837,218	71,027,866
Total application of funds		1,270,389,438	1,000,021,543

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
January 31, 2013.



Malek Siddiqui Wali
Chartered Accountants

MTB SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

	Note	2012 BDT	2011 BDT
Operating income		817,078,354	764,916,340
Brokerage commission		164,903,836	228,343,181
Interest on margin loan	21	638,903,874	527,280,164
Margin account maintenance	22	2,096,500	2,101,500
Depository participant		11,174,144	12,820,777
Gain/ (loss) on sale of securities	23	-	(5,629,282)
Operating expenses		26,286,745	34,586,854
Howla charge		2,100,512	2,362,462
Laga charge		8,278,830	11,118,191
CDBL charge		15,907,403	21,106,201
Net operating income		790,791,609	730,329,486
Other income	25	47,357,078	79,645,775
Total income		838,148,687	809,975,261
Office & administrative expenses	26	111,212,611	102,176,307
Provision for Investment	27	42,000,000	23,088,638
Profit before financial expenses		684,936,076	684,710,316
Financial expenses	28	413,173,105	348,683,402
Net profit/ (loss) before income tax		271,762,971	336,026,914
Provision for tax	29	101,911,114	141,354,884
Net profit after tax		169,851,857	194,672,030

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
January 31, 2013.



Malek Siddiqui Wali
Chartered Accountants

MTB SECURITIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended December 31, 2012

Note	2012 BDT	2011 BDT
A) Cash flow from operating activities		
Net profit during the year (after tax)	169,851,857	194,672,030
Add : Amount consider as non cash items :		
Increase/(decrease) in provision for expenses	(3,535,367)	5,851,646
Increase in provision for investment in securities	28,547,746	23,088,638
Depreciation	8,745,510	7,229,368
Increase/(decrease) in provision for income tax	(33,757,889)	82,850,647
Sub total of non cash items	-	119,020,299
Changes in working capital components		
Increase/(decrease) in accounts payable	47,934,439	(26,732,570)
(Increase)/decrease in accounts receivable	(43,496,284)	94,655,196
(Increase)/decrease in Advance income tax	22,205,631	(18,091,984)
Net cash flow from operating activities	196,495,643	363,522,971
B) Cash flow from investing activities:		
Decrease in Investment in securities	33,771,372	(67,758,044)
Increase in purchase of premises & fixed asset	(52,303,869)	(35,049,624)
Increase in margin loan to clients	(619,774,538)	(162,642,650)
Increase in advance to others	(4,141,617)	(2,202,688)
Net cash flow from investing activities	(642,448,652)	(267,653,006)
C) Cash flow from financing activities :		
Issue of share capital	270,000,000	-
Increase in short term borrowing	-	8,719,959
Dividend paid	(194,672,030)	(215,406,001)
Net cash flow from financing activities	75,327,970	(206,686,042)
D) Net cash increase / (decrease) (A+B+C)	(370,625,039)	(110,816,077)
E) Opening cash and cash equivalents	606,009,882	716,825,958
F) Closing cash and cash equivalents	235,384,843	606,009,882
Closing balance represent :		
Cash at bank	233,807,492	450,395,752
Fixed deposit	-	155,614,130
Cheque in hand	1,577,351	-
Total	235,384,843	606,009,882

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
January 31, 2013.



Malek Siddiqui Wali
Chartered Accountants

MTB SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2012

Particulars	Paid-up capital	Retained earnings	Amount BDT	
			2012	2011
Opening Balance	1,000,000,000	21,543	1,000,021,543	1,215,427,544
Addition during the year	270,000,000	-	270,000,000	(215,406,001)
Net profit for the year after tax	-	169,851,857	169,851,857	194,672,030
Dividend paid (Interim) for 2012	-	(169,483,962)	(169,483,962)	(194,672,030)
Balance as at December 31, 2012	1,270,000,000	389,438	1,270,389,438	1,000,021,543

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
January 31, 2013.



Malek Siddiqui Wali
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012

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 Statement of cash flows

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, 2012 to December 31, 2012.



		2012 BDT	2011 BDT
3	Share capital		
3.1	Authorized capital		
	20,000,000 ordinary shares of Taka 100 each.	2,000,000,000	2,000,000,000
3.2	Issued , subscribed and paid-up capital		
	12,700,000 ordinary shares of Taka 100 each fully paid.	1,270,000,000	1,000,000,000
3.3	Shareholding Position of the Company		
	Shareholding position:	No. of Shares	Percentage
	Mutual Trust Bank Limited	12,699,873	9,999,900
	Dr. Arif Dowla	127	-
	Samson H. Choudhury	-	100
	Total	12,700,000	10,000,000
4	Retained earnings		
	Opening balance	21,543	215,427,544
	Add: Net profit during the year	169,851,857	194,672,030
	Less: Dividend paid during the year	(169,483,962)	410,078,031
	Closing retained earnings	389,438	21,543
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	2,826,469	1,668,534
	Advance to Bangladesh General Insurance Company for placement of share	410,000	410,000
	Total	3,236,469	2,078,534
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 2012.		
10	Accounts receivable		
	Receivable from Dhaka Stock Exchange (DSE) -spot (Note 10.1)	-	116,589
	Receivable from Dhaka Stock Exchange (DSE) (Note 10.1)	35,518,102	5,725,337
	Receivable from Dhaka Stock Exchange (DSE) -dealer (Note 10.1)	21,006,333	7,977,225
	Other receivable (Note 10.2)	791,000	-
	Total	57,315,435	13,819,151

10.1 Receivable from Dhaka Stock Exchange (DSE)

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

10.2 Other receivable:

This amount represents dividend earned but not received.

11 Advance Income tax

Opening balance
Add: Addition during the year (Note 11.01)
Less: Adjusted during the year
Closing balance

2012 BDT	2011 BDT
47,980,850	29,888,866
93,461,426	47,974,556
(115,667,057)	(29,882,572)
25,775,219	47,980,850

11.1 Addition during the year

Brokerage commission
Bank interest
Dividend income
Advance tax
Total

20,697,075	36,053,448
4,386,379	11,360,916
691,759	560,192
67,686,213	-
93,461,426	47,974,556

12 Cash and cash equivalents

Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
Mutual Trust Bank Ltd
One Bank limited
One Bank limited
IFIC Bank limited
Standard Chartered
Cheques in hand
Total

-	155,614,130
1,873,413	870,911
537,633	379,971
156,613,812	379,324,276
12,955,508	31,248,578
1,053,774	4,537,647
-	1,390,000
-	56,190
4,604,075	2,385,209
5,077	1,550,000
47,481,898	23,567,963
523,904	81,337
7,814,959	5,003,670
343,439	-
1,577,351	7,126,602
235,384,843	613,136,484

13 Accounts Payable

It represents money deposited by client for trading purpose.

The details are as follows:

Payable to clients (Note 13.1)
Payable to Dhaka Stock Exchange (DSE) (Note 13.2)
Payable to Dhaka Stock Exchange (DSE) -dealer (Note 13.2)
Others payable (Note 13.3)
Total

146,034,137	261,494,749
458,029	7,519,332
8,978	5,262
4,282,603	43,286,719
150,783,747	312,306,062

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 a result from the purchase of securities through Dhaka stock Exchange Limited.

13.3 Others payable

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

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.

	2012 BDT	2011 BDT
Opening balance	2,665,554,081	2,656,834,122
Addition during the year	-	12,446,019
Paid during the year	-	3,726,060
Closing balance	2,665,554,081	2,665,554,081

15 Interest payable

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

16 Provision for expenses

Opening balance	12,753,083	
Add: Addition during the year (Note 16.1)	9,148,285	12,753,083
Less: Adjustment during the year	12,683,652	
Closing balance	9,217,716	12,753,083

16.1 Addition during the year

Performance Bonus	6,500,000	9,800,000
Provision for postage telephone & telegraph	80,000	100,000
Provision for utility bill	520,950	300,000
Provision for CDS charge	600,000	300,000
Provision for rental expenses	-	45,000
Provision for advertisement expenses	-	69,719
Provision for audit fee	45,000	35,000
Provision for other expenses	1,402,335	2,103,304
Total	9,148,285	12,753,083

17 Provision for income tax

Opening balance	145,715,366	62,864,719
Add: Addition during the year	101,911,114	141,354,884
Less: Payment during the year	135,669,003	58,504,237
Closing balance	111,957,477	145,715,366

18 Provision for investment in securities

Opening balance	25,000,000	1,911,362
Addition during the year	42,000,000	23,088,638
Adjustment during the year	(13,452,254)	-
Closing balance	53,547,746	25,000,000

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 2012 from net profit of 2012 instead of any percentage of paid up capital. No final dividend recommended by the Board of Directors.

		2012 BDT	2011 BDT
20	Property, plant & equipment		
	Cost:		
	Furniture & fixture	1,880,235	1,777,355
	Office equipment	24,535,744	23,583,778
	Interior decoration	59,531,139	54,647,116
	Premises	46,365,000	-
	Total cost value of the asset	132,312,118	80,008,249
	Accumulated depreciation	17,474,900	8,980,383
	Total carrying amount	114,837,218	71,027,866
	The detail has shown in Annexure - A.		
21	Interest on margin loan		
	MTB Securities paid margin loan at the rate of 16.50% to 17.50% during the year. Total number of marginable client was 2007 at the end of year 2012.		
22	Margin account maintenance		
	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 2012.		
24	CDBL charge		
	This amount represent Bo opening, maintenance, CDS charge and other expenses charged by CDBL.		
25	Other income		
	Other Income represents interest income from various bank accounts and FDR maintained at Mutual Trust Bank and Dividend Income.		

		2012 BDT	2011 BDT														
26	Office & administrative expenses																
	Salary & remunerations	51,420,155	45,097,630														
	Rental expenses	27,247,071	25,048,179														
	Postage,telephone,telegraph	1,009,516	1,178,191														
	Car expenses	1,316,013	1,115,455														
	Securities service bill	2,489,278	2,258,587														
	Cleaning expenses	1,622,097	1,408,048														
	Utility	4,218,485	3,339,847														
	Conveyance	258,639	270,649														
	Entertainment	1,532,220	1,698,775														
	Newspaper	59,331	49,160														
	Printing & stationery	1,153,327	1,603,800														
	Office maintenance	972,378	498,851														
	Advertisement	242,351	863,916														
	Repair & maintenance	1,343,953	775,045														
	Insurance expenses	358,144	107,635														
	Training expenses	190,493	123,600														
	Other rent	3,860,451	4,229,570														
	Software maintenance	200,000	712,774														
	Traveling expenses	92,805	95,325														
	Business Development Expenses	487,783	1,000,000														
	Audit fee	45,000	35,000														
	Fees and Other charges	345,904	3,436,902														
	Fuel for generator	2,252,700	-														
	Depreciation	8,494,517	7,229,368														
	Total	111,212,611	102,176,307														
27	Provision for investment																
	This provision is made to reduce the risk of capital market .																
28	Financial expenses																
	Financial expenses represents interest expense on short term borrowing from Mutual Trust Bank.																
29	Income tax expenses																
	Income tax expenses calculated on the basis of taxable income. Tax rate is considered @37.50% on business income. 10% on realised loss of sale of securities and 20% on dividend income																
30	Related party disclosure.																
30.1	Name of Directors and their shareholdings as on December 31, 2012.																
	Mutual Trust Bank	99.999%															
	Dr. Arif Dowla	0.001%															
		<u>100.000%</u>															
30.2	Related party transactions																
	<table><tr><th>Name of the party</th><th>Nature of transactions</th><th>Amount</th></tr><tr><td rowspan="5">Mutual Trust Bank</td><td>Short term borrowing</td><td>2,665,554,081</td></tr><tr><td>Interest Expenses</td><td>413,173,105</td></tr><tr><td>Interest payable</td><td>294,312,957</td></tr><tr><td>Dividend paid</td><td>194,672,030</td></tr><tr><td>Interim dividend</td><td>169,483,962</td></tr></table>	Name of the party	Nature of transactions	Amount	Mutual Trust Bank	Short term borrowing	2,665,554,081	Interest Expenses	413,173,105	Interest payable	294,312,957	Dividend paid	194,672,030	Interim dividend	169,483,962		
Name of the party	Nature of transactions	Amount															
Mutual Trust Bank	Short term borrowing	2,665,554,081															
	Interest Expenses	413,173,105															
	Interest payable	294,312,957															
	Dividend paid	194,672,030															
	Interim dividend	169,483,962															
31.00	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 88 persons."																

MTB SECURITIES LIMITED

SCHEDULE OF FIXED ASSETS

As at December 31, 2012

Annexure- A

Particulars	Cost			Rate	Depreciation			
	Balance as at 01.01.2012	Addition during the year	Balance as at 31.12.2012		Balance as at 01.01.2012	Charge for the year	Balance as at 31.12.2012	Written down value as at 31.12.2012
	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Furniture	1,777,355	102,880	1,880,235	10%	183,396	162,119	345,515	1,534,720
Fixture & fittings	54,647,116	4,884,023	59,531,139	10%	3,726,852	4,865,006	8,591,858	50,939,281
Office equipment	23,583,778	951,966	24,535,744	20%	5,070,135	3,467,392	8,537,527	15,998,217
Premises	-	46,365,000	46,365,000	10%	-	-	-	46,365,000
Total	80,008,249	52,303,869	132,312,118		8,980,383	8,494,517	17,474,900	114,837,218

MTB SECURITIES LIMITED

STATEMENT OF INVESTMENT IN SECURITIES

As at December 31, 2012

Annexure- B			Amount BDT
Name of the Company	Quantity	Cost	Market Value
ACI Limited	25,000	4,689,500	3,530,000
Al-Arafah Islami Bank Limited	80,158	2,953,021	2,011,966
Asia Pacific Insurance Company Limited	75,000	5,555,250	2,632,500
Bank Asia Limited	70,100	2,100,897	1,507,150
BD Submarine Cable	10,000	1,508,200	1,329,000
BEXIMCO Limited	45,050	5,607,374	2,901,220
BSRM Steel Limited	10,000	1,069,100	679,000
Dhaka Bank Limited	65,012	2,401,543	1,612,298
Eastern cables Ltd.	25,000	1,214,000	792,500
Envoy Textile Limited	10,000	582,015	550,200
EXIM Bank Limited	100,000	3,813,000	2,080,000
First Securities Bank Limited	70,030	2,201,743	1,295,555
Grameenphone Limited	45,000	8,829,450	7,875,000
Jamuna Bank Limited	70,107	2,230,104	1,521,322
Jamuna Oil Company Limited	30,000	8,003,160	6,426,000
Khulna Power Company Limited	20,548	1,697,881	1,023,290
Malek Spinning Mills	90,000	3,416,000	2,510,000
Meghna Petroleum Limited	20,000	4,647,240	4,121,000
Mercantile Bank Limited	49,700	1,121,232	949,270
MJL Bangladesh Limited	10,012	1,178,212	797,956
National Bank Limited	75,025	3,124,791	1,658,053
Navana CNG Limited	10,018	1,326,433	805,980
National Credit & Commerce Bank Limited	50,182	1,739,655	914,550
Olympic Industries Ltd.	20,000	3,429,300	2,952,000
Padma Oil Company Limited	2,000	580,284	506,250
Peoples Leasing Ltd.	10,020	891,880	324,648
Prime Bank Limited	75,400	2,920,242	2,789,800
Pubali Bank Limited	70,010	3,762,337	2,310,330
Social Investment Bank Limited	20,050	428,469	388,970
Southeast Bank Limited	300,275	9,593,786	6,005,500
Square Pharma Limited	14,300	2,648,700	2,529,000
Square Textiles Limited	60,000	6,612,000	6,168,000
Standard Bank Limited	210,000	5,642,700	4,032,000
Summit Power Limited	40,093	2,855,023	2,136,957
Titas Gas T&D Co. Limited	240,000	20,102,656	16,507,840
United Commercial Bank Limited	150,000	9,471,000	3,540,000
Eastern Cables Ltd.	33,300	2,136,195	1,718,280
Monno Ceramic Ltd.	19,000	1,024,480	516,800
Premier Bank Limited	78	5,200	4,050
Total		143,114,053	101,954,235

AUDITOR'S REPORT

To the Shareholders MTB Capital Limited

We have audited the accompanying Financial Statements of MTB Capital Limited consisting of The Statement of Financial Position as at December 31, 2012 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 at December 31, 2012 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 5, 2013

Malek Siddiqui Wali
Chartered Accountants

MTB CAPITAL LIMITED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

	Note	2012 BDT	2011 BDT
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	4	100,000,000	100,000,000
Retained earnings	5	(838,507)	(1,960,889)
Total sources of funds		99,161,493	98,039,111
APPLICATION OF FUNDS			
Investment and advances		37,797,648	4,631,251
Investment in securities	6	36,603,463	3,153,734
Other advances	7	1,194,185	1,477,517
Current assets		58,125,373	90,461,414
Advance and prepayment	8	-	9,949,710
Margin loan to clients	9	5,218,745	1,963,503
Accounts receivable	10	780,917	777,000
Advance income tax (AIT)	11	1,183,369	672,782
Cash & cash equivalents	12	50,942,342	77,098,419
Current liabilities		3,236,208	4,837,594
Accounts payable	13	3,236,208	2,453,292
Short term borrowing	14	-	2,384,302
Net current asset		54,889,165	85,623,820
Property, plant & equipment	16	6,474,681	7,784,040
Total application of funds		99,161,493	98,039,111

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Khairul Basher A. T. Mohammed
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
February 5, 2013.


Malek Siddiqui Wali
Chartered Accountants

MTB CAPITAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

	Note	2012 BDT	2011 BDT
Operating income			
Interest on margin loan	17	640,916	23,163
Capital gain /(loss) on sale of securities	18	3,151,127	(278,386)
Fees & commission income	19	241,737	52,328
Income from investment	20	916,320	72,500
Issue management fees	21	900,000	100,000
Underwriting commission	22	147,500	442,000
Portfolio management fees		129,608	9,903
Net income from operation		6,127,208	421,508
Other income	23	7,161,741	7,034,780
Total income		13,288,949	7,456,288
Office & administrative expenses	24	10,601,490	9,332,627
Provision against investment in securities	6	1,148,217	223,503
Profit/ (loss) before financial expenses		1,539,242	(2,099,842)
Less: Financial expenses		-	323,872
Adjustment of waiver of loan (principal)		-	462,825
Net profit/ (loss) before tax		1,539,242	(1,960,889)
Income tax expenses		416,860	-
Net profit/ (loss) after tax		1,122,382	(1,960,889)

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-Ul-Basher, FCA
Director



Khairul Basher A. T. Mohammed
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
February 5, 2013.


Malek Siddiqui Wali
Chartered Accountants

MTB CAPITAL LIMITED

STATEMENT OF CASH FLOWS

For the year ended December 31, 2012

	Note	2012 BDT	2011 BDT
A. Cash flows from operating activities			
Collection from interest, fees & commission		2,189,261	409,843
Interest payment		-	(323,872)
Payment for employees salary & allowances		(4,537,971)	(2,637,224)
Payment for other operational expenses	25	(4,063,030)	(5,833,647)
Other income (SND & FDR interest)		7,371,741	6,474,780
Income from space rent recovered		-	220,000
Withholding Tax & VAT collected against payments		(127,744)	173,360
Advance income tax payment		(927,447)	(672,782)
Net cash inflows/ (outflows) from operating activities		(95,189)	(2,189,542)
B. Cash flows from investing activities			
Payment for purchase of shares		(34,597,947)	(3,377,237)
Capital gain/(loss) on sale of shares	18	3,151,127	(278,386)
Dividend received		755,620	72,500
Accounts receivables - IPO		(16,900)	-
Payment for purchase of fixed assets	16	(91,650)	(6,678,446)
Advance for investment & others		9,949,710	(11,427,227)
Change in margin loan		(3,273,740)	(1,963,503)
Net cash outflows from investing activities		(24,123,780)	(23,652,299)
C. Cash flows from financing activities			
Share capital		-	-
Dividend payment to shareholders		-	-
Loan from parent company	14	(2,384,302)	2,384,302
Clients accounts balance		447,194	556,533
Net cash outflows from financing activities		(1,937,108)	2,940,835
D. Net cash inflows/(outflows) for the year (A+B+C)		(26,156,077)	(22,901,006)
E. Add : Opening cash and cash equivalents		77,098,419	99,999,425
Closing cash and cash equivalents(D+E)		50,942,342	77,098,419

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Khairul Basher A. T. Mohammed
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
February 5, 2013.



Malek Siddiqui Wali
Chartered Accountants

MTB CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2012

Particulars	Paid-up capital BDT	Retained earnings BDT	2012 BDT	2011 BDT
Opening balance	100,000,000	(1,960,889)	100,000,000	100000000
Net profit for the year after tax	-	1,122,382	(838,507)	(1,960,889)
Total	100,000,000	(838,507)	99,161,493	98,039,111

The annexed notes form an integral part of these accounts



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher, FCA
Director



Khairul Basher A. T. Mohammed
Chief Executive Officer

Signed as per annexed report on even date

Date: Dhaka
February 5, 2013.



Malek Siddiqui Wali
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

MTB Capital Limited Notes to the financial Statements For the year ended December 31, 2012

1. Legal status of the company

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

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

2. Nature of business

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

3. Significant accounting policies

3.1 Basis of preparation of financial statements

The financial statements of the company are made up to December 31, 2012 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 (BAS) - 7 "Statement of Cash Flow".

3.3 Property, plant and equipment

3.3.1 Recognition and measurement:

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

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

3.3.2 Depreciation

Depreciation is charged using straight line method as per Bangladesh Accounting Standard (BAS) 16: "Property plant &

equipment". Depreciation for addition on fixed assets is charged from the month of acquisition if purchased before 15th day. The rates of depreciation used are as follows:

Category of assets	Rate of depreciation
Furniture & fixture	10%
Office equipment	20%
Interior decoration	10%

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

3.4.2 Dividend income

Dividend income on investment in securities has been recognized on the basis of approval of the said dividend in the Annual General Meeting of the relevant company. Bonus/stock dividend received or receivable from various companies is not accounted for as income rather included in the portfolio to reduce the average cost.

3.4.3 Capital gain / (loss) on sale of securities

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

3.4.4 Fees and commission income

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

3.5 Cash and bank balance

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

3.6 Investment in securities

Investment in securities is recognized at the end of the year at cost price of investment made by the company in listed securities. Provision on such investment is made as per direction of Bangladesh Bank to the parent company (MTB).

3.7 General

3.7.1 Comparative information has been disclosed for all numerical information of the financial statements and also the narrative and descriptive information so as to clarify the current year position with that of the preceding financial year.

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

3.7.3 These financial statements cover one year from January 01 to December 31, 2012.

		2012 BDT	2011 BDT
4	Authorized capital		
	50,00,000 Ordinary Shares of Tk. 100 each.	500,000,000	500,000,000
	Issued, Subscribed and paid-up capital: 1,000,000 Ordinary Shares of Tk. 100 each	100,000,000	100,000,000
	Shareholding position:		
	Particulars	No. of Shares	Percentage
	Mutual Trust Bank Limited.	999,900	99.99%
	Dr. Arif Dowla (Representative as chairman of MTB)	100	0.01%
	Total	1,000,000	100.00%
5	Retained earnings		
	Opening balance	(1,960,889)	-
	Add: Net profit/(loss) during the year	1,122,382	(1,960,889)
	Closing retained earnings	(838,507)	(1,960,889)
6	Investment in securities		
	Investment in securities at cost	37,975,182	3,377,237
	Provision against unrealized loss on investment in securities	(1,371,720)	(223,503)
	Investment in securities	36,603,463	3,153,734

We have kept 20% provision against unrealized loss on investment in securities for the year 2012.

Portfolio statement as at December 31, 2012

Name of the company	No. of shares	Cost per share	Total cost (Taka)	Market value (Taka)	Difference
Lafarge surma cement	5,000	40.79	203,968	164,500	(39,468.00)
GBB Power Ltd.	30000	46.31	1,389,198	1,005,000	(384,198.00)
Aamra technologies limited	5,700	65.15	371,352	209,190	(162,162.15)
Bank Asia	15,000	21.81	327,104	322,500	(4,603.50)
BD Submarine Cable Co. Ltd.	4,000	151.22	604,896	531,600	(73,296.40)
Confidence Cement Limited	5,000	134.05	670,272	524,500	(145,772.00)
Eastern Housing	15,400	70.21	1,081,182	677,600	(403,581.64)
Grameen Phone Limited	88,200	199.91	17,632,088	15,435,000	(2,197,088.46)
IFIC Bank Limited	2,300	44.99	103,488	83,260	(20,227.58)
Jamuna Oil Company Ltd.	24,700	242.87	5,998,877	4,408,950	(1,589,926.65)
Maksons Spinning	10,000	25.86	258,593	178,000	(80,593.00)
Meghna Petroleum Ltd.	17,680	189.24	3,345,717	2,802,280	(543,437.23)
One Bank Limited	43,500	40.14	1,746,051	991,800	(754,250.85)
Prime Bank Limited	43,500	38.03	1,654,331	1,609,500	(44,831.10)
Rupali Insurance	7,000	60.87	426,098	321,300	(104,797.70)
Social Inv. Bank Limited	5,000	23.75	118,770	97,000	(21,770.00)
Southeast Bank Limited	17,000	24.71	420,050	340,000	(80,049.60)
Square Pharmaceuticals Ltd.	4,140	190.10	787,026	698,004	(89,022.42)
Summit Power Limited	2,000	63.55	127,090	106,600	(20,490.00)
Trust Bank Limited	16,000	25.65	410,352	400,000	(10,352.00)
United Airways (BD) Ltd.	10,000	29.87	298,680	210,000	(88,680.00)
Total			37,975,182	31,116,584	(6,858,598)

		2012 BDT	2011 BDT
7	Other advances	1,194,185	1,477,517
	Loan to employees		
8	Advances and prepayments	-	9,949,710
9	Margin loans to clients		
	Margin Loan to Investors - Non- Discretionary Account (NDA)	4,466,915	1,963,503
	Margin Loan to Investors - Discretionary Account (DA)	751,830	-
		5,218,745	1,963,503
10	Accounts receivable		
	Receivable from FDR interest	350,000	560,000
	Underwriting commission receivable (Argon Denims Ltd. - IPO)	87,500	217,000
	Dividend receivable	160,700	-
	Receivable from broker - MTBSL	32,475	-
	Receivable from broker - SSML	133,342	-
	Accounts receivable - IPO	16,900	-
		780,917	777,000
11	Advance income tax		
	Opening balance	672,782	-
	Addition during the Year	927,447	672,782
	Adjusted during the Year	416,860	-
		1,183,369	672,782
12	Cash & cash equivalents		
	This is made up as under:		
	Cash in hand	488	1,324
	Cash at Bank (Mutual Trust Bank)		
	MTB-0012-0210010492 (DA)	538,452	243,593
	MTB-0012-0210010572 (CD)	10,102	98,534
	MTB-0012-0210010607 (Own Portfolio)	17,712	1,400,726
	MTB-0012-0210010581 (NDA)	215,263	252,531
	MTB-0012-0320001007 (SND)	160,325	101,711
	FDR-0012-0330037639	50,000,000	75,000,000
		50,941,854	77,097,095
	Cash and Bank balance	50,942,342	77,098,419
13	Accounts payable		
	Mbank software	1,700,000	1,700,000
	Audit fees payable	37,500	23,950
	Salary, rent & electricity bill payable	991,212	-
	Payable to non-discretionary portfolio clients	32,420	330,812
	Payable to discretionary portfolio clients	-	225,170
	Client deposits - NDA	290,158	-
	Client deposits - DA	139,302	-
	VAT deducted at sources payable	36,536	98,736
	Withholding tax payable	9,080	74,624
		3,236,208	2,453,292
14	Short term borrowing		
	Opening balance	2,384,302	462,825
	Addition during the year	-	10,934,302
	Payment during the year	(2,384,302)	(9,012,825)
	Balance as at December 31, 2012	-	2,384,302
	Short term borrowing from our parent company, Mutual Trust Bank Limited, is paid during the year.		
15	Preliminary expenses		
	Opening balance	-	-
	Less: Written off during the year	-	475,900
		-	475,900

		2012 BDT	2011 BDT
16	Property, plant & equipment		
	Opening balance	8,378,446	-
	Addition during the year	91,650	8,378,446
	Total cost	8,470,096	8,378,446
	Less: Depreciation charged during the year	1,995,415	594,406
	Written down value	6,474,681	7,784,040
	A detail is shown in Annexure - A		
17	Interest on margin loan		
	Interest on margin loan - Non- Discretionary Account (NDA)	640,756	21,880
	Interest on margin loan - Discretionary Account (DA)	160	1,283
		640,916	23,163
18	Capital gain/(loss) on sale of securities		
	Sale proceeds of securities	52,377,962	11,254,153
	Less: Cost of securities sold	49,226,835	11,532,539
		3,151,127	(278,386)
19	Fees & commission income		
	Settlement fee	219,237	48,828
	Documentation charge	22,500	3,500
		241,737	52,328
20	Income from investment (dividend income from securities)		
	Grameen mutual fund one	-	2,500
	Grameenphone Limited	596,500	70,000
	Prime Bank Limited	40,000	-
	Southeast Bank Limited	12,000	-
	Social Investment Bank Limited	2,625	-
	Trust Bank Limited	1,500	-
	Square Pharmaceuticals Limited	25,875	-
	BD Submarine Cable Co. Limited	40,000	-
	Saiham Cotton Mills Limited	30,000	-
	Unique Hotel & Resort Limited	6,000	-
	Square Textile	1,120	-
	Jamuna Oil Company Limited	85,500	-
	Meghna Petrolam Limited	61,200	-
	Eastern Housing	14,000	-
		916,320	72,500
21	Issue management fee		
	Excursion & Resort Bangladesh Limited (Capital raising)	-	50,000
	Mabco Foods Limited (IPO)	-	50,000
	Zaheen Spinning Limited (Capital raising & IPO)	250,000	-
	Data edge Limited (Capital raising & IPO)	500,000	-
	Crystal Insurance Company Limited (IPO)	150,000	-
		900,000	100,000
22	Underwriting commission		
	United Airways (BD) Limited - Right	-	225,000
	GSP Finance Limited - IPO	-	125,000
	Saiham Cotton Limited - IPO	-	92,000
	Keya Cosmetics Limited - Right	60,000	-
	Argon Denims Limited - IPO	87,500	-
		147,500	442,000
23	Other income	7,161,741	7,034,780
	It represents interest income from various bank accounts maintained at Mutual Trust Bank.		

	2012 BDT	2011 BDT	
24 Office & administrative expenses			
Salary and remuneration	4,933,362	2,637,224	
Rent, taxes, insurance, electricity, water etc.	2,645,312	1,635,908	
Legal and professional expenses	141,710	1,573,435	
Postage, telephone, fax, stamps	74,382	34,630	
Printing & stationery	89,549	235,660	
Repairs and maintenance	63,231	91,859	
Depreciation	1,401,009	594,406	
Auditors' fees	36,450	22,900	
Car expenses	689,111	582,327	
CDBL charges	69,362	54,129	
Rental expenditure (Dhakacom Limited)	72,450	-	
Business promotion expenses	-	490,495	
Security services charges	214,740	135,111	
Books & newspapers	7,908	5,761	
Holiday working bill	1,000	1,300	
Bank charge	4,158	4,025	
Expenditure - office equipments	-	4,500	
Entertainment	69,289	112,555	
Excise duty	46,350	14,000	
VAT on fees & commission income	9,669	-	
Conveyance	13,850	2,972	
Advertisement in newspapers	-	623,530	
Installation of profita software	3,000	-	
Fuel for generator	6,100	-	
Labour cost - H/O transfer	9,500	-	
Written off preliminary expenses	-	475,900	
	10,601,490	9,332,627	
25 Payment for other operational expenses			
Audit fees	22,900	11,450	
Rent, taxes, insurance, electricity, water etc	2,049,491	1,855,908	
Legal and professional expenses	141,710	1,573,435	
Postage, telephone, fax & stamps	74,382	34,630	
Printing & Stationery	89,549	235,660	
Repairs and maintenance	63,231	91,859	
Other expenses	766,839	1,448,378	
Car expenses	689,111	582,327	
Receivable from Broker	165,817	-	
	4,063,030	5,833,647	

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MTB CAPITAL LIMITED

SCHEDULE OF FIXED ASSETS

As at December 31, 2012

Annexure- A

Category of Assets	Cost		Depreciation			Written down value as at 31.12.2012
	Opening balance	Addition during the year	Disposal during the year	Total	Rate	Opening balance
	BDT	BDT	BDT	BDT	BDT	BDT
Furniture & Fixture	100,389	-	-	100,389	10%	4,276
Office Equipment	8,015,894	91,650	-	8,107,544	20%	587,945
Interior Decoration	262,163	-	-	262,163	10%	2,185
Total Tk.	8,378,446	91,650		8,470,096		594,406
						1,401,009
						1,995,415
						6,474,681

DIRECTORS' REPORT

MTB Exchange (UK) Limited For The Year Ended December 31, 2012

The directors present their report and accounts for the year ended 31 December, 2012

PRINCIPAL ACTIVITY

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

DIRECTORS

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

- A) Dr. Arif Dowla
- B) Syed Manzur Elahi
- C) Mohamed Abdur Rouf
- D) 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 laws 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 and loss for that period.

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 28, 2013.


Anis A. Khan
Director


Syed Manzur Elahi
Director

STATEMENT BY DIRECTORS

For the year ending December 31, 2012 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 28, 2013 and signed on their behalf by



Md. Anisur Rahman
Chief Executive Officer & Manager



Anis A. Khan
Director



Syed Manzur Elahi
Director

ACCOUNTANTS' REPORT

To The Board of Directors on The Financial Statements of MTB Exchange (UK) Ltd For The Year Ended December 31, 2012

In order to assist you to fulfill your duties under the Companies Act 2006, we have prepared for your approval the accounts of MTB EXCHANGE (UK) LTD for the year ended 31st December 2012 as set out on pages 5 to 12 from the company's accounting records and from information and explanations you have given us.

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

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

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

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



Jahan & Co.
Chartered Management Accountants
22 Osborn Street
London
E1 6TD
January 18, 2013

MTB EXCHANGE (UK) LIMITED

PROFIT AND LOSS ACCOUNTS

For the Year Ended December 31, 2012

	Note	2012	2011
		£	£
Turnover	2	48,153	40,655
Gross Profit		48,153	40,655
Distribution costs		(1,725)	(2,597)
Administrative expenses	3	(143,705)	(156,613)
Operating Loss		(97,277)	(118,555)
Loss on Ordinary Activities Before Taxation		(97,277)	(118,555)
Loss on Ordinary Activities After Taxation		(97,277)	(118,555)
Extraordinary items less taxation	5	2,513	1,895
Loss for the Financial Year		(94,764)	(116,660)

MTB EXCHANGE (UK) LIMITED

BALANCE SHEET

For the Year Ended December 31, 2012

	Notes	2012	2011
		£	£
Fixed Assets			
Tangible Assets	6	35,314	43,798
Current Assets			
		4,139	987
Debtors(amount falling due within one year)	7	8,750	8,750
Debtors(amount falling due after more than one year)	7	143,732	55,887
Cash at bank and in hand		156,621	65,624
		196,702	119,425
Creditors: Amounts falling due within one year	8	(40,081)	(53,801)
Net Current Liabilities		(4,767)	(10,003)
Total Assets Less Current Liabilities			
Capital and Reserves			
Called up share capital	9	230,000	130,000
Profit and loss account	10	(234,767)	(140,003)
Shareholders Fund		(4,767)	(10,003)

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012

1. Accounting Policies

1a. Basis of Accounting

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

1b. Cash flow Statement

The company is exempt from including statement of cash flows in its accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1c. Depreciation

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

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

1d. Turnover

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

2. Turnover

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

	2012 £	2011 £
Remittances, Commissions	42,107	36,390
Bureau DE Change Commission	6,046	4,265
	<u>48,153</u>	<u>40,655</u>
3. Operating Profit		
Operating Profit after charging:	-	-
Depreciation	8,829	10,949
	<u>8,829</u>	<u>10,949</u>
4. Tax on Ordinary Activities	-	-
5. Extraordinary items less Taxation		
Translation Difference	1,308	1,895
Cash Surplus/Shortage	1,205	-
Net Extraordinary profit after taxation	<u>2,513</u>	<u>1,895</u>

** Translation difference that has arisen from foreign currency fluctuation throughout the reporting year.

** There was a cash surplus arising in the year of £ 1205, which needs attention from the board.

	Plant and Machinery £	Fixtures and Fittings £	Total £
6. Tangible Fixed Assets			
Cost	13,300	45,078	58,378
At 01/01/2012	-	345	345
Additions	13,300	45,423	58,723
At 31/12/2012			
Depreciation	2,912	11,668	14,580
At 01/01/2012	2,078	6,751	8,829
For the year	4,990	18,419	23,409
At 31/12/2012			
Net Book Amounts	8,310	27,004	35,314
At 31/12/2012	10,388	33,410	43,798
At 31/12/2011			
		2012 £	2011 £
7. Debtors			
Amount falling due within one year:			
Trade debtors		-	108
Other debtors		4,139	879
		4,139	987
Amount falling due after more than one year:			
Rent Deposit		8,750	8,750
Total Debtors		8,750	8,750
8. Creditors: Amounts falling due within one year			
TT payable		188,154	115,554
Taxation and social security		866	629
Other Creditors		7,682	3,242
		196,702	119,425
9. Share Capital			
Allotted, issued and fully paid:			
130000 Ordinary shares of £ 1 each		230,000	130,000
		230,000	130,000
New shares issued during period:			
100000 Ordinary shares of £ 1 each		100,000	89,500
		100,000	89,500
10. Profit and Loss Reserve:			
Opening balance		(140,003)	(23,343)
Loss for the year		(94,764)	(116,660)
		(234,767)	(140,003)

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11. Prior Year Adjustments

Prior year adjustments were made in the financial statements. In 2011, professional charge was shown as £4200 which has been re-instated as £3000 and adjustments were made in the opening balance of the Retained Earnings B/F. £1200 was credited in Profit and Loss Account and debited in Accruals.

12. Controlling Party

The company being 100% Subsidiary of Mutual Trust Bank Ltd, Bangladesh is under common control from the parent company.

