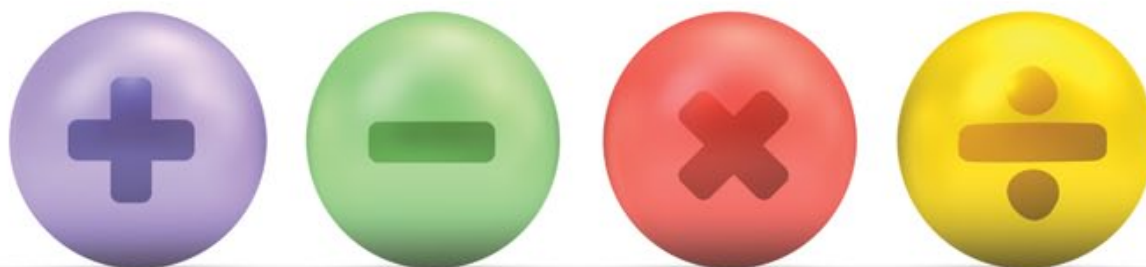


# FINANCIAL INFORMATION



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

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 auditor, 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 153 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 and CEO



**MD. ZAKIR HUSSAIN**  
Deputy Managing Director and  
Group Chief Financial Officer

## Independent Auditor's Report



★ Since 1953 ★

**A. Qasem & Co.**

Chartered Accountants

Gulshan Pink City  
Suites # 01-03, Level : 7  
Plot # 15, Road # 103,  
Gulshan Avenue  
Dhaka - 1212, Bangladesh.  
Phone : 880-2-8881824-6  
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**Independent Auditor's Report  
To the Shareholders of  
Mutual Trust Bank Limited**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of **Mutual Trust Bank Limited** and its subsidiaries as well as the separate financial statements of Mutual Trust Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at December 31, 2013 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Financial Statements and Internal Controls***

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

***Auditor's Responsibility***

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

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

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

**A. Qasem & Co.**

Chartered Accountants

**Opinion**

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at December 31, 2013 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1, 2.2 & 2.4.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank, as disclosed in note 2.15 of the financial statements appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities, other than matters disclosed in these financial statements; note 2.15(e)
- (c) financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 2400 person hours for the audit of the books and accounts of the Bank.

Dated: Dhaka  
March 09, 2014

  
(A Qasem & Co.)  
Chartered Accountants

## Consolidated Balance Sheet

As at December 31, 2013


Property and Assets	Note	2013 BDT	2012 BDT
<b>Cash</b>	<b>3 (a)</b>	<b>7,169,407,855</b>	<b>6,531,179,980</b>
In Hand (including Foreign Currency)		1,715,994,704	1,103,787,921
With Bangladesh Bank and its Agent Bank (including Foreign Currency)		5,453,413,151	5,427,392,059
<b>Balance with Other Banks and Financial Institutions</b>	<b>4 (a)</b>	<b>1,633,866,234</b>	<b>1,112,418,865</b>
In Bangladesh		1,320,657,340	380,497,610
Outside Bangladesh		313,208,894	731,921,255
<b>Money at Call and Short Notice</b>	<b>5.00</b>	<b>460,000,000</b>	<b>-</b>
<b>Investments</b>	<b>6(a)</b>	<b>25,824,406,855</b>	<b>23,251,059,259</b>
Government		23,806,295,142	21,236,805,667
Others		2,018,111,713	2,014,253,592
<b>Loans and Advances</b>	<b>7 (a)</b>	<b>59,548,362,590</b>	<b>56,511,077,223</b>
Loans, Cash Credit, Overdrafts, etc.		57,954,404,092	54,093,323,785
Bills Purchased and Discounted		1,593,958,498	2,417,753,438
<b>Fixed Asset including Premises, Furniture and Fixtures</b>	<b>8 (a)</b>	<b>2,458,193,366</b>	<b>2,384,658,808</b>
<b>Other Assets</b>	<b>9 (a)</b>	<b>4,369,303,561</b>	<b>3,371,660,229</b>
<b>Non-Banking Assets</b>		<b>-</b>	<b>-</b>
<b>Total Property and Asset</b>		<b>101,463,540,461</b>	<b>93,162,054,362</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions and Agents</b>	<b>10 (a)</b>	<b>2,637,966,323</b>	<b>5,962,220,000</b>
<b>Deposit and Other Accounts</b>	<b>11 (a)</b>	<b>84,372,740,788</b>	<b>75,140,144,506</b>
Current Deposit and Other Accounts		11,509,180,644	9,051,374,336
Bills Payable		779,790,179	1,813,681,363
Savings Deposit		11,097,954,735	9,224,420,233
Fixed Deposit		48,281,499,552	45,300,855,194
Deposit-Products		12,704,315,678	9,749,813,380
<b>Other Liabilities</b>	<b>12 (a)</b>	<b>6,503,676,337</b>	<b>4,726,044,321</b>
<b>Subordinated Debt</b>	<b>13.00</b>	<b>2,500,000,000</b>	<b>2,500,000,000</b>
<b>Total Liabilities</b>		<b>96,014,383,448</b>	<b>88,328,408,827</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	<b>14.00</b>	2,797,848,240	2,543,498,400
Statutory Reserve	<b>15 (a)</b>	1,917,204,582	1,637,341,825
Revaluation Reserve on Investment in Securities		161,739,327	120,718,271
Foreign Currency Translation Gain		1,070,995	-
General Reserve	<b>16.00</b>	276,777,324	276,777,324
Retained Earnings	<b>17 (a)</b>	294,423,377	255,237,061
<b>Total Shareholders' Equity</b>		<b>5,449,063,846</b>	<b>4,833,572,881</b>
<b>Minority Interest</b>		<b>93,167</b>	<b>72,655</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>101,463,540,461</b>	<b>93,162,054,362</b>
<b>Net Asset Value (NAV) per share</b>		<b>19.48</b>	<b>17.28</b>

## Consolidated Balance Sheet

As at December 31, 2013

Off-Balance Sheet Items	Note	2013 BDT	2012 BDT
<b>Contingent Liabilities</b>	<b>18 (a)</b>		
Letter of Guarantee		6,048,664,710	4,966,662,479
Irrevocable Letter of Credit		6,440,568,870	6,409,873,550
Bills for Collection		1,713,053,536	1,347,416,727
Other Contingent Liabilities		9,694,390,988	4,952,569,092
		<b>23,896,678,104</b>	<b>17,676,521,848</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>23,896,678,104</b>	<b>17,676,521,848</b>

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
 Chairman

  
**M. A. ROUF, JP**  
 Vice Chairman

  
**SYED MANZUR ELAHI**  
 Director

  
**ANIS A. KHAN**  
 Managing Director and CEO

Signed as per annexed report on even date

Dated: Dhaka  
 March 09, 2014

  
**A. ASEM & CO.**  
 Chartered Accountants



## Consolidated Profit and Loss Account

For the year ended December 31, 2013

Particulars	Note	2013 BDT	2012 BDT
Interest Income	20 (a)	8,984,990,174	7,848,900,869
Less: Interest Paid on Deposit and Borrowing, etc.	21 (a)	7,957,130,247	6,997,907,039
<b>Net Interest Income</b>		<b>1,027,859,927</b>	<b>850,993,830</b>
Income from Investments	22 (a)	2,466,231,850	1,602,594,858
Commission, Exchange and Brokerage	23 (a)	769,630,665	710,330,160
Other Operating Income	24 (a)	355,264,401	343,283,860
		<b>3,591,126,916</b>	<b>2,656,208,878</b>
<b>Total Operating Income</b>		<b>4,618,986,843</b>	<b>3,507,202,708</b>
<b>Less: Operating Expenditure:</b>			
Salary and Allowances	25 (a)	1,210,627,316	998,693,201
Rent, Tax, Insurance and Electricity	26 (a)	477,223,454	424,178,857
Legal Expenses	27 (a)	1,900,320	2,238,862
Postage, Stamps and Telephone	28 (a)	66,216,589	68,871,215
Printing, Stationery and Advertisement	29 (a)	87,257,490	89,098,721
Managing Director's Remuneration	25.01	11,789,333	10,695,067
Directors' Fees	30.00	775,000	685,000
Audit Fees	31 (a)	1,396,061	1,182,590
Depreciation on and Repair to Bank's Property	32 (a)	269,728,113	216,260,017
Other Expenditure	33 (a)	466,212,101	362,967,804
<b>Total Operating Expenses</b>		<b>2,593,125,777</b>	<b>2,174,871,334</b>
<b>Operating Profit</b>		<b>2,025,861,066</b>	<b>1,332,331,374</b>
Less: Provision against Loans and Advances including Off Balance Sheet Items	34.00	455,899,298	455,657,130
Less: Provision against Investment in Quoted Shares		170,647,985	57,848,217
Less: Provision against Other Assets		-	-
<b>Total Provision</b>		<b>626,547,283</b>	<b>513,505,347</b>
<b>Profit Before Tax</b>		<b>1,399,313,783</b>	<b>818,826,027</b>
<b>Less: Provision for Tax</b>	35 (a)	<b>826,061,583</b>	<b>490,958,213</b>
Current Tax		850,844,790	493,350,122
Deferred Tax		(24,783,207)	(2,391,909)
<b>Net Profit After Tax</b>		<b>573,252,200</b>	<b>327,867,814</b>

## Consolidated Profit and Loss Account

For the year ended December 31, 2013

Particulars	Note	2013 BDT	2012 BDT
<b>Attributable to:</b>			
Shareholders of the Bank		573,231,688	327,836,169
Minority Interest		20,512	31,645
		<b>573,252,200</b>	<b>327,867,814</b>
<b>Retained Surplus Brought Forward</b>		255,237,061	311,451,467
		<b>828,468,749</b>	<b>639,287,636</b>
<b>Appropriation:</b>			
Bonus Share Issued during the year		254,349,840	-
Cash Dividend Paid during the year		-	305,219,808
Transferred to Statutory Reserve		279,862,757	163,765,205
		534,212,597	468,985,013
<b>Retained Surplus, Carried Forward</b>		<b>294,256,152</b>	<b>170,302,623</b>
<b>Earnings Per Share</b>	<b>36 (a)</b>	<b>2.05</b>	<b>1.17</b>

The annexed notes form an integral part of these accounts



**RASHED A. CHOWDHURY**  
Chairman



**M. A. ROUF, JP**  
Vice Chairman



**SYED MANZUR ELAHI**  
Director



**ANIS A. KHAN**  
Managing Director and CEO

Signed as per annexed report on even date

Dated: Dhaka  
March 09, 2014



**A. ASEM & CO.**  
Chartered Accountants




# Consolidated Statement of Cash Flow

For the year ended December 31, 2013

	Note	2013 BDT	2012 BDT
<b>A) Cash Flow From Operating Activities:</b>			
Interest Received		11,392,281,733	9,263,263,019
Interest Paid on Deposits, Borrowings, etc.		(8,002,885,252)	(6,835,840,860)
Dividend Income		58,940,290	188,232,707
Fees and Commission Income		562,295,401	488,129,187
Recoveries of Loans previously written off		5,900,000	6,500,000
Cash Paid to Employees as Salaries and Allowances		(1,121,839,551)	(1,000,824,362)
Advance Income Tax Paid		(669,113,985)	(470,251,639)
Cash Received From Other Operational Income	37 (a)	556,699,665	558,984,833
Cash Paid for Other Operational Expenses	38 (a)	(1,118,658,667)	(972,366,272)
<b>Cash Flow From Operating Activities Before Changes in Net Current Asset</b>		<b>1,663,619,634</b>	<b>1,225,826,614</b>
<b>Changes in Net Current Asset :</b>			
Investment in Treasury Bond		(143,180,402)	(3,195,375,286)
Loans and Advances		(3,037,285,367)	(9,505,597,361)
Other Assets		(328,529,346)	(1,245,110,400)
Bank Deposit		-	(950,000,000)
Customers' Deposit		9,278,351,287	16,877,273,973
Borrowing from Other Banks, Financial Institutions and Agents		(3,324,253,677)	181,485,408
Other Liabilities		219,686,618	469,156,130
		<b>2,664,789,113</b>	<b>2,631,832,464</b>
<b>Net Cash Flow From Operating Activities</b>		<b>4,328,408,747</b>	<b>3,857,659,078</b>
<b>B) Cash Flow From Investing Activities:</b>			
Investments in Shares and Bonds		(4,182,072)	(107,565,825)
Purchase of Premises and Fixed Assets (net)		(320,658,360)	(1,024,607,366)
<b>Net Cash Flow From Investing Activities</b>		<b>(324,840,432)</b>	<b>(1,132,173,191)</b>
<b>C) Cash Flow From Financing Activities:</b>			
Receipts From Issue of Right Shares		-	-
Dividend Paid		-	(305,219,808)
<b>Net Cash Flow From Financing Activities</b>		<b>-</b>	<b>(305,219,808)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>4,003,568,315</b>	<b>2,420,266,079</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>1,070,995</b>	<b>-</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>10,316,543,073</b>	<b>7,896,276,994</b>
Closing Cash and Cash Equivalents (D+E+F)		<b>14,321,182,383</b>	<b>10,316,543,073</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		1,715,994,704	1,103,787,921
Balance with Bangladesh Bank and its Agent Bank		5,453,413,151	5,427,392,059
Balance with Other Banks and Financial Institutions		1,633,866,234	1,112,418,865
Money at Call and Short Notice		460,000,000	-
Treasury Bill		5,055,134,895	2,669,846,879
Prize Bond		2,773,400	3,097,350
		<b>14,321,182,383</b>	<b>10,316,543,073</b>
<b>Net Operating Cash Flow Per Share</b>		<b>15.47</b>	<b>13.79</b>

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
 Chairman

  
**M. A. ROUF, JP**  
 Vice Chairman

  
**SYED MANZUR ELAHI**  
 Director

  
**ANIS A. KHAN**  
 Managing Director and CEO

## Consolidated Statement of Changes in Equity

For the year ended December 31, 2013

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
<b>Balance as at January 01, 2013</b>	<b>2,543,498,400</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>120,718,271</b>	<b>-</b>	<b>255,237,061</b>	<b>4,833,572,881</b>	<b>72,655</b>	<b>4,833,645,536</b>
Bonus Share Issued during the year	254,349,840	-	-	-	-	(254,349,840)	-	-	-
Currency Translation differences	-	-	-	-	1,070,995	(1,948,950)	(877,955)	-	(877,955)
Revaluation Reserve transferred during the year	-	-	-	41,021,056	-	-	41,021,056	-	41,021,056
Net Profit for the year after Tax	-	-	-	-	-	573,231,688	573,231,688	20,512	573,252,200
Prior year adjustment-subsidaries profit	-	-	-	-	-	2,116,176	2,116,176	-	2,116,176
Appropriation made during the year	-	279,862,757	-	-	-	(279,862,757)	-	-	-
<b>Balance as at December 31, 2013</b>	<b>2,797,848,240</b>	<b>1,917,204,582</b>	<b>276,777,324</b>	<b>161,739,327</b>	<b>1,070,995</b>	<b>294,423,377</b>	<b>5,449,063,846</b>	<b>93,167</b>	<b>5,449,157,013</b>
<b>Balance as at December 31, 2012</b>	<b>2,543,498,400</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>120,718,271</b>	<b>-</b>	<b>255,237,061</b>	<b>4,833,572,881</b>	<b>72,655</b>	<b>4,833,645,536</b>

The annexed notes form an integral part of these accounts



**RASHED A. CHOWDHURY**  
Chairman



**M. A. ROUF, JP**  
Vice Chairman



**SYED MANZUR ELAHI**  
Director



**ANIS A. KHAN**  
Managing Director and CEO

## Consolidated Liquidity Statement

As at December 31, 2013

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Asset:</b>						
Cash	7,169,407,855	-	-	-	-	7,169,407,855
Balance with other Banks and Financial Institutions	868,876,788	320,924,995	304,630,058	139,434,393	-	1,633,866,234
Money at Call and Short notice	460,000,000	-	-	-	-	460,000,000
Investments	2,773,400	1,302,823,063	5,228,317,445	6,523,042,312	12,767,450,635	25,824,406,855
Loans and Advances	4,428,136,759	21,490,821,076	14,503,516,518	14,105,911,987	5,019,976,550	59,548,362,890
Premises and Fixed Asset	7,652,606	15,305,212	68,873,454	367,325,088	1,999,037,006	2,458,193,366
Other Assets	30,067,407	493,644,511	614,539,474	2,257,716,624	973,335,545	4,369,303,561
Non-Banking Assets	-	-	-	-	-	-
<b>Total Asset</b>	<b>12,966,914,815</b>	<b>23,623,518,857</b>	<b>20,719,876,949</b>	<b>23,393,430,405</b>	<b>20,759,799,736</b>	<b>101,463,540,761</b>
<b>Liabilities :</b>						
Borrowing From Other Banks, Financial Institutions and Agents	2,637,966,323	-	-	-	-	2,637,966,323
Deposit and Other Account	22,290,980,736	35,436,061,320	17,941,414,762	5,398,463,080	3,305,820,890	84,372,740,788
Provision and Other Liabilities	14,347,626	444,407,442	1,604,439,354	2,191,929,429	2,172,938,295	6,428,062,146
Subordinated Debt	-	75,614,191	-	-	2,500,000,000	2,575,614,191
<b>Total Liabilities</b>	<b>24,943,294,685</b>	<b>35,956,082,953</b>	<b>19,545,854,116</b>	<b>7,590,392,508</b>	<b>7,978,759,185</b>	<b>96,014,383,448</b>
<b>Net Liquidity</b>	<b>(11,976,379,870)</b>	<b>(12,332,564,097)</b>	<b>1,174,022,833</b>	<b>15,803,037,896</b>	<b>12,781,040,551</b>	<b>5,449,157,314</b>

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
 Chairman

  
**M. A. ROUF, JP**  
 Vice Chairman

  
**SYED MANZUR ELAHI**  
 Director

  
**ANISA A. KHAN**  
 Managing Director and CEO

Financial Information

## Balance Sheet

As at December 31, 2013

<b>Property and Assets</b>	<b>Note</b>	<b>2013 BDT</b>	<b>2012 BDT</b>
<b>Cash</b>	<b>3.00</b>	<b>7,154,414,979</b>	<b>6,511,075,086</b>
In Hand (including Foreign Currency)		1,701,001,828	1,083,683,027
With Bangladesh Bank and its Agent Bank (including Foreign Currency)		5,453,413,151	5,427,392,059
<b>Balance with other Banks and Financial Institutions</b>	<b>4.00</b>	<b>1,370,713,131</b>	<b>1,056,254,665</b>
In Bangladesh		1,057,504,237	324,333,410
Outside Bangladesh		313,208,894	731,921,255
<b>Money at Call and Short Notice</b>	<b>5.00</b>	<b>460,000,000</b>	<b>-</b>
<b>Investments</b>	<b>6.00</b>	<b>25,626,432,399</b>	<b>23,071,341,742</b>
Government		23,806,295,142	21,239,941,577
Others		1,820,137,257	1,831,400,165
<b>Loans and Advances</b>	<b>7.00</b>	<b>58,010,823,105</b>	<b>55,082,049,670</b>
Loans, Cash Credit, Overdrafts, etc.		56,416,864,607	52,664,296,232
Bills Purchased and Discounted		1,593,958,498	2,417,753,438
<b>Fixed Asset including Premises, Furniture and Fixtures</b>	<b>8.00</b>	<b>2,334,968,565</b>	<b>2,258,794,934</b>
<b>Other Assets</b>	<b>9.00</b>	<b>5,774,778,962</b>	<b>4,823,169,351</b>
<b>Non-Banking Assets</b>		<b>-</b>	<b>-</b>
<b>Total Property and Asset</b>		<b>100,732,131,141</b>	<b>92,802,685,449</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions and Agents</b>	<b>10.00</b>	<b>2,637,973,603</b>	<b>5,962,220,000</b>
<b>Deposit and Other Accounts</b>	<b>11.00</b>	<b>84,640,395,660</b>	<b>75,368,729,652</b>
Current Deposit and Other Accounts		11,631,835,516	9,229,959,482
Bills Payable		779,790,179	1,813,681,363
Savings Deposit		11,097,954,735	9,224,420,233
Fixed Deposit		48,426,499,552	45,350,855,194
Deposit-Products		12,704,315,678	9,749,813,380
<b>Other Liabilities</b>	<b>12.00</b>	<b>5,471,461,983</b>	<b>4,108,630,927</b>
<b>Subordinated Debt</b>	<b>13.00</b>	<b>2,500,000,000</b>	<b>2,500,000,000</b>
<b>Total Liabilities</b>		<b>95,249,823,966</b>	<b>87,939,580,579</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	<b>14.00</b>	2,797,848,240	2,543,498,400
Statutory Reserve	<b>15.00</b>	1,917,204,582	1,637,341,825
Revaluation Reserve on Investment in Securities		161,739,327	120,718,271
Foreign Currency Translation Gain/(Loss)		-	-
General Reserve	<b>16.00</b>	276,777,324	276,777,324
Retained Earnings	<b>17.00</b>	328,737,703	284,769,050
<b>Total Shareholders' Equity</b>		<b>5,482,307,176</b>	<b>4,863,104,870</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>100,732,131,141</b>	<b>92,802,685,449</b>
<b>Net Asset Value (NAV) per share</b>		<b>19.59</b>	<b>17.38</b>


# Balance Sheet

As at December 31, 2013

	Note	2013 BDT	2012 BDT
<b>Off-Balance Sheet Items</b>	<b>18.00</b>		
<b>Contingent Liabilities</b>			
Letter of Guarantee		6,048,664,710	4,966,662,479
Irrevocable Letter of Credit		6,440,568,870	6,409,873,550
Bills for Collection		1,713,053,536	1,347,416,727
Other Contingent Liabilities		9,694,390,988	4,952,569,092
<b>Other Commitments</b>		<b>23,896,678,104</b>	<b>17,676,521,848</b>
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>		<b>23,896,678,104</b>	<b>17,676,521,848</b>

Financial Information

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
 Chairman

  
**M. A. ROUF, JP**  
 Vice Chairman

  
**SYED MANZUR ELAHI**  
 Director

  
**ANIS A. KHAN**  
 Managing Director and CEO

Signed as per annexed report on even date

Dated: Dhaka  
 March 09, 2014

  
**A. ASEM & CO.**  
 Chartered Accountants

## Profit and Loss Account

For the year ended December 31, 2013


Particulars	Note	2013 BDT	2012 BDT
Interest Income	20.00	8,675,511,888	7,622,525,755
Less: Interest Paid on Deposit and Borrowing, etc.	21.00	7,997,883,744	7,005,065,351
<b>Net Interest Income</b>		<b>677,628,144</b>	<b>617,460,404</b>
Income from Investments	22.00	2,603,854,730	1,770,132,891
Commission, Exchange and Brokerage	23.00	631,582,657	561,951,859
Other Operating Income	24.00	344,174,741	282,331,007
		<b>3,579,612,128</b>	<b>2,614,415,756</b>
<b>Total Operating Income</b>		<b>4,257,240,272</b>	<b>3,231,876,160</b>
<b>Less: Operating Expenditure:</b>			
Salary and Allowances	25.00	1,140,450,598	932,630,110
Rent, Tax, Insurance, Electricity	26.00	432,273,845	383,051,174
Legal Expenses	27.00	1,563,657	1,751,248
Postage, Stamps and Telephone	28.00	64,600,694	67,678,509
Printing, Stationery and Advertisement	29.00	84,956,292	87,324,718
Managing Director's Remuneration	25.01	11,789,333	10,695,067
Directors' Fees	30.00	775,000	685,000
Audit Fees	31.00	930,000	713,000
Depreciation on and Repair to Bank's Property	32.00	256,152,998	203,770,504
Other Expenditure	33.00	439,902,529	345,951,487
<b>Total Operating Expenses</b>		<b>2,433,394,946</b>	<b>2,034,250,817</b>
<b>Profit Before Provision</b>		<b>1,823,845,326</b>	<b>1,197,625,343</b>
Less: Provision against Loans and Advances including Off-Balance Sheet Items	34.00	455,899,298	455,657,130
Less: Provision against Investment in Quoted Shares		99,147,985	14,700,000
Less: Provision against Other Assets		-	-
<b>Total Provision</b>		<b>555,047,283</b>	<b>470,357,130</b>
<b>Profit Before Tax</b>		<b>1,268,798,043</b>	<b>727,268,213</b>
<b>Less: Provision for Tax</b>	35.00	<b>690,616,793</b>	<b>388,630,239</b>
Current Tax		715,400,000	391,022,148
Deferred Tax		(24,783,207)	(2,391,909)
<b>Net Profit After Tax</b>		<b>578,181,250</b>	<b>338,637,974</b>
<b>Retained Surplus Brought Forward</b>		<b>284,769,049</b>	<b>330,116,089</b>
		<b>862,950,299</b>	<b>668,754,063</b>

## Profit and Loss Account

For the year ended December 31, 2013

<u>Particulars</u>	<u>Note</u>	<u>2013</u> <u>BDT</u>	<u>2012</u> <u>BDT</u>
<b>Appropriation:</b>			
Bonus Share Issued during the year		254,349,840	-
Cash Dividend during the year		-	305,219,808
Transferred to Statutory Reserve		279,862,757	163,765,205
		<b>534,212,597</b>	<b>468,985,013</b>
<b>Retained Surplus, Carried Forward</b>		<b>328,737,702</b>	<b>199,769,050</b>
<b>Earnings Per Share</b>	<b>36.00</b>	<b>2.07</b>	<b>1.21</b>

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
Chairman

  
**M. A. ROUF, JP**  
Vice Chairman

  
**SYED MANZUR ELAHI**  
Director

  
**ANIS A. KHAN**  
Managing Director and CEO

Signed as per annexed report on even date

Dated: Dhaka  
March 09, 2014

  
**A. ASEM & CO.**  
Chartered Accountants



## Statement of Cash Flow

For the year ended December 31, 2013

	Note	2013 BDT	2012 BDT
<b>A) Cash Flow From Operating Activities:</b>			
Interest Received		11,077,251,327	9,204,425,938
Interest Paid on Deposits, Borrowings, etc.		(8,043,638,749)	(6,842,999,172)
Dividend Income		202,115,290	188,232,707
Fees and Commission Income		424,247,393	339,750,886
Recoveries of Loans previously written off		5,900,000	6,500,000
Cash Paid to Employees as Salaries and Allowances		(1,051,662,832)	(934,761,271)
Advance Income Tax Paid		(641,067,268)	(443,293,051)
Cash Received From Other Operational Income	37.00	545,610,005	498,031,979
Cash Paid for Other Operational Expenses	38.00	(1,041,775,867)	(908,846,668)
<b>Cash Flow From Operating Activities Before Changes in Net Current Asset</b>		<b>1,476,979,300</b>	<b>1,107,041,349</b>
<b>Changes in Net Current Asset :</b>			
Investment in Treasury Bond		(143,180,401)	(3,195,375,286)
Loans and Advances		(2,928,773,435)	(8,892,310,138)
Other Assets		(310,542,342)	(1,373,402,339)
Bank Deposit		-	(950,000,000)
Customers' Deposit		9,317,421,013	16,451,405,112
Borrowing from Other Banks, Financial Institutions and Agents		(3,324,253,677)	181,485,408
Other Liabilities		14,725,790	441,137,514
		<b>2,625,396,947</b>	<b>2,662,940,271</b>
<b>Net Cash Flow From Operating Activities</b>		<b>4,102,376,247</b>	<b>3,769,981,620</b>
<b>B) Cash Flow From Investing Activities:</b>			
Investments in Shares and Bonds		10,938,958	(113,041,111)
Purchase of Premises and Fixed Asset (net)		(310,552,780)	(972,167,376)
<b>Net Cash Flow From Investing Activities</b>		<b>(299,613,822)</b>	<b>(1,085,208,487)</b>
<b>C) Cash Flow From Financing Activities:</b>			
Dividend Paid		-	(305,219,808)
<b>Net Cash Flow From Financing Activities:</b>		<b>-</b>	<b>(305,219,808)</b>
<b>D) Net Increase in Cash and Cash Equivalents:</b>		<b>3,802,762,425</b>	<b>2,379,553,325</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents:</b>		<b>-</b>	<b>-</b>
<b>F) Opening Cash and Cash Equivalents:</b>		<b>10,240,273,980</b>	<b>7,860,720,655</b>
Closing Cash and Cash Equivalents (D+E+F)		<b>14,043,036,405</b>	<b>10,240,273,980</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		1,701,001,828	1,083,683,028
Balance with Bangladesh Bank and its Agent Bank		5,453,413,151	5,427,392,059
Balance with Other Banks and Financial Institutions		1,370,713,131	1,056,254,665
Money at Call and Short Notice		460,000,000	-
Treasury Bill		5,055,134,895	2,669,846,879
Prize Bond		2,773,400	3,097,350
		<b>14,043,036,405</b>	<b>10,240,273,980</b>
<b>Net Operating Cash Flow Per Share</b>		<b>14.66</b>	<b>13.47</b>

The annexed notes form an integral part of these accounts



**RASHED A. CHOWDHURY**  
Chairman



**M. A. ROUF, JP**  
Vice Chairman



**SYED MANZUR ELAHI**  
Director



**ANIS A. KHAN**  
Managing Director and CEO

## Statement of Changes in Equity

For the year ended December 31, 2013

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Profit & Loss Account	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance as at January 01, 2013</b>	<b>2,543,498,400</b>	<b>-</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>120,718,271</b>	<b>-</b>	<b>284,769,050</b>	<b>4,863,104,870</b>
Bonus Share Issued during the year	254,349,840	-	-	-	-	-	(254,349,840)	-
Revaluation Reserve transferred during the year	-	-	-	-	41,021,056	-	-	41,021,056
Net Profit for the year after tax	-	-	-	-	-	-	578,181,250	578,181,250
Appropriation made during the year	-	-	279,862,757	-	-	-	(279,862,757)	-
<b>Balance as at December 31, 2013</b>	<b>2,797,848,240</b>	<b>-</b>	<b>1,917,204,582</b>	<b>276,777,324</b>	<b>161,739,327</b>	<b>-</b>	<b>328,737,703</b>	<b>5,482,307,176</b>
<b>Balance as at December 31, 2012</b>	<b>2,543,498,400</b>	<b>-</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>120,718,271</b>	<b>-</b>	<b>284,769,050</b>	<b>4,863,104,870</b>

The annexed notes form an integral part of these accounts

  
**RASHED A. CHOWDHURY**  
 Chairman

  
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 Vice Chairman

  
**SYED MANZUR ELAHI**  
 Director

  
**ANIS A. KHAN**  
 Managing Director and CEO

Financial Information

## Financial Information

## Liquidity Statement

As at December 31, 2013

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Asset:</b>						
Cash	7,154,414,979	-	-	-	-	7,154,414,979
Balance with other Banks and Financial Institutions	868,876,788	320,924,995	41,476,955.07	139,434,393	-	1,370,713,131
Money at Call and Short notice	460,000,000	-	-	-	-	460,000,000
Investments	2,773,400	1,112,848,607	5,228,317,445	6,523,042,312	12,759,450,635	25,626,432,399
Loans and Advances	3,365,478,471	21,305,669,563	14,378,563,264	13,984,384,246	4,976,727,562	58,010,823,105
Premises and Fixed Assets	23,349,686	46,699,371	210,147,171	1,120,784,911	933,987,426	2,334,968,565
Other Asset	30,067,407	493,644,511	471,619,075	2,257,716,624	2,521,731,345	5,774,778,962
Non-Banking Assets	-	-	-	-	-	-
<b>Total Asset</b>	<b>11,904,960,730</b>	<b>23,279,787,047</b>	<b>20,330,123,910</b>	<b>24,025,362,487</b>	<b>21,191,896,968</b>	<b>100,732,131,141</b>
<b>Liabilities:</b>						
Borrowing From other Banks, Financial Institutions and Agents	2,637,966,323	-	-	-	-	2,637,966,323
Deposit and other Account	22,290,980,736	35,581,061,320	18,064,069,634	5,398,463,080	3,305,820,890	84,640,395,660
Provision and other Liabilities	14,347,626	301,232,442	715,400,000	2,191,929,429	2,172,938,295	5,395,847,792
Subordinated Debt	-	75,614,191	-	-	2,500,000,000	2,575,614,191
<b>Total Liabilities</b>	<b>24,943,294,685</b>	<b>35,957,907,953</b>	<b>18,779,469,634</b>	<b>7,590,392,508</b>	<b>7,978,759,185</b>	<b>95,249,823,966</b>
<b>Net Liquidity</b>	<b>(13,038,333,955)</b>	<b>(12,678,120,906)</b>	<b>1,550,654,276</b>	<b>16,434,969,978</b>	<b>13,213,137,783</b>	<b>5,482,307,176</b>

The annexed notes form an integral part of these accounts



**RASHED A. CHOWDHURY**  
Chairman



**M. A. ROUF, JP**  
Vice Chairman



**SYED MANZUR ELAHI**  
Director



**ANIS A. KHAN**  
Managing Director and CEO

## Notes to the Financial Statements

For the year ended December 31, 2013

### 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 the directive 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 78 (seventy eight) Branches, 14 (fourteen) SME/Agri Branches and 2 (two) Booths all over Bangladesh. The Bank has no overseas branch as on December 2013. The booths are 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 (BB). 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 (BB). 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 (BB) 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 out 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 Bangladesh 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 April 17, 2011. Separate financial statements have been drawn up in the reports.

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

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

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

**2.0 Significant Accounting Policies and Basis of preparation of Financial Statements****2.1 Basis of Accounting**

The financial statements of the Bank are made up to December 31, 2013 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 (BB) 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 and 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 (IAS) and interpretations as approved on 01 January 2010.

**2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-Shore Banking Units and its subsidiaries, MTB Securities Limited, MTB Capital Limited and 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, 2013.

**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. The subsidiary company is consolidated using the purchase method of accounting. The MTB subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited have a common financial year ending December 31, 2013.

**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	128.12	77.75
For income & expenses	Average price	121.65	78.03

**Transactions eliminated on consolidation**

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

**2.3 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 and 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, 2013.

## 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 methods of investments used are:

#### 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 (BB) Guideline. Investments in securities have been revalued as mark-to-market as on December 31, 2013, and have been shown in the equity. Values 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.

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 Company 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, 2013, BRPD 15 dated September 23, 2013 and BRPD 19 dated December 27, 2013, 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 professionals	2%
General Provision on unclassified consumer financing other than housing finance and loans for professionals	5%
General Provision on Special Mention 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 buildings 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 costless accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of 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 while 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 buildings, 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 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-7.03). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank’s net investment outstanding in respect of the leases.

##### **The Bank as Lessee**

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

#### **2.7.8 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. Unreconciled entries/ balances in the case of inter-branch transactions as on the reporting date are not material (note-9.02)

#### **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 date 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 2013 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 Act, 2013 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 a subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

#### b) Gratuity

The Bank operates a funded gratuity scheme, 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 service with the Bank.

As per gratuity, scheme every permanent employee will get gratuity benefits as per following policy that they render 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 contributions 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 benefits 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 the death of an employee while in active service, financial benefits are paid to the nominee of the deceased employee at a prescribed amount ranging from BDT 3 (three) lacs to BDT 10 (ten) lacs.

#### f) MTB Foundation

The Bank, as part of Corporate Social Responsibility, has established MTB Foundation for the benefit of the community in which it operates and as part of its said responsibility it commits itself to human development, poverty alleviation and overall national economic development. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of Trustees consisting of eleven 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 (BB) guidelines. As per BRPD Circular 14, dated September 23, 2013, 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 September 13, 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, the Bank is not required to make a provision regarding the unreconciled debit balance of nostro accounts as on the reporting date in these financials as there are no unreconciled 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 36 and Note 36(a).

Diluted earnings per share are 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 returns. 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 (BB). 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 which 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 (BB):

#### **(a) Credit Risk Management**

Credit risk is 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 guidelines, etc of Bangladesh Bank/other Statutory Authorities.

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

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

#### **(b) Market Risk**

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

##### **1) Foreign Exchange Risk Management**

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

In view of the significance of the market risk and in order to aggregate all such risks at a single department and to bring expertise in such functions, the concept of treasury has evolved. Today's financial institutions engage in activities from import, export and remittance to complex derivatives involving basic foreign exchange and money market to complex structured products. All these require 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 a "Asset Liability Management Committee (ALCO)" with the senior management as its members to control and better manage its Balance Sheet Risk.

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

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

### 3) Equity Risk

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

#### (c) Operational Risk

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

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

As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of the 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 operations of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

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

Business entities today exist in a highly competitive world. They are constantly innovating to meet their business objectives providing essential and unique services to their customers. Technology advances have enabled them to achieve their varied strategies. And yet, the threats of disaster, on account of business interruption, are not extinct – in fact, they have also evolved along with the technology. Keeping that in mind MTB has taken up its Business Continuity Planning (BCP) as the most significant challenges working out a way to prevent, if possible, and manage the consequences of a disaster, limiting it to the extent that a business can afford. Besides BCP, the Bank is also focusing on combating security threats. In keeping with our centralized management model, each branch within the Bank has its own ICT systems. Actions taken include updating 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 (BB), 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 (BB), 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 (BB). In order to ensure the compliance of all the instructions given on different occasions by Bangladesh Bank (BB), 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 Stock Dividend @ 10% for the year 2013 subject to the approval of shareholders at Annual General Meeting (AGM).

## 2.17 Audit Committee

In compliance with 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. Anwarul Amin	Independent Director	Chairman	Graduated From Westminster Bank Institute of Banking, Oxfordshire, UK
02.	Mr. Syed Manzur Elahi	Director (Founding Chairman)	Member	MA in Economics from University of Dhaka
03.	Mr. Rashed Ahmed Chowdhury	Chairman	Member	Post Graduate in Management from Kingston University, UK
04.	Mrs. Khwaja Nargis Hossain	Director	Member	Post Graduate in Islamic History from University of Dhaka
05.	Dr. Sultan Hafeez Rahman	Independent Director	Member	PhD and MA from Stanford University, USA and MA in Economics from Vanderbilt University, USA.

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 and 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 (BAS) and Bangladesh Financial Reporting Standards (BFRS)

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



Name of the BAS	BAS No.	Status
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

## 2.18 (a) Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, [the Securities and Exchange Rules 1987]. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) shall prevail. Material departures from the requirements of BFRS are as follows:

### i. Investment in shares and securities

**BFRS:** As per requirements of BAS-39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS-13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

### ii. Revaluation gains/losses on Government securities

**BFRS:** As per requirement of BAS-39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

**Bangladesh Bank (BB):** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

### iii. Provision on loans and advances/investments

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

**Bangladesh Bank:** As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all Off-Balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS-39.

### iv. Recognition of interest in suspense

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS-39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

### v. Other Comprehensive Income

**BFRS:** As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank (BB):** Bangladesh Bank (BB) has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank (BB) do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

### vi. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank (BB) guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS-39. As such full disclosure and presentation requirements of BFRS-7 and BAS-32 cannot be made in the financial statements.

### vii. Financial guarantees

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

**Bangladesh Bank (BB):** As per BRPD-14, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

#### viii. Cash and cash equivalent

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS-7.

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

#### ix. Non-banking asset

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank (BB):** As per BRPD 14, there must exist a face item named Non-banking asset.

#### x. Cash flow statement

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

**Bangladesh Bank (BB):** As per BRPD-14, cash flow is the mixture of direct and indirect methods.

#### xi. Balance with Bangladesh Bank (BB): (Cash Reserve Requirement)

**BFRS:** Balance with Bangladesh Bank (BB) should be treated as other asset as it is not available for use in day to day operations as per BAS-7.

**Bangladesh Bank (BB):** Balance with Bangladesh Bank (BB) is treated as cash and cash equivalents.

#### xii. Presentation of intangible asset

**BFRS:** An intangible asset must be identified and recognized, and the disclosure must be given as per BAS-38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD-14.

#### xiii. Off-Balance sheet items

**BFRS:** There is no concept of Off-Balance sheet items in any BFRS; hence there is no requirement for disclosure of Off-Balance sheet items on the face of the balance sheet.

**Bangladesh Bank (BB):** As per BRPD-14, Off-Balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

#### xiv. Loans and advances/Investments net of provision

**BFRS:** Loans and advances/Investments should be presented net of provision.

**Bangladesh Bank (BB):** As per BRPD-14, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

### 2.19 Approval of Financial Statements

The financial statements were approved by the Board of Directors on March 09, 2014.

### 2.20 General

a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

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

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

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

	2013 BDT	2012 BDT
<b>3.00 Cash</b>		
In Hand (Including foreign currency) (note 3.01)	1,701,001,828	1,083,683,027
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	5,453,413,151	5,427,392,059
	<b>7,154,414,979</b>	<b>6,511,075,086</b>
<b>3.01 In Hand (Including foreign currency)</b>		
Local Currency	1,685,118,328	1,067,750,460
Foreign Currency	15,883,500	15,932,567
	<b>1,701,001,828</b>	<b>1,083,683,027</b>
<b>3.02 Balance with Bangladesh Bank and its Agent Bank With Bangladesh Bank</b>		
Local Currency	5,231,855,031	4,604,554,233
Foreign Currency	61,638,813	609,917,113
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	159,919,307	212,920,712
	<b>5,453,413,151</b>	<b>5,427,392,059</b>

Bangladesh Bank Adjustment Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2013 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	10	2	654,084,410	2,535,650
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
<b>Total</b>	<b>10</b>	<b>2</b>	<b>654,084,410</b>	<b>2,535,650</b>

All unadjusted entries are subsequently adjusted on regular basis.

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

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

Monetary Policy Department (MPD) of Bangladesh Bank has issued a Circular regarding CRR through Circular No. 04 dated December 01, 2010 and the Bank has maintained CRR in accordance with circular. The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 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)

	2013		2012	
Cash Reserve Requirement (CRR)	%	(BDT Million)	%	(BDT Million)
Required	6.00	4,933.48	6.00	4,442.10
Maintained	6.04	4,965.42	6.22	4,604.20
<b>Surplus/(Deficit)</b>	<b>0.04</b>	<b>31.94</b>	<b>0.22</b>	<b>162.10</b>
<b>Statutory Liquidity Ratio (SLR) (including CRR)</b>				
Required	19.00	15,622.71	19.00	14,066.70
Maintained	38.37	31,550.62	36.69	27,162.50
<b>Surplus/(Deficit)</b>	<b>19.37</b>	<b>15,927.91</b>	<b>17.69</b>	<b>13,095.85</b>

		2013 BDT	2012 BDT
<b>3.05 Components of Statutory Liquidity Ratio (SLR) (BDT Million)</b>			
Cash in Hand		1,701.00	1,083.68
Balance with Bangladesh Bank (as per bank statement)		5,883.40	4,629.14
Balance with Sonali Bank		159.92	212.92
Held to Maturity (HTM) Securities		16,626.76	14,980.26
Held for Trading (HFT) Securities		7,179.53	6,256.54
		<b>31,550.62</b>	<b>27,162.55</b>
<b>3 (a) Consolidated cash</b>			
<b>i. Cash in hand (including foreign currency)</b>			
Mutual Trust Bank Limited (note-3.01)		1,701,001,828	1,083,683,027
MTB Securities Limited		8,140,768	1,577,351
MTB Capital Limited		54	488
MTB Exchange (UK) Limited		6,852,054	18,527,055
		<b>1,715,994,704</b>	<b>1,103,787,921</b>
<b>ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)</b>			
Mutual Trust Bank Limited (note-3.02)		5,453,413,151	5,427,392,059
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		<b>5,453,413,151</b>	<b>5,427,392,059</b>
		<b>7,169,407,855</b>	<b>6,531,179,980</b>
<b>4.00 Balance with other Banks and Financial Institutions</b>			
In Bangladesh (note-4.01)		1,057,504,237	324,333,410
Outside Bangladesh (note- 4.02)		313,208,894	731,921,255
		<b>1,370,713,131</b>	<b>1,056,254,665</b>
<b>4.01 In Bangladesh</b>			
<b>Fixed Deposits Receipt (FDR)</b>			
Lanka Bangla Finance Limited	BDT	100,653,720	-
IDLC Finance Limited	BDT	66,937,983	61,582,561
Bangladesh Investment and Finance Company Limited	BDT	102,311,111	-
International Leasing Limited	BDT	154,062,500	-
Union Capital Limited	BDT	153,090,278	-
National Bank of Pakistan	BDT	204,462,500	-
Fareast Finance Limited	BDT	50,637,500	-
Reliance Finance Limited	BDT	40,127,000	-
Prime Finance and Investment Limited	BDT	51,027,083	-
Peoples Leasing Limited	BDT	-	111,537,431
<b>Special Notice Deposit (SND)</b>			
Dutch Bangla Bank Limited	BDT	374,484	9,929,223
BASIC Bank Limited	BDT	82,297	69,722
State Bank of India	BDT	100,000	100,000
Agrani Bank Limited	BDT	3,973,630	-
Janata Bank Limited	BDT	30,923,582	-
<b>Current Deposits (CD)</b>			
Standard Chartered Bank	BDT	5,254,475	17,900,299
Arab Bangladesh Bank Limited	BDT	200,000	200,000
Dutch Bangla Bank Limited	BDT	-	287,005
Southeast Bank Limited	BDT	1,374,066	1,733,073
Islami Bank Bangladesh Limited	BDT	17,576	688,376
Janata Bank Limited	BDT	2,349,851	36,636,998
Brac Bank Limited	BDT	1,405,851	2,738,991
Agrani Bank Limited	BDT	88,138,748	80,929,733
<b>Sub Total</b>		<b>1,057,504,237</b>	<b>324,333,410</b>

			2013	2012
			BDT	BDT
<b>4.02 Outside Bangladesh (NOSTRO Accounts) Transaction Currency</b>				
<b>in current account</b>				
Mashreqbank, New York	US\$	-	135,333,402	
Standard Chartered Bank, New York	US\$	56,680,367	37,939,708	
Habib American Bank, New York	US\$	58,891,966	54,247,084	
UBAF, Singapore	US\$	-	8,492,866	
HSBC, New York	US\$	-	81,570,725	
Mashreqbank, London	US\$	2,678,774	14,761,565	
JP Morgan, New York	US\$	-	52,992,023	
Citibank N.A.	US\$	-	75,646,918	
ICICI, Hong Kong	US\$	4,955,915	2,160,436	
National Commercial Bank, Jeddha	US\$	2,231,515	11,786,744	
Sonali Bank, London	US\$	39,481,093	28,532,722	
Standard Chartered Bank, Singapore	SGD	149,879	443,386	
Standard Chartered Bank Colombo	ACU-US\$	3,347,011	-	
Mashreqbank, London	GBP	7,213,143	21,283,166	
Standard Chartered Bank, London	GBP	11,340,310	11,713,754	
Sonali Bank, London	GBP	2,551,686	1,695,606	
Habib American Bank, Zurich	CHF	4,519,463	2,261,712	
Standard Chartered Bank, Tokyo	JPY	36,201,010	505,859	
UBAF, Tokyo	JPY	-	590,755	
Mashreqbank, London	EUR	388,683	2,003,570	
Standard Chartered Bank, Germany	EUR	-	1,051,074	
Sonali Bank, London	EUR	3,411,815	535,345	
ICICI, Mumbai	EUR	-	204,432	
Unicredit, Germany	EUR	-	14,044,771	
Commerzbank, Germany	EUR	-	10,369,642	
Standard Chartered Bank, Mumbai	ACU	-	3,992,235	
Standard Chartered Bank, Kolkata	ACU	2,378,176	2,439,351	
Standard Chartered Bank, Pakistan	ACU	-	62,289,626	
United Bank of India, Kolkata	ACU	2,008,013	1,128,712	
United Bank of India, Kolkata	ACU-EUR	1,558,888	-	
Citibank N.A., Mumbai	ACU	-	6,137,433	
Mashreqbank, Mumbai	ACU	16,615,067	1,717,155	
AB Bank, Mumbai	ACU	9,067,708	27,923,804	
ICICI, Mumbai	ACU	9,235,199	17,976,148	
HSBC, Mumbai	ACU	-	4,624,990	
HDFC Bank, Mumbai (ACUD)	ACU	4,845,325	25,520	
Himalayan Bank Ltd., Kathmundu	ACU	1,539,450	1,579,050	
Nepal Bangladesh Bank Ltd.	ACU	19,438	19,938	
Summit Bank Ltd., Pakistan	ACU	-	1,030	
		<b>281,309,894</b>	<b>700,022,255</b>	
<b>Term Deposit</b>				
ICICI, Mumbai	US\$	31,899,000	31,899,000	
<b>Sub Total</b>		<b>313,208,894</b>	<b>731,921,255</b>	
<b>Total</b>		<b>1,370,713,131</b>	<b>1,056,254,665</b>	

Details of NOSTRO accounts are shown in Annexure-A

	2013 BDT	2012 BDT
<b>4.03 Net Balance With other Banks and Financial Institutions</b>		
Balance with other Banks and Financial Institutions (note-4)	1,830,713,131	1,056,254,665
Less: Borrowing From Other Banks, Financial Institutions and Agents (note 10.00 and 10.01)	2,637,966,323	5,962,220,000
	<b>(807,253,192)</b>	<b>(4,905,965,335)</b>
<b>4.04 Maturity grouping of Balance with other Banks and Financial Institutions</b>		
On Demand	868,876,788	669,545,756
Less than three months	320,924,995	247,300,851
More than three months but less than one year	41,476,955	31,961,631
More than one year but less than five years	139,434,393	107,446,427
More than five years	-	-
	<b>1,370,713,131</b>	<b>1,056,254,665</b>
<b>4 (a) Consolidated balance with other banks and financial institutions In Bangladesh</b>		
Mutual Trust Bank Limited (note-4.01)	1,057,504,237	324,333,410
MTB Securities Limited	359,835,646	233,807,492
MTB Capital Limited	170,972,329	50,941,854
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(267,654,872)	(228,585,146)
	<b>1,320,657,340</b>	<b>380,497,610</b>
<b>Outside Bangladesh</b>		
Mutual Trust Bank Limited (note-4.02)	313,208,894	731,921,255
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>313,208,894</b>	<b>731,921,255</b>
	<b>1,633,866,234</b>	<b>1,112,418,865</b>
<b>5.00 Money at Call and Short Notice:</b>		
Lanka Bangla Finance Ltd	100,000,000	-
Union Capital Limited	60,000,000	-
BIFC	50,000,000	-
Premier Leasing	50,000,000	-
Reliance Finance Limited	50,000,000	-
Delta Brac Housing	50,000,000	-
International Leasing	100,000,000	-
	<b>460,000,000</b>	<b>-</b>
<b>6.00 Investments</b>		
<b>i) Investment Classified as per Bangladesh Bank Circular</b>		
Held to Maturity (HTM)	16,626,763,781	14,980,261,540
Held for Trading (HFT)	7,179,531,361	6,256,544,127
Other Investments	1,820,137,257	1,834,536,075
	<b>25,626,432,399</b>	<b>23,071,341,742</b>
<b>ii) Investment Classified as per Nature</b>		
<b>a) Government Securities</b>		
<b>Treasury Bills (at present value)</b>		
<b>Un-encumbered</b>		
28 days	-	-
91 days	2,001,893,747	-
182 days	2,052,047,369	645,699,388
364 days	1,001,193,779	1,176,657,607
<b>Sub Total</b>	<b>5,055,134,895</b>	<b>1,822,356,995</b>
<b>Encumbered</b>		
91 days	-	471,945,658.00
182 days	-	266,862,278.00
364 days	-	108,681,948.00
<b>Sub Total</b>	<b>-</b>	<b>847,489,884.00</b>



	2013 BDT	2012 BDT
<b>Total Treasury Bill</b>	<b>5,055,134,895</b>	<b>2,669,846,879</b>
<b>Treasury Bonds</b>		
<b>Unencumbered</b>		
5 Years	6,033,042,312	6,425,213,008
10 Years	7,725,144,881	6,882,564,710
15 Years	3,019,932,699	2,647,075,169
20 Years	1,973,040,356	1,878,805,242
<b>Sub Total</b>	<b>18,751,160,247</b>	<b>17,833,658,129</b>
<b>Encumbered</b>		
5 Years	-	133,600,000
10 Years	-	261,400,000
15 Years	-	290,800,659
20 Years	-	47,500,000
<b>Sub Total</b>	<b>-</b>	<b>733,300,659</b>
<b>Total Treasury Bond</b>	<b>18,751,160,247</b>	<b>18,566,958,788</b>
<b>Prize Bonds (at face value)</b>		
	<b>2,773,400</b>	<b>3,097,350</b>
<b>Sub Total</b>	<b>23,809,068,542</b>	<b>21,239,903,017</b>
<b>b) Other Investments</b>		
<b>Shares in quoted companies</b>	<b>1,112,848,607</b>	<b>800,238,733</b>
(Annexure-B may kindly be seen for details)		
<b>Shares in unquoted companies (at face value) :</b>		
Industrial & Infrastructure Development Finance Co. Limited	42,453,820	37,212,502
Summit Power Ltd. Preference Share	65,034,300	89,460,360
Central Depository (BD) Limited	15,694,430	15,694,43
Bengal Windsor Thermoplastics Ltd.	-	30,000,000
Energypac Power Generation Limited	50,000,000	-
MTB First Mutual Fund	100,000,000	100,000,000
MTB Unit Fund	200,000,000	200,000,000
First Bangladesh Fixed Income Fund	-	250,000,000
Dun & Bradstreet Rating Agency Bangladesh Limited	3,332,700	3,332,700
BD Venture Limited	20,000,000	15,000,000
SwissPro Asset Management (BD) Limited	18,000,000	18,000,000
	<b>514,515,250</b>	<b>758,699,992</b>
<b>Bonds :</b>		
Prime Bank Bond (note 6.02)	90,000,000	90,000,000
IDLC Zero Coupon Bonds (note 6.03)	-	12,500,000
Uttara Finance and Investment Limited-Zero Coupon Bond (note 6.04)	100,000,000	170,000,000
	<b>190,000,000</b>	<b>272,500,000</b>
<b>Sub Total</b>	<b>1,817,363,857</b>	<b>1,831,438,725</b>
<b>Total</b>	<b>25,626,432,399</b>	<b>23,071,341,742</b>

- 6.01** Assets pledged as security for liabilities as at December 31, 2013 is BDT 746,59,77,276 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as given below:

**(a) i. Disclosure regarding outstanding Repo as at December 31, 2013**

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	-	-	-
B. Bangladesh Bank (Repo)	-	-	-
C. The City Bank Limited	29.12.2013	01.01.2014	2,460,165,575
D. Sonali Bank Limited	30.12.2013	01.01.2014	2,009,347,285
E. Janata Bank Limited	30.12.2013	01.01.2014	2,226,367,755
F. Uttara Bank Limited	30.12.2013	01.01.2014	462,652,500
G. IFIC Bank Limited	30.12.2013	01.01.2014	307,444,160
<b>Total</b>			<b>7,465,977,276</b>

ii. There is no outstanding Reverse Repo as at December 31, 2013 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2013

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
<b>Securities sold under Repo:</b>			
i) with Bangladesh Bank	449,600,000	5,989,700,000	1,698,372,603
ii) with Other Banks and Financial Institutions	985,837,964	8,310,738,884	2,843,726,027
<b>Securities purchased under reverse Repo:</b>			
i) with Bangladesh Bank	300,000,000	650,000,000	2,602,740
ii) with Other Banks and Financial Institutions	-	-	-

	<b>2013</b>	<b>2012</b>
	<b>BDT</b>	<b>BDT</b>
<b>6.02 Prime Bank Bond</b>		
Opening Balance	90,000,000	90,000,000
Add: New investment	-	-
Less: Redeemed up to 31.12.13	-	-
<b>Closing Balance</b>	<b>90,000,000</b>	<b>90,000,000</b>
<b>6.03 IDLC Zero Coupon Bonds</b>		
Principal	12,500,000	37,500,000
Add: New investment	-	-
Less: Redeemed up to 31.12.13	12,500,000	25,000,000
<b>Redeemable Value</b>	<b>-</b>	<b>12,500,000</b>
<b>6.04 Uttara Finance and Investment Limited- Zero Coupon Bond</b>		
Principal	170,000,000	200,000,000
Add: New investment	-	-
Less: Redeemed up to 31.12.13	70,000,000	30,000,000
<b>Redeemable Value</b>	<b>100,000,000</b>	<b>170,000,000</b>
<b>6.05 Maturity grouping of Investment as follows:</b>		
On Demand	2,773,400	3,097,350
Less than three months	1,112,848,607	800,238,733
More than three months but less than one year	5,228,317,445	2,842,214,171
More than one year but less than five years	6,523,042,312	7,381,313,008
More than five years	12,759,450,635	12,044,478,480
	<b>25,626,432,399</b>	<b>23,071,341,742</b>
<b>6 (a) Consolidated Investments</b>		
<b>Government Investment</b>		
Mutual Trust Bank Limited	23,806,295,142	21,236,805,667
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>23,806,295,142</b>	<b>21,236,805,667</b>

	2013 BDT	2012 BDT
<b>Other Investments</b>		
Mutual Trust Bank Limited	1,820,137,257	1,834,536,075
MTB Securities Limited	181,555,582	143,114,053
MTB Capital Limited	16,418,874	36,603,463
MTB Exchange (UK) Limited	-	-
	<b>2,018,111,713</b>	<b>2,014,253,591</b>
	<b>25,824,406,855</b>	<b>23,251,059,258</b>
<b>7.00 Loans and Advances</b>		
Loans (note-7.01.01)	36,650,476,973	33,694,773,061
Cash Credits	9,962,141,836	8,634,331,151
Overdrafts	9,804,245,798	10,335,192,019
	<b>56,416,864,607</b>	<b>52,664,296,232</b>
<b>Bills Purchased and Discounted (note-7.01.02)</b>	<b>1,593,958,498</b>	<b>2,417,753,438</b>
<b>Total Loans and Advances</b>	<b>58,010,823,105</b>	<b>55,082,049,670</b>
<b>7.01 Loans and Advances In Bangladesh</b>		
<b>7.01.01 Loans</b>		
Term Loan	14,619,474,685	13,539,488,906
Small and Medium Enterprise Financing	4,868,942,288	3,322,991,592
Consumer Financing	641,919,828	810,211,500
Retail Financing	1,700,770,287	1,458,650,674
General Loans	338,308,237	178,881,914
Demand Loans	630,281,521	2,130,200,241
Payment Against Documents (PAD)	122,077,579	196,242,352
Trust Receipts	7,913,418,421	6,911,980,517
Lease Finance (note-7.03)	402,140,698	397,431,661
House Building Loan	2,104,905,582	1,446,384,719
Staff/Employee Loan	541,779,204	525,566,351
Loans and Advances - Off-Shore Banking Unit	235,609,075	80,173,476
Loan to MTB Securities Ltd.*	2,505,569,081	2,665,569,081
Loan to MTB Capital Limited	47,950	407,891
Loan to MTB Exchange (UK) Limited	25,232,536	30,592,188
	<b>36,650,476,973</b>	<b>33,694,773,061</b>
Cash Credit	9,962,141,836	8,634,331,151
Secured Overdraft	9,804,245,798	10,335,192,019
	<b>56,416,864,607</b>	<b>52,664,296,232</b>
Outside Bangladesh	-	-
	<b>56,416,864,607</b>	<b>52,664,296,232</b>
*Loans to MTB Securities Ltd. has been disbursed by the Bank.		
<b>7.01.02 Bill Purchased and Discounted</b>		
Payable in Bangladesh	1,552,709,859	2,366,128,293
Payable outside Bangladesh	41,248,639	51,625,146
	<b>1,593,958,498</b>	<b>2,417,753,438</b>
<b>7.02 Net Loans and Advances</b>		
Gross Loans and Advances (note-7)	<b>58,010,823,105</b>	<b>55,082,049,670</b>
Less:		
Classified Loans and Advances (note-7.07)	2,155,769,192	2,085,012,000
Interest Suspense (Note- 12.04)	295,576,392	235,590,439
Provision for Loans and Advances (Note -12.01)	1,933,971,514	1,626,300,000
<b>Net Loans and Advances</b>	<b>53,625,506,007</b>	<b>51,135,147,231</b>

		2013 BDT	2012 BDT
<b>7.03</b>	<b>Gross Lease Rent Receivable</b>		
	within 1 year	97,731,624	98,950,000
	within 5 years	449,203,056	454,803,069
	after 5 years	-	-
		<b>546,934,680</b>	<b>553,753,069</b>
	Less: Unearned Lease Rent	144,793,982	156,321,408
		<b>402,140,698</b>	<b>397,431,661</b>
<b>7.04</b>	<b>Residual Maturity grouping of Loans and Advances</b>		
	On Demand	3,365,478,471	3,195,566,661
	Not more than three months	21,305,669,563	20,230,017,198
	More than three months but less than one year	14,378,563,264	13,652,637,447
	More than one year but less than five years	13,984,384,246	13,278,359,217
	More than five years	4,976,727,562	4,725,469,147
		<b>58,010,823,105</b>	<b>55,082,049,670</b>
<b>7.05</b>	<b>Concentration of Loans and Advances:</b>		
<b>a)</b>	Loans and Advances to Institutions in which the Directors of the Bank have interest	-	-
<b>b)</b>	Advances to Managing Director and other Senior Executives	541,779,204	525,566,351
<b>c)</b>	<b>Advances to Industries</b>		
	Agriculture	719,214,450	738,466,400
	RMG	4,047,417,000	2,492,220,000
	Textile	4,052,114,000	4,048,957,000
	Ship Building	695,510,000	641,050,000
	Ship Breaking	1,247,600,000	115,783,000
	Other Manufacturing Industry	10,339,411,000	10,722,898,000
	SME Loans	2,970,252,172	2,427,948,700
	Construction	658,548,890	502,086,000
	Power and Gas	884,339,000	951,943,000
	Transport, Storage and Communication	918,403,000	1,163,066,000
	Trade Service	7,809,629,000	7,507,453,700
	Commercial Real Estate Financing	3,849,930,361	3,751,762,000
	Residential Real Estate Financing	966,656,109	1,130,862,900
	Consumer Credit	1,593,684,369	1,013,754,037
	Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	4,328,390,000	4,349,000,000
	NBFIs	4,987,172,400	6,501,853,000
	Others	8,938,311,936	7,926,407,135
		<b>59,006,583,687</b>	<b>55,985,510,872</b>
<b>7.06</b>	<b>Details of Large Loan</b>		
	Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 8,136.56 million as at December 31, 2013 (BDT 6,980.82 million in 2012)		
	<b>Number of Clients</b>	<b>61</b>	<b>44</b>
	Outstanding Advances (BDT Million)	31,404.53	21,322.00

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 Ltd. and its Allied Concern	994.66	1,457.31	2,451.97	UC
MSA Spinning Mills Ltd.	1,034.82	582.24	1,617.06	UC
Hasan Flour Mills Ltd.	523.97	1,352.36	1,876.33	UC
Empire Dyeing Ltd.	1,185.06	4.09	1,189.16	UC
City Seed Crushing Ind. Ltd.	522.55	1,232.84	1,755.39	UC
City Seed Crushing Ind. Ltd. (Chawk)	85.00	-	85.00	UC
Jalal Ahmed Spinning	642.79	15.17	657.95	UC
Ctg. Denim Mills Ltd.	39.08	167.08	206.16	UC

Name of the clients	Outstanding (BDT Million)		Total (BDT Million)	Classification Status
	Funded	Non-Funded		
BIFC	264.38	-	264.38	UC
Anwar Cement Ltd. and its associates	391.58	13.61	405.19	UC
Jamuna Builders Ltd. and its associates	748.92	-	748.92	UC
4A Yarn Dyeing Ltd. and its associates	55.69	446.14	501.82	UC
Peoples Leasing and Financial Services Ltd.	374.94	-	374.94	UC
Star Ceramics Pvt. Ltd.	46.23	353.92	400.14	UC
LankaBangla Finance Ltd.	-	-	-	UC
Ismail Anzuman Ara Fabrics	-	-	-	UC
Bengal Plastics Ltd.(Unit-3)	-	-	-	UC
Abdul Monem Ltd.	572.82	-	572.82	UC
Abdul Monem Sugar Refinery Ltd.	1,324.04	-	1,324.04	UC
Rahmat Textiles Ltd.	-	-	-	UC
Belkuchi Spinning Mills Ltd.	-	-	-	UC
Rahmat Spinning Mills Ltd.	-	-	-	UC
BSRM Iron and Steel Co. Ltd.	61.71	-	61.71	UC
Banga Building Materials Ltd.	-	-	-	UC
Fareast Finance and Investment Ltd.	554.48	-	554.48	UC
Phoenix Finance and Investment Ltd.	65.84	14.53	80.36	UC
Phoenix Finance and Investment Ltd.	197.79	-	197.79	UC
LankaBangla Finance Ltd.	574.35	-	574.35	UC
Ahsan Composite Ltd.	107.46	869.55	977.01	UC
Ahsan Knitting Ltd.	-	-	-	UC
A.K. Fashion Ltd.	-	-	-	UC
Ahsan Apparels	-	-	-	UC
Polo Composite Knit Industry Limited	137.22	71.55	208.77	UC
AJI Apparels	-	108.08	108.08	UC
FRM Fashion	-	74.15	74.15	UC
Shah Cement Industries Ltd.	686.02	268.61	954.64	UC
PHP Corporation Ltd.	-	524.76	524.76	UC
Modern Poly and Modern Fibre Ind. Ltd	-	375.13	375.13	UC
Masud and Brothers	-	-	-	UC
Kabir Steel Re-Rolling Mills Ltd.	576.66	3.41	580.07	UC
Smart Jeans Ltd.	41.38	104.12	145.50	UC
MM Ispahani Limited and its allied concern	199.43	33.88	233.31	UC
Liberty Enterprise Limited and its allied concern	637.90	11.51	649.41	UC
Western Marine ShipYard Ltd.	608.86	17.28	626.14	UC
T.K. Chemical Complex Ltd. and its allied concern	446.15	285.92	732.07	UC
Bay Developments	896.30	-	896.30	UC
Jahangir and Others Ltd.	775.89	-	775.89	UC
Sheema Automatic Re-Rolling Mills Ltd.	520.19	651.63	1,171.82	UC
MM Ship Breaking Industries and its allied concern	325.08	-	325.08	UC
KDS IDR Ltd.	126.22	-	126.22	UC
KYCR Coil Ind. Ltd.	231.00	174.30	405.30	UC
MRS	293.24	131.12	424.36	UC
Abul Khair Ceramic Industries Ltd.	84.41	175.49	259.90	UC
BIFC	111.87	-	111.87	UC
S. N. Corporation	0.48	-	0.48	UC
Portlink Logistics Centre Ltd.	294.86	1.00	295.86	UC
PRAN Exports Ltd.	638.09	1,050.18	1,688.27	UC
GrameenPhone Ltd.	-	427.19	427.19	UC
Banglalink Digital Communications Ltd.	100.00	701.05	801.05	UC
Fareast Finance and Investment Ltd.	126.16	-	126.16	UC
Axiata Bangladesh Ltd.	-	1,479.80	1,479.80	UC
<b>Total</b>	<b>18,225.56</b>	<b>13,178.97</b>	<b>31,404.53</b>	

	2013 BDT	2012 BDT
<b>7.07 Classification of Loans and Advances:</b>		
<b>Unclassified (UC):</b>		
Standard	54,799,177,846	52,126,161,670
Special Mention Account (SMA)	1,055,876,067	870,876,000
<b>Sub total</b>	<b>55,855,053,913</b>	<b>52,997,037,670</b>
<b>Classified:</b>		
Substandard	613,445,688	521,483,000
Doubtful	103,252,034	149,389,000
Bad and Loss	1,439,071,470	1,414,140,000
<b>Sub Total</b>	<b>2,155,769,192</b>	<b>2,085,012,000</b>
<b>Total</b>	<b>58,010,823,105</b>	<b>55,082,049,670</b>
<b>7.07 (a) Classification of Consolidated Loans and Advances:</b>		
<b>Consolidated Unclassified Loans and Advances (UC):</b>		
Standard	56,336,717,331	53,555,189,223
Special Mention Account (SMA)	1,055,876,067	870,876,000
<b>Sub total</b>	<b>57,392,593,398</b>	<b>54,426,065,223</b>
<b>Consolidated Classified Loans and Advances:</b>		
Substandard	613,445,688	521,483,000
Doubtful	103,252,034	149,389,000
Bad and Loss	1,439,071,470	1,414,140,000
<b>Sub Total</b>	<b>2,155,769,192</b>	<b>2,085,012,000</b>
<b>Total</b>	<b>59,548,362,590</b>	<b>56,511,077,223</b>
<b>7.08 Details of Required Provision for Loans and Advances</b>		

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Standard	55,939,606,434	0.25%, 1%, 2% & 5%	657,960,738	925,922,737
Special Mention Account (SMA)	1,038,124,290	0% & 5%	14,270,048	14,270,048
<b>Sub Total</b>			<b>672,230,786</b>	<b>940,192,785</b>
<b>Classified:</b>				
Substandard	371,569,875	5% & 20%	73,989,368	73,989,368
Doubtful	40,799,265	5% & 50%	20,399,633	20,399,633
Bad loan	899,389,729	100%	899,389,729	899,389,729
<b>Sub Total</b>			<b>993,778,729</b>	<b>993,778,729</b>
<b>Total</b>			<b>1,666,009,515</b>	<b>1,933,971,515</b>
<b>Excess/(short) Provision as at December 31, 2013</b>			<b>267,962,000</b>	

<b>7.09 Details of Required Provision for Off Balance Sheet Items</b>		
Required Provision for Off-Balance Sheet Exposures	238,966,781	176,800,000
Total Provision maintained (note-11.02)	238,966,781	176,800,000
<b>Excess/(Short) Provision</b>	<b>-</b>	<b>-</b>

<b>7.10 Suits filed by the Bank (Branch wise details)</b>				
Name of the Branch	No. of Suits 2013	No. of Suits 2012		
Principal Branch	8	4	151,269,665	28,487,912
Babu Bazar Branch	16	19	263,222,619	494,606,375
Uttara Model Town Branch	2	2	11,400,000	810,769
Dhanmondi Branch	6	7	28,660,000	53,227,163
Agrabad Branch	15	7	17,780,000	356,982,940
CDA Avenue Branch	6	6	1,120,000	568,713,621
Khatungonj Branch	12	10	358,407,184	336,894,654
Gulshan Branch	9	8	210,874,692	13,853,866
Progati Sharani Branch	1	4	438,736,521	95,932,787

Name of the Branch	No. of Suits 2013	No. of Suits 2012	2013 BDT	2012 BDT
Haidergonj SME/Agri Branch	9	6	13,230,000	2,250,352
Narayangonj Branch	1	1	350,000	379,728
Aman Bazar Branch	1	1	5,760,000	3,500,000
Bashundhara City Branch	12	6	247,320,000	128,230,439
Banani Branch	3	2	740,000	464,296
Aganagar Branch	2	2	410,000	1,423,824
Raipur Branch	9	5	13,580,000	3,038,511
Savar Branch	2	-	432,000	-
Madaripur Branch	11	-	5,124,357	-
			<b>1,768,417,038</b>	<b>2,088,797,237</b>

#### 7.11 Geographical Location wise Consolidated Loans and Advances

##### Inside Bangladesh

##### Urban

Dhaka Division	38,585,384,502	39,191,007,223
Chittagong Division	12,649,045,762	10,537,900,000
Rajshahi Division	1,402,477,772	886,850,000
Sylhet Division	769,707,597	532,750,000
Khulna Division	880,563,805	610,450,000
Rangpur Division	946,266,652	339,850,000
Barisal Division	-	-
	<b>55,233,446,090</b>	<b>52,098,807,223</b>

##### Rural

Dhaka Division	2,456,697,200	1,942,550,000
Chittagong Division	1,060,842,057	1,937,490,000
Rajshahi Division	657,254,951	477,880,000
Sylhet Division	92,142,841	13,790,000
Khulna Division	-	-
Rangpur Division	-	-
Barisal Division	47,979,751	40,560,000
	<b>4,314,916,800</b>	<b>4,412,270,000</b>

##### Outside Bangladesh

	-	-
	<b>59,548,362,890</b>	<b>56,511,077,223</b>

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

Public sector	62,714,758	80,173,476
Co-Operative sector	-	47,744,221
Private sector	59,485,647,832	56,383,159,526
	<b>59,548,362,590</b>	<b>56,511,077,223</b>

#### 7.13 Particulars of Loans and Advances

I) Debts considered good in respect of which the bank company is fully secured.	48,271,449,819	47,206,017,270
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	371,971,691	199,166,635
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	7,211,632,403	5,591,853,765
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.	541,779,204	525,566,351
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.	-	-

	2013 BDT	2012 BDT
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.	541,779,204	525,566,351
VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as member.	-	-
IX) Due from banking companies.	-	-
<b>X) Amount of classified loan on which interest has not been charged:</b>		
a. i) (Decrease)/Increase in provision,	898,836,378	898,836,378
ii) amount of loan written off	86,061,003	135,756,829
iii) amount realized against loan previously written off;	-	-
b. Amount of provision kept against loan classified as 'bad/loss'	898,836,378	831,900,000
c. Interest creditable to the interest Suspense A/C;	332,983,687	250,079,050
XI) Cumulative amount of loans written off	952,830,242	866,769,239
XII) Amount of loans written off during the year	86,061,003	135,756,829
XIII) The amount of written off loan for which law suit has been filed	952,830,242	866,769,239
<b>7.14 Maturity grouping of Bill Purchased and Discounted</b>		
Payable within one month	835,500,277	1,267,306,313
More than one month but less than three months	589,764,644	894,568,772
More than three months but less than six months	167,365,642	253,864,110
More than or equal to six months	1,327,935	2,014,243
	<b>1,593,958,498</b>	<b>2,417,753,438</b>
<b>7.15 Consolidated List of Asset pledged as Security/Collaterals</b>		
<b>Nature of Secured Asset:</b>		
Gold and Gold Ornaments	-	-
Shares and Securities	56,673,199	53,782,562
Merchandise	5,187,896,921	4,923,286,373
Machinery with other Fixed Asset and Financial obligations	677,560,789	643,001,557
Real Estate with Financial obligations	9,120,808,606	8,655,598,483
Financial Obligations only (Insurance policies, Savings certificates, Bank deposits etc)	1,608,626,777	1,526,578,190
<b>Miscellaneous:</b>		
i) Crops/stock of crops hypothecation	129,822,442	123,200,802
ii) Guarantee of individuals/ Institutions	38,476,472,062	36,513,965,765
iii) Others	4,290,502,093	4,071,663,491
Without any security	-	-
	<b>59,548,362,890</b>	<b>56,511,077,223</b>
<b>7.16 Maturity grouping of Consolidated Loans and Advances</b>		
On Demand	4,428,136,759	4,202,278,051
Not more than three months	21,490,821,076	20,394,674,017
More than three months but less than one year	14,503,516,518	13,763,759,441
More than one year but less than five years	14,105,911,987	13,386,434,873
More than five years	5,019,976,550	4,763,930,840
	<b>59,548,362,890</b>	<b>56,511,077,223</b>



	2013 BDT	2012 BDT
<b>7 (a) Consolidated Loans, Advances and Lease</b>		
Mutual Trust Bank Limited (note-7.01.01)	56,416,864,607	52,664,296,232
MTB Securities Limited	3,991,847,697	4,120,360,234
MTB Capital Limited	76,541,355	5,236,479
MTB Exchange (UK) Limited	-	-
	<b>60,485,253,659</b>	<b>56,789,892,945</b>
Less: Loan to Subsidiaries	2,530,849,567	2,696,569,160
	<b>57,954,404,092</b>	<b>54,093,323,785</b>
<b>Consolidated Bills Purchased and Discounted</b>		
Mutual Trust Bank Limited (note-7.01.02)	1,593,958,498	2,417,753,438
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>1,593,958,498</b>	<b>2,417,753,438</b>
	<b>59,548,362,590</b>	<b>56,511,077,223</b>
<b>8.00 Fixed Asset including Premises, Furniture and Fixtures Cost</b>		
Land	104,253,000	104,253,000
Immovable Property	995,326,830	995,326,830
Furniture and Fixtures	968,869,940	829,148,745
Office Equipments	922,560,915	849,826,785
Motor Vehicles	48,382,748	33,453,048
Books and Periodicals	423,974	423,974
Intangible Assets	80,471,004	7,913,810
Leased Assets	48,455,000	48,455,000
<b>Total Cost</b>	<b>3,168,743,411</b>	<b>2,868,801,192</b>
Less: Accumulated Depreciation	<b>833,774,846</b>	<b>610,006,258</b>
<b>Book value at the end of the year</b>	<b>2,334,968,565</b>	<b>2,258,794,934</b>
<b>Details are shown in Annexure-C</b>		
<b>8 (a) Consolidated Fixed Assets including Premises, Furniture and Fixtures</b>		
Mutual Trust Bank Limited (note-8)	2,334,968,565	2,258,794,934
MTB Securities Limited	111,522,217	114,837,218
MTB Capital Limited	8,083,165	6,474,681
MTB Exchange (UK) Limited	3,619,419	4,551,975
<b>Consolidated net book value at the end of the year</b>	<b>2,458,193,366</b>	<b>2,384,658,808</b>
<b>Details are shown in Annexure-C (i)</b>		
<b>9.00 Other Assets</b>		
<b>Classification of Other Assets</b>		
<b>A) Income generating Other Assets</b>		
i) Investment in Shares of Subsidiary Companies (note-9.01)	1,548,395,800	1,398,395,800
<b>B) Non-Income generating Other Assets</b>		
i) Stationery, Stamps, Printing materials in stock etc.	22,892,861	32,982,962
ii) Advance Rent and Advertisement	414,994,184	406,907,514
iii) Interest Accrued on Investment but not collected and other income receivable	477,615,058	542,066,132
iv) Security Deposit	8,022,416	8,319,891
v) Branch Adjustment (note-9.02)	-	-
vi) Suspense Account (note-9.03)	4,535,779	8,878,028
vii) Others (note-9.04)	3,298,322,863	2,425,619,025
	<b>5,774,778,962</b>	<b>4,823,169,351</b>
<b>9.01 Investment in Shares of Subsidiary Companies</b>		
MTB Securities Limited	1,270,000,000	1,270,000,000
MTB Capital Limited	250,000,000	100,000,000
MTB Exchange (UK) Limited	28,395,800	28,395,800
	<b>1,548,395,800</b>	<b>1,398,395,800</b>

<b>9.02</b>	<b>Branch Adjustment (net)</b>		
	<b>Entries</b>	<b>No. of Entries Outstanding as on 31-12-2013</b>	<b>BDT</b>
	Debit entries	-	-
	Credit entries	-	-
		<u>-</u>	<u>-</u>
<b>9.03</b>	<b>Suspense account represents petty expenses for opening of new branch etc., awaiting for adjustment.</b>		
		<b>2013</b>	<b>2012</b>
		<b>BDT</b>	<b>BDT</b>
<b>9.04</b>	<b>Others</b>		
	Advance Income Tax ( note-9.04.01)	2,257,716,624	1,616,649,356
	Clearing House Adjustment	-	54,887,877
	Payment Against Construction	435,092,285	247,170,747
	Deferred Tax Assets (note-9.04.02)	56,624,891	31,841,684
	Advance Salary	650,000	650,000
	Advance Against Interior Decoration	43,680,000	55,330,000
	Advance to Employee	6,524,546	15,071,135
	Advance to Suppliers/Parties	10,336,447	9,396,617
	Interest on Treasury Bond	487,698,071	394,621,609
	<b>Total</b>	<b>3,298,322,863</b>	<b>2,425,619,025</b>
<b>9.04.01</b>	<b>Advance Income Tax</b>		
	Opening Balance	1,616,649,356	1,173,356,305
	Less: Adjustment made during the year	-	-
	Add: Payment during the year	641,067,268	443,293,051
	<b>Closing Balance</b>	<b>2,257,716,624</b>	<b>1,616,649,356</b>
<b>9.04.01(a)</b>	<b>Consolidated Advance Income Tax</b>		
	Mutual Trust Bank Limited (note-9.04.01)	2,257,716,624	1,616,649,356
	MTB Securities Limited	51,929,594	25,775,219
	MTB Capital Limited	3,075,711	1,183,369
	MTB Exchange (UK) Limited	-	-
		<b>2,312,721,929</b>	<b>1,643,607,944</b>
<b>9.04.02</b>	<b>Deferred Tax Asset</b>		
	Opening Balance	31,841,684	29,449,775
	Add: Deferred Tax Income during the year	24,783,207	2,391,909
	<b>Closing Balance</b>	<b>56,624,891</b>	<b>31,841,684</b>
<b>9.04.02(a)</b>	<b>Computation of deferred tax</b>		
	Accounting written down value - Fixed Assets	2,334,968,566	2,258,794,934
	Less: Tax base written down value - Fixed Assets	2,249,841,971	2,158,687,408
	<b>Taxable temporary difference</b>	<b>85,126,595</b>	<b>100,107,526</b>
	Book value - Gratuity provision	218,361,631	170,866,823
	Less: Tax base - Gratuity provision	-	-
	<b>Deductable temporary difference</b>	<b>218,361,631</b>	<b>170,866,823</b>
	Net taxable temporary difference	133,235,037	70,759,297
	Effective tax rate	42.50%	42.50%
	<b>Deferred Tax Assets</b>	<b>56,624,891</b>	<b>31,841,684</b>
	<b>Deferred Tax (Expenses)/Income</b>		
	Closing Deferred Tax Assets	56,624,891	31,841,684
	Opening Deferred Tax Assets	31,841,684	29,449,775
	<b>Deferred Tax (Expenses)/Income</b>	<b>24,783,207</b>	<b>2,391,909</b>

	2013 BDT	2012 BDT
<b>9.05 Classification of Other Assets</b>		
Unclassified	5,774,778,962	4,823,169,351
Substandard	-	-
Doubtful	-	-
Bad/Loss	-	-
	<b>5,774,778,962</b>	<b>4,823,169,351</b>
<b>9 (a) Consolidated Other Assets</b>		
Mutual Trust Bank Limited (note-9)	5,774,778,962	4,823,169,351
Less: Investment in subsidiaries	(1,548,395,800)	(1,398,395,800)
	<b>4,226,383,162</b>	<b>3,424,773,551</b>
MTB Securities Limited	243,964,420	111,550,776
MTB Capital Limited	40,680,573	3,158,471
MTB Exchange (UK) Limited	1,450,406	1,661,392
Less: Intragroup receivable and payable	(143,175,000)	(169,483,962)
	<b>142,920,399</b>	<b>(53,113,323)</b>
	<b>4,369,303,561</b>	<b>3,371,660,229</b>
<b>10.00 Borrowing From Other Banks, Financial Institutions &amp; Agents</b>		
In Bangladesh	2,598,850,000	5,882,470,000
Outside Bangladesh	-	-
Borrowing from other banks & financial institutions-Offshore Banking Unit	39,116,323	79,750,000
	<b>2,637,966,323</b>	<b>5,962,220,000</b>
<b>In Bangladesh:</b>		
<b>Borrowing from Bank/Other Institutions</b>	<b>2,598,850,000</b>	<b>4,150,000,000</b>
Trust Bank Limited	-	750,000,000
United Commercial Bank Limited	-	650,000,000
Rupali Bank Limited	400,000,000	100,000,000
Pubali Bank Limited	-	250,000,000
Farmers Bank Limited	100,000,000	-
Premier Bank Limited	100,000,000	300,000,000
Standard Bank Limited	-	50,000,000
Basic Bank Limited	1,250,000,000	300,000,000
State Bank of India	120,000,000	100,000,000
Bank Al-Falah	-	50,000,000
Janata Bank Limited	-	300,000,000
Sonali Bank Limited	-	700,000,000
One Bank Limited	-	100,000,000
Dutch Bangla Bank Limited	-	50,000,000
National Bank Limited	-	200,000,000
AB Bank Limited	-	200,000,000
Bank Asia Limited	-	50,000,000
ICB Islamic Bank Limited	420,000,000	-
South Bangla Agriculture and Commerce Bank Limited	100,000,000	-
Commercial Bank of Ceylon	108,850,000	-
<b>Repo of Treasury Bill/Bond</b>	<b>-</b>	<b>1,732,470,000</b>
Bangladesh Bank	-	1,732,470,000
<b>Total</b>	<b>2,598,850,000</b>	<b>5,882,470,000</b>

		2013 BDT	2012 BDT
<b>10.01</b>	<b>Security against borrowing from other Banks, Financial Institutions and Agents</b>		
	Secured	-	1,732,470,000
	Unsecured	2,637,966,323	4,229,750,000
		<b>2,637,966,323</b>	<b>5,962,220,000</b>
<b>10.02</b>	<b>Maturity Grouping of borrowing from other Banks, Financial Institutions and Agents</b>		
	On Demand	2,178,850,000	5,882,470,000
	Repayable within one month	170,000,000	-
	More than one month but within six months	250,000,000	-
	More than six months but within one year	-	-
	More than one year but within five years	-	-
	More than five years but within ten years	-	-
		<b>2,598,850,000</b>	<b>5,882,470,000</b>
<b>10 (a)</b>	<b>Consolidated borrowing from other Banks, Financial Institutions and Agents</b>		
	Mutual Trust Bank Limited (note-10)	2,637,966,323	5,962,220,000
	MTB Securities Limited	2,505,554,081	2,665,569,081
	MTB Capital Limited	47,950	407,891
	MTB Exchange (UK) Limited	25,232,536	30,592,188
	Less: Intragroup Borrowings	(2,530,834,567)	(2,696,569,160)
		<b>2,637,966,323</b>	<b>5,962,220,000</b>
<b>11.00</b>	<b>Deposit and Other Accounts</b>		
	From Banks (note 11.01)	-	-
	From Customers (note 11.02)	84,640,395,660	75,368,729,652
		<b>84,640,395,660</b>	<b>75,368,729,652</b>
<b>11.01</b>	<b>Deposits From Banks</b>		
	Short Term Deposit (STD)	-	-
	Fixed Deposit Receipts (FDR)	-	-
		-	-
<b>11.02</b>	<b>Customer Deposit and Other Accounts</b>		
	<b>Current Deposit and Other Accounts</b>		
	Current Deposit	3,959,449,505	3,278,728,472
	Short Notice Deposit (SND)	4,494,739,902	3,295,174,170
	Foreign Currency Deposit	878,188,976	344,114,471
	Non-Resident Taka account	(7,825,583)	6,834,930
	Sundry Deposit	2,307,282,717	2,305,107,439
		<b>11,631,835,516</b>	<b>9,229,959,482</b>
	<b>Bills Payable</b>		
	Payment Order Issued	757,619,245	1,772,646,976
	Pay Slip Issued	546,227	643,158
	Demand Draft Payable	21,624,706	40,391,229
		<b>779,790,179</b>	<b>1,813,681,363</b>
	<b>Savings Deposit</b>	<b>11,097,954,735</b>	<b>9,224,420,233</b>
	<b>Fixed Deposit</b>	<b>48,426,499,552</b>	<b>45,350,855,194</b>

	2013 BDT	2012 BDT
<b>Deposit-Products</b>		
Brick by Brick	4,723,788,516	3,668,535,437
Save Everyday Deposit	1,084,155	1,102,522
Festival Savings Plan	11,849,333	14,822,534
Children Education Deposit Scheme	918,283	1,863,491
Best Invest Deposit	1,975,022	3,611,416
Unique Savings Plan	101,554	3,251,150
NRB Deposit Pension Scheme	45,487,046	17,811,452
MTB Gift Cheque	1,079,029	-
MTB Kotipati	141,392,622	23,092,294
MTB 1.5 Times Benefit Plan	3,798,351	6,273,788
MTB Double Saver Plan	3,407,416,645	3,068,262,842
MTB Triple Saver Plan	253,530,775	231,799,325
MTB Millionaire Plan	1,305,838,870	953,510,572
MTB Education Plan	147,373,702	130,837,171
MTB Monthly Benefit Plan	2,658,277,154	1,624,454,231
MTB Quarterly Benefit Plan	404,622	585,156
<b>Total</b>	<b>12,704,315,678</b>	<b>9,749,813,380</b>
	<b>84,640,395,660</b>	<b>75,368,729,652</b>
<b>11.03 Maturity grouping of Deposit and Other Accounts</b>		
On Demand	22,290,980,736	19,849,185,341
Repayable within one month	14,998,965,681	13,355,951,147
More than one month but within six months	26,084,263,721	23,226,945,068
More than six months but within one year	12,561,901,552	11,185,847,545
More than one year but within five years	5,398,463,080	4,807,105,416
More than five years but within ten years	3,171,370,046	2,823,972,286
More than ten years	134,450,843	119,722,848
	<b>84,640,395,660</b>	<b>75,368,729,652</b>
<b>11.04 Demand and Time Deposit</b>		
<b>a) Demand Deposit</b>	<b>8,915,701,719</b>	<b>8,578,664,496</b>
Current Deposit	3,959,449,505	3,278,728,472
Savings Deposit (9%)	998,815,926	830,197,821
Foreign Currency Deposit non interest bearing	878,188,976	344,114,471
Non Resident Taka Deposit	(7,825,583)	6,834,930
Sundry Deposit	2,307,282,717	2,305,107,439
Bills Payable	779,790,179	1,813,681,363
<b>b) Time Deposit</b>	<b>75,724,693,941</b>	<b>66,790,065,156</b>
Saving Deposit (91%)	10,099,138,809	8,394,222,412
Fixed Deposit	48,426,499,552	45,350,855,194
Short Term Deposit	4,494,739,902	3,295,174,170
Deposit Under Scheme	12,704,315,678	9,749,813,380
<b>Total Demand and Time Deposit</b>	<b>84,640,395,660</b>	<b>75,368,729,652</b>
<b>11.05 Sectorwise Deposit</b>		
Government	372,437,000	423,594,000
Autonomous and Semi-Autonomous Bodies	1,198,837,000	662,086,000
Public Non-Financial Organisation	2,041,511,000	1,753,466,000
Other Public	1,067,254,000	467,742,000
Foreign Currency	878,188,976	344,114,471
Private	79,082,167,684	71,717,727,181
	<b>84,640,395,660</b>	<b>75,368,729,652</b>

	2013 BDT	2012 BDT
<b>11 (a) Consolidated deposits and other accounts</b>		
<b>Current deposits and other accounts</b>		
Mutual Trust Bank Limited (note-11.02)	11,631,835,516	9,229,959,482
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(122,654,872)	(178,585,146)
	<b>11,509,180,644</b>	<b>9,051,374,336</b>
<b>Bills Payable</b>		
Mutual Trust Bank Limited (note-11.02)	779,790,179	1,813,681,363
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>779,790,179</b>	<b>1,813,681,363</b>
<b>Saving Deposit</b>		
Mutual Trust Bank Limited (note-11.02)	11,097,954,735	9,224,420,233
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>11,097,954,735</b>	<b>9,224,420,233</b>
<b>Fixed Deposit</b>		
Mutual Trust Bank Limited (note-11.02)	48,426,499,552	45,350,855,194
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(145,000,000)	(50,000,000)
	<b>48,281,499,552</b>	<b>45,300,855,194</b>
<b>Deposit Products</b>		
Mutual Trust Bank Limited (note-11.02)	12,704,315,678	9,749,813,380
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<b>12,704,315,678</b>	<b>9,749,813,380</b>
	<b>84,372,740,788</b>	<b>75,140,144,506</b>
<b>12.00 Other Liabilities</b>		
Provision for Loans and Advances (note-12.01)	1,933,971,514	1,626,300,000
Provision for Off-Balance Sheet Items (note-12.02)	238,966,781	176,800,000
Provision against Shares in quoted companies (note-12.03)	124,280,165	25,132,180
Interest Suspense (note-12.04)	295,576,392	235,590,439
Short term Liabilities to Banks Abroad (note-12.05)	28,503,591	558,091
Provision for Income Tax (note-12.06)	2,596,043,398	1,880,643,398
Provision for Gratuity (2.12.2-b)	67,000,000	46,422,901
Provision for Bonus	81,448,686	1,448,686
Contribution to MTB Foundation	5,000,000	-
Contribution to MTB Employees Welfare Fund	6	456
Provision for Expenses	9,347,626	14,645,032
Interest Payable on Subordinated Debt	75,614,191	75,202,353
Other Liabilities - Off-shore Banking Unit	-	307,260
Liabilities Under Finance Lease	15,709,632	25,580,130
	<b>5,471,461,983</b>	<b>4,108,630,927</b>

		2013 BDT	2012 BDT
12.01	<b>Provision for Loans and Advances</b>		
	<b>For Unclassified</b>		
	Opening Balance	700,000,000	613,399,900
	Add: Provision made during the year	244,461,224	86,600,100
	<b>Closing Balance</b>	<b>944,461,224</b>	<b>700,000,000</b>
	<b>For Classified</b>		
	Opening Balance	926,300,000	716,499,800
	Add: Provision made during the year	149,271,293	345,557,029
	Add: Provision transferred from Off-Balance Sheet Items	-	-
	Less: Adjustment during the year	-	-
	Less: Loan written off during the year	86,061,003	135,756,829
	<b>Closing Balance</b>	<b>989,510,291</b>	<b>926,300,000</b>
		<b>1,933,971,514</b>	<b>1,626,300,000</b>
12.02	<b>Provision for Off-Balance Sheet Items</b>		
	Opening Balance	176,800,000	153,300,000
	Add: Provision made during the year	62,166,781	23,500,000
	Less: Provision transferred to Classified Loans and Advances	-	-
	<b>Closing Balance</b>	<b>238,966,781</b>	<b>176,800,000</b>
12.03	<b>Provision against Shares in Quoted Companies</b>		
	Opening Balance	25,132,180	10,432,180
	Add: Provision made during the year	99,147,985	14,700,000
	Less: Adjustment made during the year	-	-
	<b>Closing Balance</b>	<b>124,280,165</b>	<b>25,132,180</b>
12.04	<b>Interest suspense account</b>		
	Opening Balance	235,590,439	183,454,798
	Add: Addition during the year	332,983,687	250,079,050
	Less: Adjustment made during the year	272,997,734	197,943,409
	<b>Closing Balance</b>	<b>295,576,392</b>	<b>235,590,439</b>
12.05	<b>Short Term Liabilities to Banks Abroad</b>		
	<b>Name of the Bank</b>	<b>Transaction Currency</b>	
1	Mashreqbank, New York	US\$	46,204
2	HSBC, New York	US\$	9,812,334
3	Wells Fargo, New York	US\$	-
4	JP Morgan, New York	US\$	2,677,062
5	Commerzbank, Germany	EUR	1,185,009
6	Standard Chartered Bank, Germany	EUR	657,642
7	ICICI, Mumbai	EUR	4,932,929
8	Unicredit, Germany	EUR	1,984,341
9	Standard Chartered Bank, Mumbai	ACU	3,172,001
10	Standard Chartered Bank, Pakistan	ACU	4,036,069
		<b>28,503,591</b>	<b>558,091</b>
12.06	<b>Provision for Income Tax*</b>		
	Opening Balance	1,880,643,398	1,489,621,250
	Less: Adjustment made during the year	-	-
	Add: Provision made during the year	715,400,000	391,022,148
		<b>2,596,043,398</b>	<b>1,880,643,398</b>

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

	2013 BDT	2012 BDT
<b>12.06 (a) Consolidated Provision for Income Tax*</b>		
Mutual Trust Bank Limited (note-12.06)	715,400,000	391,022,148
MTB Securities Limited	125,421,246	101,911,114
MTB Capital Limited	6,106,784	416,860
MTB Exchange (UK) Limited	-	-
	<b>846,928,030</b>	<b>493,350,122</b>

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

<b>12 (a) Consolidated Other Liabilities</b>		
Mutual Trust Bank Limited (note-12.00)	5,471,461,983	4,108,630,927
MTB Securities Limited	1,115,041,029	789,288,605
MTB Capital Limited	62,561,915	2,846,051
MTB Exchange (UK) Limited	(2,213,590)	(5,237,300)
Less: Intragroup receivable & payable	(143,175,000)	(169,483,962)
	<b>6,503,676,337</b>	<b>4,726,044,321</b>

### 13.00 Subordinated Debt

The Bank floated 12% partially Convertible Subordinated debt through private placement for BDT 2,500 million. Interest on the 12% partially convertible subordinated debt is payable half yearly from the date of Issue i.e. March and September of each year.

12% Partially Convertible Subordinated Debt	2,500,000,000	2,500,000,000
	<b>2,500,000,000</b>	<b>2,500,000,000</b>

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

### 14.00 Capital

#### 14.01 Authorized Capital:

1,000,000,000 ordinary shares of Tk. 10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
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#### 14.02 Issued, subscribed and Paid-up Capital:

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

The issued, subscribed and paid-up capital of the Bank as on December 31, 2013 is BDT 27,978,482,400 divided into 2,797,848,240 Ordinary shares of BDT 10 each as follows:

60,000,000 Ordinary shares of BDT 10 each issued for cash	600,000,000	600,000,000
91,683,840 Ordinary shares of BDT 10 each issued as bonus shares up to the year of 2008	916,838,400	916,838,400
24,948,000 Ordinary shares of BDT 10 each issued as right shares in the year 2008	249,480,000	249,480,000
35,326,360 Ordinary shares of BDT 10 each issued as bonus shares in the year 2009	353,263,600	353,263,600
42,391,640 Ordinary shares of BDT 10 each issued as bonus shares in the year 2010	423,916,400	423,916,400
25,434,984 Ordinary shares of BDT 10 each issued as bonus shares in the year 2012	254,349,840	-
	<b>2,797,848,240</b>	<b>2,543,498,400</b>



**14.03 Raising of Share Capital**

Given below, the history of Raising of Share Capital of the Bank:

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20%	12,000,000	120,000,000	720,000,000
2004-Bonus	20%	14,400,000	144,000,000	864,000,000
2005-Bonus	10%	8,640,000	86,400,000	950,400,000
2006-Bonus	5%	4,752,000	47,520,000	997,920,000
2007-Bonus	25%	24,948,000	249,480,000	1,247,400,000
2008-Right	20%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10%	25,434,984	254,349,840	2,797,848,240
		<b>279,784,824</b>	<b>2,797,848,240</b>	

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

	December 31, 2013		
	No. of shares	Value of shares	% of holding
		BDT	
Sponsors	134,024,860	1,340,248,600	47.90%
Financial Institutions	62,876,059	628,760,590	22.47%
General	82,883,905	828,839,050	29.62%
	<b>279,784,824</b>	<b>2,797,848,240</b>	<b>100%</b>

**14.05 Capital Adequacy Ratio**

There is a surplus of BDT 1,101.88 million in the capital fund of the Bank as at December 31, 2013 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:

	2013 BDT in Million	2012 BDT in Million
Total risk weighted assets	70,346.81	65,221.08
Required Capital : 10% of total risk weighted asset	7,034.68	6,522.11
<b>Actual capital maintained</b>		
<b>Core Capital (Tier-I) :</b>		
Paid up Capital	2,797.85	2,543.50
Statutory Reserve	1,916.38	1,638.74
General Reserve	276.78	276.80
Minority Interest	0.09	0.07
Retained Earnings	294.42	255.24
	<b>5,286.36</b>	<b>4,714.36</b>
<b>Deduction from Tier - I (Core Capital)</b>		
Short fall provision required against investment in share	-	65.90
	<b>5,286.36</b>	<b>4,648.46</b>
<b>Supplementary Capital (Tier-II) :</b>		
General Provision including Off-Balance Sheet items	1,183.43	875.30
Revaluation Reserve on Investment in Securities	80.87	60.40
Subordinated debt	1,585.91	1,396.58
	<b>2,850.20</b>	<b>2,332.28</b>
<b>Total Capital (Tier-I+Tier-II)</b>	<b>8,136.56</b>	<b>6,980.73</b>
<b>Surplus</b>	<b>1,101.88</b>	<b>458.63</b>
<b>Capital Adequacy Ratio</b>	<b>11.57%</b>	<b>10.70%</b>

**14.05.01 Capital Requirement**

	2013		2012	
	Required	Held	Required	Held
Tier-I	5.00%	7.51%	5.00%	7.13%
Tier-II		4.05%		3.57%
Tier-III		0.00%		0.00%

**14.06 Computation of Risk-Weighted Asset****a. Balance Sheet Exposure****BDT in Million**

Sl.	Particulars	2013				2012
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	-
a)	Cash		1,715.99	0%	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		22,080.18	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	235.61	20%	47.12	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	392.30	20%	78.46	36.18
		2,3	5,124.83	50%	2,562.42	3,117.85
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	100%	-	412.40
	ii) Original Maturity less than 3 months		274.89	20%	54.98	139.90
h)	Claims on Corporates	1	3,639.95	20%	727.99	256.34
		2	10,867.79	50%	5,433.90	2,324.80
		3,4	8,073.78	100%	8,073.78	3,790.10
		5,6	-	150%	-	-
		Unrated	7,198.00	125%	8,997.50	13,077.75
i)	Claims under Credit Risk Mitigation [From WP-1(a)]:	PSE	-	N/A	-	-
		Banks & NBFIs	0.07	N/A	-	-
		Corporate	1,306.77	N/A	701.29	1,038.00
		Retail & Small	1,173.86	N/A	109.65	98.20
		Consumer finance	-	N/A	-	-
		Residential property	-	N/A	-	-
		Commercial Real Estate	-	N/A	-	-
j)	Claims categorized as Retail Portfolio and Small Enterprise (excluding consumer loan)		13,693.92	75%	10,270.44	13,160.78
k)	Consumer Finance		641.92	100%	641.92	810.20
l)	Claims fully secured by residential property		649.63	50%	324.81	206.45
m)	Claims fully secured by commercial real estate		1,455.28	100%	1,455.28	1,859.30
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):					
	Where specific provisions are less than 20% of the outstanding amount of the past due claim;		1,194.85	150%	1,792.28	1,912.05

Sl.	Particulars	BDT in Million			
		Bangladesh Bank's Rating Grade	2013 Exposure	Risk weight	2012 Risk weighted assets
1	2	3	4	5	6=(4x5)
	Where specific provisions are no less than 20% of the outstanding amount of the past due claim;		82.85	100%	82.85
	Where specific provisions are more than 50% of the outstanding amount of the past due claim.		424.28	50%	212.14
	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount		-	100%	-
	Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount		-	75%	-
o)	Capital Market Exposure		4,068.39	125%	5,085.49
p)	Investments in venture capital		-	150%	-
q)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book			125%	-
r)	Investments in premises, plant and equipment and all other fixed assets		2,458.22	100%	2,458.22
s)	Claims on all fixed assets under operating lease			-	100%
t)	All other assets				
	i) Claims on GOB & BB		2,312.72	0%	-
	ii) Staff Loans/Investment and Cash items in process of collection		541.78	20%	108.36
	iii) Cash items in process of collection		-	20%	-
	iv) Claims on Off-Shore Banking Unit (OBU)		-	100%	-
	v) Others (not specified above)[Net of specific provision if any]		2,031.80	100%	2,031.80
	<b>Total:</b>		<b>91,639.67</b>		<b>51,250.68</b>
					<b>52,435.03</b>

#### b. Off Balance Sheet Exposure

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	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
e)	Claims on Public Sector Entities (other than Govt.) in Bangladesh	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-

Sl.	Particulars	2013				BDT in Million
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	-
f)	Claims on Banks and NBFIs					
	1. Maturity Over 3 months	1	-	20%	-	-
		2,3	14.53	50%	7.26	0.35
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	100%	-	-
	2. Maturity less than 3 months		-	20%	-	-
g)	Claims on Corporate	1	5,133.45	20%	1,026.69	765.98
		2	2,189.84	50%	1,094.92	744.40
		3,4	3,455.06	100%	3,455.06	1,075.20
		5,6	-	150%	-	-
		Unrated	3,349.83	125%	4,187.29	624.13
h)	Claims on categorized as Retail Portfolio and Small Enterprise (excluding consumer loan)		-	75%	-	-
i)	Consumer Finance		-	100%	-	-
j)	Claims fully secured by residential property			50%	-	-
k)	Claims fully secured by commercial real estate			100%	-	-
l)	Investment in venture capital			150%	-	-
m)	All other assets		-	100%	-	-
	<b>Total:</b>		<b>14,142.71</b>		<b>9,771.23</b>	<b>3,210.01</b>

#### c. Capital Charge for Market Risk

Sl.	Details	Capital Charge for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk	Total Capital Charge for Market Risk
1	2	3	4 = (2+3)		
A.	Interest Rate Related instruments	-	94.44	94.44	150.20
B.	Equities	115.45	115.45	230.91	168.30
C.	Foreign Exchange Position		36.40	36.40	134.10
	<b>Total (A+B+C):</b>	<b>115.45</b>	<b>246.29</b>	<b>361.75</b>	<b>452.60</b>

#### d. Capital Charge for Operational Risk

Sl.	Year	Gross Income(GI)	Average GI*	Alpha	CCFOR	CCFOR
A.	2013	4684.9				
B.	2012	3584.4	3,804.97	15%	570.75	505.00
C.	2011	3145.6				

#### Total Risk Weighted Assets (RWA)

Particulars	RWA	RWA
<b>A. Credit Risk on</b>		
Balance Sheet Exposure	51,250.68	51,250.68
Off-Balance Sheet Exposure	9,771.23	9,771.23
<b>B. Market Risk</b>	361.75	3,617.45
<b>C. Operational Risk</b>	570.75	5,707.45
<b>Total Risk Weighted Assets (A+B+C)</b>	<b>70,346.81</b>	<b>65,221.01</b>

#### 14.07 Minimum Capital Requirement Under Basel II

Sl.	Particulars	BDT	BDT
A.	Eligible Capital :		
	1.Tier-1 (Core Capital )	5,286.36	4,648.52
	2.Tier-2 (Supplementary Capital)	2,850.20	2,332.30
	3.Tier-3 (eligible for market risk only)	-	-
	4.Total Eligible Capital (1+2+3) :	8,136.56	6,980.82
B.	Total Risk Weighted Assets (RWA):	70,346.81	65,221.01
C.	Capital Adequacy Ratio (CAR) (A4 / B)*100	11.57%	10.70%
D.	Core Capital to RWA (A1 / B)*100	7.51%	7.13%
E.	Supplementary Capital to RWA (A2 / B)*100	4.05%	3.57%
F.	Minimum Capital Requirement (MCR)- as at December 31, 2013	7,034.68	6,522.11

<b>14.08 Distribution Schedule of Shareholders by holdings as at December 31, 2013</b>				
<b>Holdings</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>Value of shares in Taka</b>	<b>Total Holdings %</b>
Less than 499 shares	7,260	1,006,307	10,063,070	0.36%
500 to 5,000 shares	7,697	12,184,370	121,843,700	4.35%
5,001 to 10,000 shares	933	6,431,946	64,319,460	2.30%
10,001 to 20,000 shares	531	7,298,402	72,984,020	2.61%
20,001 to 30,000 shares	179	4,341,637	43,416,370	1.55%
30,001 to 40,000 shares	72	2,504,672	25,046,720	0.90%
40,001 to 50,000 shares	63	2,825,089	28,250,890	1.01%
50,001 to 100,000 shares	115	8,180,819	81,808,190	2.92%
100,001 to 1,000,000 shares	158	44,597,974	445,979,740	15.94%
Over 1,000,000 shares	48	190,413,608	1,904,136,080	68.06%
<b>Total</b>	<b>17,056</b>	<b>279,784,824</b>	<b>2,797,848,240</b>	<b>100.00%</b>

	<b>2013 BDT</b>	<b>2012 BDT</b>
<b>15.00 Statutory Reserve</b>		
Opening Balance	1,637,341,825	1,473,576,620
Add: Transferred during the year (20% of pre tax profit )	279,862,757	163,765,205
<b>Closing Balance</b>	<b>1,917,204,582</b>	<b>1,637,341,825</b>
<b>15 (a) Consolidated Statutory Reserve</b>		
Opening Balance	1,637,341,825	1,473,576,620
Add: Transferred during the year (20% of Consolidated pre tax bank's profit )	279,862,757	163,765,205
<b>Closing Balance</b>	<b>1,917,204,582</b>	<b>1,637,341,825</b>
<b>16.00 General Reserve</b>		
Opening Balance	276,777,324	361,777,324
Less: Transferred to Retained Earnings	-	(85,000,000)
Less: Issued bonus share	-	-
<b>Closing Balance</b>	<b>276,777,324</b>	<b>276,777,324</b>
<b>17.00 Retained Earnings</b>		
Opening Balance	284,769,050	330,116,089
Add: Transferred from General Reserve	-	85,000,000
Add: Profit made during the year	578,181,250	338,637,974
Less: Bonus Share Issued during the year	(254,349,840)	-
Less: Cash Dividend paid	-	(305,219,808)
Less: Transferred to Statutory Reserve	(279,862,757)	(163,765,205)
<b>Closing Balance</b>	<b>328,737,703</b>	<b>284,769,050</b>
<b>17 (a) Consolidated Retained Earnings</b>		
Opening Balance	255,237,061	311,451,467
Add: Consolidated Profit made during the year	573,231,688	327,836,170
Add: Transferred from General Reserve	-	85,000,000
Less: Dividend paid (Bonus Share and Cash dividend)	(254,349,840)	(305,219,808)
Less: Transferred to Statutory Reserve	(279,862,757)	(163,765,205)
	<b>294,256,152</b>	<b>255,302,623</b>
Add: Prior year adjustment - Subsidiaries profit	2,116,176	-
Less: Foreign currency translation loss	(1,948,951)	(65,561)
<b>Closing Balance</b>	<b>294,423,377</b>	<b>255,237,061</b>

		2013 BDT	2012 BDT
<b>18.00</b>	<b>Contingent Liabilities and Commitments</b>		
	Letter of Guarantee	6,048,664,710	4,966,662,479
	<b>Letter of Credit:</b>		
	Letter of Credit (Cash)	2,419,611,658	3,669,944,903
	Letter of Credit (Back to Back)	1,263,298,445	594,671,314
	Letter of Credit (EDF)	98,283,591	20,999,902
	Letter of Credit (Deferred)	2,034,007,216	1,377,625,380
	Letter of Credit (Inland)	625,367,960	746,632,051
		<b>6,440,568,870</b>	<b>6,409,873,550</b>
	<b>Bills for collection :</b>		
	Inland	7,619,422	8,801,590
	Foreign:		
	LDBC	925,263,814	718,044,867
	FDBC	780,170,300	620,570,270
		<b>1,713,053,536</b>	<b>1,347,416,727</b>
	<b>Other Contingent Liabilities :</b>		
	IFDBC (Back to Back)	58,222,000	1,574,235,000
	IFDBC (Cash)	-	703,705,000
	Accepted Bill (Inland)	2,651,347,679	635,696,550
	Accepted Bill (Foreign)	6,984,821,309	2,038,932,542
		<b>9,694,390,988</b>	<b>4,952,569,092</b>
	<b>Other Commitments</b>		
	Undrawn formal standby facilities, credit lines and other commitments	-	-
		<b>23,896,678,104</b>	<b>17,676,521,847</b>
<b>18.01</b>	<b>Loan written off</b>		
	During the year Loans and Advances of 02 (two) clients/parties has been written off.		
<b>18.02</b>	<b>Letter of Guarantee</b>		
	i) Claims against the Bank not acknowledged as debts	-	-
	ii) Money for which the bank is contingently liable in respect of guarantees given favoring:		
	Directors	359,746	295,394
	Government	2,396,694,906	1,967,967,350
	Bank and other Financial Institutions	2,862,484	2,350,435
	Others	3,648,747,574	2,996,049,300
		<b>6,048,664,710</b>	<b>4,966,662,479</b>
	Less: Margin	2,150,154,067	1,765,528,433
		<b>3,898,510,644</b>	<b>3,201,134,046</b>
	iii) Liability on Account of Bills Re-Discounted	-	-
	iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
		<b>3,898,510,644</b>	<b>3,201,134,046</b>
<b>18.03</b>	<b>Segregation of Commitment by Type</b>		
	Documentary Credit and Short Term Business Related Transaction	6,440,568,870	6,409,873,550
	Forward Asset Purchased and Forward Deposit	-	-
	Endorsed formal standby facilities, Credit facilities and other commitments:		
	Less than one year	15,743,055,698	9,919,231,571
	One year and above	-	-
	Undrawn formal standby facilities, credit lines and other commitments	-	-
	Spot and Forward Foreign Exchange Rate Contract	-	-
	Other Exchange Contract	-	-
	Others	1,713,053,536	1,347,416,727
		<b>23,896,678,104</b>	<b>17,676,521,848</b>

		2013 BDT	2012 BDT
18 (a)	<b>Consolidated contingent liabilities</b>		
	<b>Acceptances and endorsements</b>		
	Mutual Trust Bank Limited (note-18.00)	9,694,390,988	4,952,569,092
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>9,694,390,988</b>	<b>4,952,569,092</b>
	<b>Letters of guarantee</b>		
	Mutual Trust Bank Limited (note-18.00)	6,048,664,710	4,966,662,479
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>6,048,664,710</b>	<b>4,966,662,479</b>
	<b>Irrevocable Letters of Credit</b>		
	Mutual Trust Bank Limited (note-18.00)	6,440,568,870	6,409,873,550
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>6,440,568,870</b>	<b>6,409,873,550</b>
	<b>Bills for collection</b>		
	Mutual Trust Bank Limited (note-18.00)	1,713,053,536	1,347,416,727
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>1,713,053,536</b>	<b>1,347,416,727</b>
	<b>Other Commitments</b>		
	Mutual Trust Bank Limited (note-18.00)	-	-
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>23,896,678,104</b>	<b>17,676,521,847</b>
19.00	<b>Income Statement</b>		
	<b>Income:</b>		
	Interest, Discount and Similar Income	11,044,680,014	9,189,094,129
	Dividend income	202,115,290	188,232,707
	Fee, Commission and Brokerage	424,247,393	339,750,886
	Gain less losses arising from investment securities	32,571,314	15,331,809
	Gain less losses arising from dealing in Foreign Currencies	207,335,264	222,200,973
	Other Operating Income	344,174,741	282,331,007
		<b>12,255,124,016</b>	<b>10,236,941,511</b>
	<b>Expenses</b>		
	Interest, Fee and Commission	7,997,883,744	7,005,065,351
	Losses on Loans and Advances	-	-
	Administrative expenses	1,737,339,419	1,484,528,826
	Other operating expenses	461,676,379	367,643,019
	Depreciation on Banking Assets	234,379,148	182,078,972
		<b>10,431,278,690</b>	<b>9,039,316,168</b>
	<b>Operating profit</b>	<b>1,823,845,326</b>	<b>1,197,625,343</b>
20.00	<b>Interest Income</b>		
	Loans and Advances (note-20.01)	8,537,542,827	7,561,897,281
	Money at Call and Short Notice	41,567,889	14,302,986
	Balance with Other Banks and Financial Institutions (note-20.02)	96,401,173	46,325,487
	Bangladesh Bank Foreign Currency Clearing Account	-	-
		<b>8,675,511,888</b>	<b>7,622,525,755</b>

		2013 BDT	2012 BDT
<b>20.01</b>	<b>Interest on Loans and Advances</b>		
	Term Loan	1,817,078,928	1,523,711,437
	Small and Medium Enterprise Financing	652,830,415	499,087,310
	Retail/Consumer Financing	381,811,307	221,826,525
	General Loans	112,439,117	27,809,572
	Demand Loan	315,661,277	83,790,215
	Payment Against Documents (PAD)	26,375,860	119,542,588
	Trust Receipts	1,125,438,545	1,394,198,356
	Lease Finance	73,362,274	43,444,712
	Export Development Fund	661,820	16,020
	House Building Loan	315,308,492	360,001,936
	Cash Credit	1,446,558,301	1,155,705,608
	Secured Overdraft	1,501,914,313	1,229,914,757
	Bills Purchased and Discounted	362,463,210	402,470,952
	Interest on Loans to Subsidiaries	353,187,900	413,169,676
	Interest Income - Off-shore Banking Unit	7,174,870	33,924,448
	Other Loans and Advances	45,276,197	53,283,169
		<b>8,537,542,827</b>	<b>7,561,897,281</b>
<b>20.02</b>	<b>Interest on Balance with other Bank and Financial Institution</b>		
	Interest on Balance with other Banks in Bangladesh	96,401,173	46,325,487
	Interest on Balance held with Banks outside Bangladesh	-	-
		<b>96,401,173</b>	<b>46,325,487</b>
<b>20(a)</b>	<b>Consolidated Interest Income</b>		
	Mutual Trust Bank Limited (note-20.00)	8,675,511,888	7,622,525,755
	MTB Securities Limited	658,715,793	638,903,874
	MTB Capital Limited	3,950,393	640,916
	MTB Exchange (UK) Limited	-	-
	Less: Intra-group Interest Income (Loans)	(353,187,900)	(413,169,676)
		<b>8,984,990,174</b>	<b>7,848,900,869</b>
<b>21.00</b>	<b>Interest Paid on Deposit and Borrowing, etc.</b>		
	Interest on Deposit and Other Accounts (note-21.01 )	7,549,265,957	6,645,955,713
	Interest on Borrowing from other Banks and Financial Institutions	448,617,787	359,109,638
		<b>7,997,883,744</b>	<b>7,005,065,351</b>
<b>21.01</b>	<b>Interest on Deposits and Other Accounts</b>		
	Savings Deposits	341,843,039	318,152,185
	Short-term Deposits	239,436,018	242,921,552
	Fixed Deposits	5,224,044,123	4,832,707,933
	Deposit-Products	1,438,796,670	927,427,364
	Interest paid on deposit and borrowings - Off-Shore Banking Unit	5,146,107	24,746,679
	Interest on Subordinated Debt	300,000,000	300,000,000
		<b>7,549,265,957</b>	<b>6,645,955,713</b>
<b>21(a)</b>	<b>Consolidated Interest Paid on Deposits and Borrowings, etc.</b>		
	Mutual Trust Bank Limited (note-21.00)	7,997,883,744	7,005,065,351
	MTB Securities Limited	353,435,122	413,173,105
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intra-group Interest Expense (Borrowings)	(353,187,900)	(413,169,676)
	Less: Intra-group Interest Expense (Deposits)	(41,000,719)	(7,161,741)
		<b>7,957,130,247</b>	<b>6,997,907,039</b>



		2013 BDT	2012 BDT
<b>22.00</b>	<b>Income From Investments</b>		
	Interest on Treasury Bill	555,858,509	293,140,491
	Interest on Treasury Bond	1,790,553,549	1,230,874,029
	Reverse REPO	12,653.00	-
	Gain/(Loss) on Investment in Shares of Quoted Companies	32,571,314	15,331,809
	Dividend from Subsidiary	143,175,000	169,483,962
	Prize Bond	(500)	1,100
	Dividend on Investment in Shares	58,940,290	18,748,745
	Other Investment	22,743,915	42,552,755
		<b>2,603,854,730</b>	<b>1,770,132,891</b>
<b>22(a)</b>	<b>Consolidated Income From Investments</b>		
	Mutual Trust Bank Limited (note-22.00)	2,603,854,730	1,770,132,891
	Less: Income from MTB Securities Ltd.	-	-
	MTB Securities Limited	-	-
	MTB Capital Limited	5,552,120	1,945,929
	MTB Exchange (UK) Limited	-	-
	Dividend paid by MTB Securities Limited	(143,175,000)	(169,483,962)
		<b>2,466,231,850</b>	<b>1,602,594,858</b>
<b>23.00</b>	<b>Commission, Exchange and Brokerage</b>		
	Commission (note-23.01)	424,247,393	339,750,886
	Exchange	207,335,264	222,200,973
	Brokerage	-	-
		<b>631,582,657</b>	<b>561,951,859</b>
<b>23.01</b>	<b>Commission</b>		
	Letter of Guarantee	52,917,185	54,796,221
	Letter of Credit	143,359,717	131,833,436
	Acceptance of Bills	113,869,682	42,870,358
	LC Advising	8,563,718	6,318,244
	Export Bills	4,785,186	6,840,458
	PO, DD and TT	5,582,791	6,068,849
	Exchange houses	6,478,895	7,085,151
	Foreign Remittance	2,274,599	1,972,753
	Online service	2,542,010	5,611,469
	IBP/FBP/IDBP	1,674,595	972,567
	FDBC/IFDBC/LDBC	29,601,562	47,134,768
	OBC/IBC	564,111	978,649
	Sales and Purchase of Shares	2,886,325	1,833,432
	Underwriting Comm. on Treasury Bill/Bond	23,847,480	11,245,766
	POS Commission	25,299,538	14,188,765
		<b>424,247,393</b>	<b>339,750,886</b>
<b>23(a)</b>	<b>Consolidated Commission, Exchange and Brokerage</b>		
	Mutual Trust Bank Limited (note-23.00)	631,582,657	561,951,859
	MTB Securities Limited	125,208,110	138,617,091
	MTB Capital Limited	4,805,524	3,531,175
	MTB Exchange (UK) Limited	8,034,374	6,230,035
		<b>769,630,665</b>	<b>710,330,160</b>
<b>24.00</b>	<b>Other Operating Income</b>		
	Postage Charge Recoveries	5,555,763	8,258,016
	Telephone and Telegram Charge Recoveries	37,750	11,128
	Handling Charges	5,395,250	6,916,552
	VISA ATM	1,565,754	915,716
	VISA POS	8,193,974	6,616,795

		2013 BDT	2012 BDT
	Service Charges	97,572,090	90,049,293
	Margin A/c Maintenance Income	1,710	9,626
	SWIFT Charge Recoveries	15,779,848	9,076,590
	Management fees	49,645,702	38,105,733
	Early Settlement Fee	1,918,695	7,654,715
	Loan Processing Fee	4,065,393	-
	Partial Payment Fee	104,966	-
	Incidental charges, CPV Charges and other recoveries	187,065	476,650
	Charges against cards	45,790,119	29,587,280
	Recovery from written off loans	5,900,000	6,500,000
	Locker Rent	2,734,690	2,522,715
	Miscellaneous Earnings	99,725,971	75,630,197
		<b>344,174,741</b>	<b>282,331,007</b>
<b>24 (a)</b>	<b>Consolidated other operating income</b>		
	Mutual Trust Bank Limited (note-24.00)	344,174,741	282,331,007
	MTB Securities Limited	33,873,059	60,627,722
	MTB Capital Limited	18,217,320	7,161,741
	MTB Exchange (UK) Limited	-	325,132
	Less: Intra-group other operating income	(41,000,719)	(7,161,741)
		<b>355,264,401</b>	<b>343,283,860</b>
<b>25.00</b>	<b>Salary and Allowances</b>		
	Basic Pay	432,003,200	398,279,470
	Allowances	350,403,188	345,974,697
	Bonus	212,478,806	66,758,412
	Gratuity	67,000,000	46,422,901
	Daily Wages	470,054	1,535,757
	Leave Fare Assistance	39,726,504	39,474,045
	Provident Fund	38,368,846	34,184,829
		<b>1,140,450,598</b>	<b>932,630,110</b>
<b>25 (a)</b>	<b>Consolidated Salaries and Allowances</b>		
	Mutual Trust Bank Limited (note-25.00)	1,140,450,598	932,630,110
	MTB Securities Limited	57,088,660	52,736,168
	MTB Capital Limited	6,369,207	5,622,473
	MTB Exchange (UK) Limited	6,718,851	7,704,450
		<b>1,210,627,316</b>	<b>998,693,201</b>
<b>25.01</b>	<b>Managing Director's Remuneration</b>		
	Basic	4,800,000	5,226,667
	House Rent	1,200,000	1,626,667
	House Maintenance	900,000	1,258,400
	Entertainment	120,000	193,000
	Festival Bonus	3,869,333	1,350,000
	Security and personal wages	420,000	517,666
	Provident Fund	480,000	522,667
		<b>11,789,333</b>	<b>10,695,067</b>
<b>26.00</b>	<b>Rent, Tax, Insurance, Electricity, etc.</b>		
	Rent	301,091,647	279,425,161
	Rates and taxes	1,455,158	807,123

		2013 BDT	2012 BDT
	Insurance	55,684,604	36,573,101
	Power and electricity	71,302,014	63,059,411
	Lease Rent	2,740,422	3,186,378
		<b>432,273,845</b>	<b>383,051,174</b>
26 (a)	<b>Consolidated rent, taxes, insurance, electricity, etc.</b>		
	Mutual Trust Bank Limited (note-26.00)	432,273,845	383,051,174
	MTB Securities Limited	35,656,766	31,823,700
	MTB Capital Limited	3,103,656	2,645,312
	MTB Exchange (UK) Limited	6,189,187	6,658,671
		<b>477,223,454</b>	<b>424,178,857</b>
27.00	<b>Legal Expense</b>		
	Legal Expense	1,563,657	1,751,248
		<b>1,563,657</b>	<b>1,751,248</b>
27 (a)	<b>Consolidated Legal Expense</b>		
	Mutual Trust Bank Limited (note-27.00)	1,563,657	1,751,248
	MTB Securities Limited	105,063	345,904
	MTB Capital Limited	231,600	141,710
	MTB Exchange (UK) Limited	-	-
		<b>1,900,320</b>	<b>2,238,862</b>
28.00	<b>Postage, Stamps &amp; Telephone, etc.</b>		
	Postage/Courier Service	5,340,234	9,798,166
	Fax and e-mail	957,582	1,048,373
	On-line and connectivity charges	48,047,586	46,388,464
	Telephone	10,255,292	10,443,507
		<b>64,600,694</b>	<b>67,678,509</b>
28 (a)	<b>Consolidated postage, stamp, telecommunication, etc.</b>		
	Mutual Trust Bank Limited (note-28.00)	64,600,694	67,678,509
	MTB Securities Limited	1,427,153	1,009,516
	MTB Capital Limited	88,502	74,382
	MTB Exchange (UK) Limited	100,240	108,809
		<b>66,216,589</b>	<b>68,871,215</b>
29.00	<b>Printing, Stationery, Advertisement etc.</b>		
	Printing and Security Stationery	37,521,164	42,797,780
	Computer Stationery	10,431,941	9,258,546
	Petty and Table Stationery	10,105,945	9,563,635
	Publicity and Advertisement	26,897,241	25,704,756
		<b>84,956,292</b>	<b>87,324,718</b>
29 (a)	<b>Consolidated Printing, Stationery, Advertisements etc.</b>		
	Mutual Trust Bank Limited (note-29.00)	84,956,292	87,324,718
	MTB Securities Limited	1,815,721	1,395,678
	MTB Capital Limited	87,439	89,549
	MTB Exchange (UK) Limited	398,039	288,776
		<b>87,257,490</b>	<b>89,098,721</b>
30.00	<b>Directors' Fees</b>		
	Meeting fee	775,000	685,000
		<b>775,000</b>	<b>685,000</b>

		2013 BDT	2012 BDT
<b>31.00</b>	<b>Audit Fee</b>		
	Audit Fee	930,000	713,000
		<b>930,000</b>	<b>713,000</b>
<b>31 (a)</b>	<b>Consolidated Audit Fee</b>		
	Mutual Trust Bank Limited (note-31.00)	930,000	713,000
	MTB Securities Limited	50,000	45,000
	MTB Capital Limited	51,111	36,450
	MTB Exchange (UK) Limited	364,950	388,140
		<b>1,396,061</b>	<b>1,182,590</b>
<b>32.00</b>	<b>Depreciation on and Repairs to Bank's Property</b>		
	<b>Depreciation :</b>		
	Immovable Property	24,457,479	12,304,239
	Furniture and Fixture	70,400,480	56,367,693
	Office Equipments	127,935,032	102,402,443
	Motor Vehicles	1,955,161	1,373,601
	Books & Periodicals	-	-
	Leasehold Property	9,630,996	9,630,996
		<b>234,379,148</b>	<b>182,078,972</b>
	Repairs on Bank's property	21,773,850	21,691,532
		<b>256,152,998</b>	<b>203,770,504</b>
<b>32 (a)</b>	<b>Consolidated Depreciation and Repair of Assets</b>		
	Mutual Trust Bank Limited (note-32.00)	256,152,998	203,770,504
	MTB Securities Limited	11,217,691	9,838,470
	MTB Capital Limited	1,492,005	1,464,240
	MTB Exchange (UK) Limited	865,418	1,186,803
		<b>269,728,113</b>	<b>216,260,017</b>
<b>32 (a.1)</b>	<b>Consolidated Depreciation of Assets</b>		
	Mutual Trust Bank Limited (note-32.00)	234,379,148	182,078,972
	MTB Securities Limited	10,390,441	8,494,517
	MTB Capital Limited	1,421,658	1,401,009
	MTB Exchange (UK) Limited	932,555	1,142,296
		<b>247,123,802</b>	<b>193,116,794</b>
<b>32 (a.2)</b>	<b>Consolidated Repair and Maintenance of Assets</b>		
	Mutual Trust Bank Limited (note-32.00)	21,773,850	21,691,532
	MTB Securities Limited	827,250	1,343,953
	MTB Capital Limited	70,347	63,231
	MTB Exchange (UK) Limited	6,204	44,507
		<b>22,677,652</b>	<b>23,143,223</b>
<b>33.00</b>	<b>Other Expenditure</b>		
	Security and Auxiliary Service	127,129,123	86,950,712
	Office Cleaning & Maintenance	39,742,953	31,169,857
	Car Expense	98,811,713	96,756,400
	Entertainment	18,895,173	14,577,402
	Newspaper and Periodicals	1,071,232	911,318
	Clearing House Expense	1,143,980	1,707,544
	Traveling and Conveyance	21,657,424	22,444,627
	Holiday Conveyance	1,256,640	-

	2013 BDT	2012 BDT
Bank Charge	2,564,614	1,247,471
Training/ Seminar Participation	7,785,898	12,051,178
Professional Fee	1,673,466	1,125,162
AGM Expense	5,174,107	4,330,708
Utility	2,212,603	1,986,901
Subscription & Donation	4,186,349	6,173,821
VISA Expense	34,414,659	20,662,486
Reuters Charge	1,337,933	1,715,485
CDBL Charges	396,339	250,000
Fees and Registration	14,199,446	6,307,051
Business Development Expense	13,733,836	14,129,380
Corporate Social Responsibility (CSR) activities	15,178,160	4,353,650
Branch Opening Expenses	1,891,629	1,651,503
Contribution to MTB Foundation	5,000,000	-
Honorarium	132,167	261,133
Cash Carrying Expense	15,537,718	10,963,658
Contact Point Verification (CPV) Charges	1,243,840	981,198
Site Maintenance and Support Service	2,503,369	1,861,991
CDS Charges	2,000	1,363,858
Loss on Sale of Fixed Assets	1,003,522	-
Miscellaneous Expense	22,634	16,995
	<b>439,902,529</b>	<b>345,951,487</b>
<b>33 (a) Consolidated Other Expenditure</b>		
Mutual Trust Bank Limited (note-33.00)	439,902,529	345,951,487
MTB Securities Limited	22,544,131	14,018,175
MTB Capital Limited	1,022,112	518,186
MTB Exchange (UK) Limited	2,743,329	2,479,956
	<b>466,212,101</b>	<b>362,967,804</b>
<b>34.00 Provision Against Loans and Advances</b>		
Provision for Classified Loans and Advances	149,271,293	345,557,029
Provision for Unclassified Loans and Advances	244,461,224	86,600,100
Provision for Off-Balance Sheet Items	62,166,781	23,500,000
Total amount of provision made during the year	<b>455,899,298</b>	<b>455,657,129</b>
<b>35.00 Provision for Tax</b>		
Current tax	715,400,000	391,022,148
Deferred tax* (note 9.04.02 (a))	(24,783,207)	(2,391,909)
<b>Total</b>	<b>690,616,793</b>	<b>388,630,239</b>
<b>35 (a) Consolidated Provision for Tax</b>		
Mutual Trust Bank Limited (note-35.00)	690,616,793	388,630,239
MTB Securities Limited	129,338,006	102,327,974
MTB Capital Limited	6,106,784	-
MTB Exchange (UK) Limited	-	-
	<b>826,061,583</b>	<b>490,958,213</b>
<b>36.00 Earning Per Share (EPS):</b>		
Net Profit After Tax	578,181,250	338,637,974
Number of Ordinary Shares outstanding	279,784,824	279,784,824
<b>Earning Per Share (EPS)</b>	<b>2.07</b>	<b>1.21</b>

		2013 BDT	2012 BDT
<b>36 (a)</b>	<b>Consolidated Earning Per Share (EPS):</b>		
	Consolidated Net Profit After Tax	573,231,688	327,867,814
	Number of Ordinary Shares outstanding	279,784,824	279,784,824
	<b>Earning Per Share (EPS)</b>	<b>2.05</b>	<b>1.17</b>
<b>37.00</b>	<b>Received from Other Operational Income</b>		
	Exchange	207,335,264	222,200,973
	Postage charge recovery	5,555,763	8,258,016
	Telephone and Telegram charge recovery	37,750	11,128
	Handling charge	5,395,250	6,916,552
	Service charge	97,572,090	90,049,293
	SWIFT charge recovery	15,779,848	9,076,590
	Early settlement and Loan processing fees	6,089,054	7,654,715
	Incidental charges, CPV Charges and other recoveries	187,065	476,650
	Locker rent	2,734,690	2,522,715
	VISA ATM	1,565,754	915,716
	Margin A/c Maintenance Income	1,710	9,626
	Management fees	49,645,702	38,105,733
	Charges against cards	45,790,119	29,587,280
	VISA POS	8,193,974	6,616,795
	Miscellaneous income	99,725,971	75,630,197
		<b>545,610,005</b>	<b>498,031,979</b>
<b>37 (a)</b>	<b>Consolidated Received from Other Operational Income</b>		
	Mutual Trust Bank Limited (note-37.00)	545,610,005	498,031,979
	MTB Securities Limited	33,873,059	60,627,722
	MTB Capital Limited	18,217,320	7,161,741
	MTB Exchange (UK) Limited	-	325,132
	Less: Intra-group other operating income	(41,000,719)	(7,161,741)
		<b>556,699,665</b>	<b>558,984,833</b>
<b>38.00</b>	<b>Payment for Other Operational Expenses</b>		
	Rent, Tax, Insurance, Electricity	432,273,845	383,051,174
	Legal Expense	1,563,657	1,751,248
	Postage, Stamps, Telegram and Telephone	64,600,694	67,678,509
	Audit fee	930,000	713,000
	Printing, Stationery, Advertisement	84,956,292	87,324,718
	Directors' Fee	775,000	685,000
	Repair and Maintenance	21,773,850	21,691,532
	Other Expenditure	434,902,529	345,951,487
		<b>1,041,775,867</b>	<b>908,846,668</b>
<b>38 (a)</b>	<b>Consolidated Payment for Other Operational Expenses</b>		
	Rent, Tax, Insurance, Electricity	477,223,454	424,178,857
	Legal Expense	1,900,320	2,238,862
	Postage, Stamps, Telegram and Telephone	66,216,589	68,871,215
	Audit fee	1,396,061	1,182,590
	Printing, Stationery, Advertisement	87,257,490	89,098,721
	Directors' Fee	775,000	685,000
	Repair and Maintenance	22,677,652	23,143,223
	Other Expenditure	461,212,101	362,967,804
		<b>1,118,658,667</b>	<b>972,366,272</b>

**39.00 Number of Employees**

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 1,378.

	2013	2012
<b>40.00 Number of Branch</b>	92	86
<b>41.00 Number of Meeting</b>		
Board Meeting	12	12
Executive Committee Meeting	5	5

**42.00 BDT 14.18 million worth of Fixed Assets have been sold during the year 2013.****43.00 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).

**44.00 Related Party Disclosure****44.01 Name of Directors and their shareholdings as at December 31, 2013**

		December 2013		
Name	Designation	No. of Shares held	BDT	Holding %
Associated Builders Corporation Ltd.	Chairman			
Represented by	(from February 26, 2014)			
Mr. Rashed Ahmed Chowdhury		13,989,228	139,892,280	5.00%
Mr. M. A. Rouf, JP	Vice-Chairman	5,606,151	56,061,510	2.00%
	(from February 26, 2014)			
Mr. Syed Manzur Elahi	Director	9,559,308	95,593,080	3.42%
	(Founding Chairman)			
Advanced Chemical Industries Ltd.	Director			
Represented by Dr. Arif Dowla	(Former Chairman)	9,326,141	93,261,410	3.33%
Mr. Hedayetullah	Director	5,598,912	55,989,120	2.00%
ASTRAS Ltd. represented by				
Mr. Anjan Chowdhury	Director	6,994,592	69,945,920	2.50%
Mr. Md. Abdul Malek	Director	5,643,121	56,431,210	2.02%
Mr. Md. Wakiluddin	Director	5,600,804	56,008,040	2.00%
Mrs. Khwaja Nargis Hossain	Director	5,595,865	55,958,650	2.00%
Pioneer Insurance Company Ltd.				
Represented by				
Mr. Q.A.F.M Serajul Islam	Director	19,681,145	196,811,450	7.03%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
		<b>87,595,267</b>	<b>875,952,670</b>	<b>31.30%</b>

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

2013  
BDT2012  
BDT**44.02 Related Party Transactions**

Name of party	Related with	Nature of Transactions	Outstanding amount BDT Million	Nature of Security
Britannia Holdings and Management Ltd.	Mr. M. A. Rouf, JP Vice Chairman	GHBL	2.448	Land
			12.760	Land
Apex Tannery Limited	Mr Syed Manzur Elahi, Founding Chairman and Mr. Hedayetullah, Director	Bank Guarantee (Non-funded)	0.372	FDR
Mrs. Rozin Afroz	Mr. Md. Wakiluddin, Director	GHBL	5.431	Land & Building
Mrs. Banasa Khatun			2.760	Land & Building

**44.03 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	Mr. Anjan Chowdhury	Approved by Bangladesh Bank
	Pabna Branch ATM Booth		Approved by Board of MTB
	Square Textile ATM Booth		
	Square Pharmaceuticals ATM Booth		
	Square Hospital ATM Booth		
Lease agreement	Bilquis Tower ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank

**44.04 Shares issued to Directors and Executives without consideration or exercisable at a discount Nil****44.05 Lending Policies to Related Parties**

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

**45.00 Financial Highlights as at December 31, 2013 are shown in Annexure-F**



## Balance with other Banks- Outside Bangladesh (NOSTRO Account)

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at December 31, 2013

Annexure- A

Name of the Bank	Currency	2013			2012		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreqbank, New York	US\$	-	-	-	1,696,970.56	79.75	135,333,402.16
Standard Chartered Bank, New York	US\$	729,007.93	77.75	56,680,366.56	475,733.02	79.75	37,939,707.99
Habib American Bank, New York	US\$	757,452.94	77.75	58,891,966.09	680,214.22	79.75	54,247,084.04
HSBC, New York	US\$	-	-	-	1,054,640.95	79.75	84,107,615.76
Mashreqbank, London	US\$	34,453.69	77.75	2,678,774.40	185,097.99	79.75	14,761,564.94
JP Morgan, New York	US\$	-	-	-	664,476.77	79.75	52,992,022.81
ICICI, Hong Kong	US\$	63,741.67	77.75	4,955,914.84	27,090.11	79.75	2,160,436.27
National Commercial Bank, Jeddha	US\$	28,701.16	77.75	2,231,515.19	147,796.16	79.75	11,786,743.76
Sonal Bank, London	US\$	507,795.41	77.75	39,481,093.13	357,777.08	79.75	28,532,722.13
Standard Chartered Bank, Singapore	SGD	2,445.87	61.28	149,879.00	6,800.40	65.20	443,386.08
Mashreqbank, London	GBP	56,301.46	128.12	7,213,143.00	165,113.78	128.90	21,283,166.24
Standard Chartered Bank, London	GBP	88,515.64	128.12	11,340,309.57	90,874.74	128.90	11,713,753.99
Sonal Bank, London	GBP	19,916.93	128.12	2,551,686.37	13,154.43	128.90	1,695,606.03
Habib American Bank, Zurich	CHF	65,136.87	87.12	4,519,483.10	25,937.06	87.20	2,261,711.63
Standard Chartered Bank, Tokyo	JPY	49,023,850.00	0.73	36,201,009.95	545,577.00	0.93	505,858.99
Mashreqbank, London	EUR	3,637.59	106.85	388,683.13	19,027.26	105.30	2,003,570.48
Standard Chartered Bank, Germany	EUR	-	-	-	9,981.71	105.30	1,051,074.06
Sonal Bank, London	EUR	31,930.34	106.85	3,411,815.10	5,084.00	105.30	535,345.20
ICICI, Mumbai	EUR	-	-	-	1,941.42	105.30	204,431.53
Unicredit, Germany	EUR	-	-	-	133,378.64	105.30	14,044,770.79
Commerz Bank, Germany	EUR	-	-	-	98,477.13	105.30	10,369,641.79
United Bank of India, Kolkata	EUR	12,897.50	106.85	1,558,888.00	0.00	-	-
Standard Chartered Bank, Mumbai	ACU	-	-	-	50,059.37	79.75	3,992,234.76
Standard Chartered Bank, Kolkata	ACU	30,587.47	77.75	2,378,175.79	30,587.47	79.75	2,439,350.73
Standard Chartered Bank, Pakistan	ACU	-	-	-	781,061.14	79.75	62,289,625.92
Arif Habib Bank, Pakistan	ACU	-	-	-	12.91	79.75	1,029.57
Mashreqbank, Mumbai	ACU	213,698.61	77.75	16,615,066.93	21,531.72	79.75	1,717,154.67
AB Bank, Mumbai	ACU	116,626.47	77.75	9,067,708.04	350,141.74	79.75	27,923,803.77
ICICI, Mumbai	ACU	118,780.70	77.75	9,235,199.43	225,406.24	79.75	17,976,147.64
Himalayan Bank Ltd., Kathmandu	ACU	19,800.00	77.75	1,539,450.00	19,800.00	79.75	1,579,050.00
Nepal Bangladesh Bank Ltd.	ACU	250.00	77.75	19,437.50	250.00	79.75	19,937.50
Standard Chartered Bank, Colombo	ACU	43,048.37	77.75	3,347,010.77	-	-	-
ICICI, Mumbai	US\$	-	-	31,899,000.00	-	-	31,899,000.00
United Bank of India, Kolkata	ACU	25,826.54	77.75	2,008,013.49	14,153.13	79.75	1,128,712.12
HDFC Bank, Mumbai	ACU	62,319.29	77.75	4,845,324.80	320.00	79.75	25,520.00
		<b>52,056,722.45</b>		<b>313,208,894.16</b>	<b>9,693,792.93</b>		<b>731,921,254.52</b>

Financial Information

## Investment in Quoted Shares

As at December 31, 2013

Annexure- B

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as on December 31, 2013	Total Market Value of Share as at December 31, 2013	Unrealised Gain/(Loss)
1	Active Fine Chemicals Limited	213,000	10	19,343,030	91	82	17,529,900	(1,813,130)
2	Apex Footwear Limited	19,400	10	7,772,580	401	413	8,006,020	233,440
3	Barakatullah Electro Dynamics Limited	460	10	15,891	35	34	15,502	(389)
4	Bengal Windsor Thermoplastics Limited	860,000	10	33,284,900	39	63	54,094,000	20,809,100
5	BRAC Bank Limited	37,500	10	1,098,000	29	33	1,222,500	124,500
6	Bangladesh Submarine Cable Company Limited	5,750	10	1,524,671	265	159	913,675	(610,996)
7	BSRM Steels Limited	13,500	10	1,132,200	84	69	927,450	(204,750)
8	Confidence Cement Limited	7,200	10	1,368,463	190	124	891,540	(476,923)
9	Dhaka Electric Supply Company Limited	24,796	10	2,907,827	117	58	1,448,086	(1,459,741)
10	Eastland Insurance Limited	1,000	10	53,126	53	47	47,000	(6,126)
11	Eastern Bank Limited	100,040	10	4,123,649	41	29	2,911,164	(1,212,485)
12	Envoy Textiles Limited	9,470	10	541,392	57	54	514,221	(27,171)
13	Familytex (BD) Limited	20,000	10	1,235,000	62	58	1,162,000	(73,000)
14	GBB Power Limited	60,175	10	1,798,631	30	30	1,799,233	602
15	Global Heavy Chemicals Limited	27,750	10	1,704,405	61	57	1,576,200	(128,205)
16	Golden Son Limited	65,475	10	3,432,200	52	66	4,295,160	862,961
17	Grameenphone Limited	101,400	10	19,323,176	191	201	20,371,260	1,048,084
18	Heidelberg Cement Bangladesh Limited	20,000	10	8,612,200	431	381	7,614,000	(998,200)
19	IDLC Finance Limited	51,600	10	3,619,224	70	63	3,245,640	(373,584)
20	Islami Bank Bangladesh Limited	100,012	10	3,888,467	39	35	3,460,415	(428,051)
21	Jamuna Oil Company Limited	173,250	10	37,047,780	214	192	33,229,350	(3,818,430)
22	Lafarge Surma Cement Limited	200,000	10	6,870,000	34	34	6,700,000	(170,000)
23	LankaBangla Finance Limited	300,000	10	19,458,000	65	67	19,950,000	492,000
24	Linde Bangladesh Limited	10,000	10	6,756,200	676	629	6,293,000	(463,200)
25	Marico Bangladesh Limited	9,450	10	7,179,107	760	759	7,173,450	(5,657)
26	Meghna Petroleum Limited	190,200	10	41,492,564	218	211	40,106,460	(1,386,104)
27	Mercantile Bank Limited	107,622	10	2,407,504	22	17	1,797,287	(610,217)
28	National Bank Limited	151,000	10	4,465,070	30	12	1,781,800	(2,683,270)
29	Olympic Industries Limited	155,250	10	22,689,569	146	147	22,825,200	135,631
30	One Bank Limited	115,000	10	3,193,550	28	16	1,817,000	(1,376,550)
31	Orion Pharma Limited	85,000	10	6,443,050	76	59	4,989,500	(1,453,550)
32	Padma Oil Company Limited	4,400	10	1,568,000	356	235	1,034,400	(533,600)
33	Phoenix Finance and Investments Limited	200	10	7,825	39	34	6,840	(985)
34	Phoenix Insurance Limited	42,750	10	2,579,108	60	42	1,795,500	(783,608)
35	Pioneer Insurance Limited	8,012	10	523,939	65	67	540,397	16,458
36	Premier Cement Mills Limited	25,000	10	2,940,500	118	100	2,490,000	(450,500)
37	Prime Bank Limited	54,390	10	1,731,256	32	26	1,408,611	(322,645)
38	Pubali Bank Limited	30,000	10	1,040,100	35	33	975,000	(65,100)
39	Renata Limited	1,358	10	875,204	644	722	980,476	105,272
40	Republic Insurance Company Limited	2,240	10	118,720	53	44	98,112	(20,608)
41	R.N. Spinning Mills Limited	100,000	10	3,711,000	37	37	3,690,000	(21,000)
42	Saiham Textile Limited	378,500	10	12,110,000	32	29	10,787,250	(1,322,750)
43	Square Textile Limited	50,000	10	4,849,500	97	90	4,520,000	(329,500)
44	Square Pharmaceuticals Limited	100,000	10	15,363,000	154	190	19,020,000	3,657,000
45	Summit Power Limited	540,727	10	38,916,122	72	38	20,763,917	(18,152,205)
46	Titas Gas Transmission and Distribution Company Limited	225,075	10	20,373,789	91	74	16,610,535	(3,763,254)
47	United Airways (BD) Limited	343,840	10	8,272,900	24	16	5,645,360	(2,627,540)
48	Zahintex Industries Limited	115,000	10	3,313,150	29	27	3,151,000	(162,150)
49	First Bangladesh Fixed Income Fund	27,568,493	10	250,000,000	9	9	256,386,985	6,386,985
50	AB Bank 1st Mutual fund	24,363,617	10	224,712,527	9	7	168,108,957	(56,603,569)
51	Aims 1st Mutual fund	50,000	10	2,628,000	53	41	2,045,000	(583,000)
52	EBL NRB Mutual Fund	13,580,106	10	125,162,483	9	8	105,924,827	(19,237,656)
53	Grameen One : Scheme Two	140,000	10	2,875,600	21	18	2,464,000	(411,600)
54	MBL 1st Mutual Fund	4,160,000	10	41,600,000	10	6	26,208,000	(15,392,000)
55	NLI First Mutual Fund	220,000	10	2,598,200	12	9	2,024,000	(574,200)
56	PHP First Mutual Fund	4,100,000	10	39,565,000	10	6	22,550,000	(17,015,000)
<b>Total</b>				<b>1,082,217,345</b>			<b>957,937,180</b>	<b>(124,280,165)</b>
<b>Free fund available</b>				<b>30,631,262</b>				
<b>Total</b>				<b>1,112,848,607</b>			<b>957,937,180</b>	<b>(124,280,165)</b>

## Consolidated Fixed Asset Schedule

As at December 31, 2013

Annexure-C (i)

Particulars	Cost				Rate	Depreciation			Written down value as at 31.12.2013
	Balance as at 01.01.2013	Addition during the year	Disposal during the year	Balance as at 31.12.2013		Balance as at 01.01.2013	Charged for the year	Adjustment made during the year	Balance as at 31.12.2013
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	-	-	-	-	104,253,000
Immovable Property	1,041,691,830	-	-	1,041,691,830	2.50%	17,028,274	26,538,818	-	43,567,092
Furniture and Fixture	896,777,696	160,010,131	14,108,582	1,042,679,245	10%	192,448,888	81,877,874	6,737,715	267,589,047
Office Equipments	858,227,941	107,626,557	6,162,380	959,692,118	20%	366,700,633	117,311,990	4,859,803	479,152,820
Motor Vehicles	33,453,048	16,179,334	1,249,633	48,382,749	20%	28,967,029	1,955,161	164,724	30,757,466
Books and Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974
Leasehold Asset	48,455,000	-	-	48,455,000	20%	26,077,447	9,630,996	-	35,708,443
Intangible Asset	33,870,312	46,600,692	-	80,471,004	20%	847,748	9,808,962	-	10,656,710
<b>Total 2013</b>	<b>3,017,152,801</b>	<b>330,416,713</b>	<b>21,520,595</b>	<b>3,326,048,919</b>		<b>632,493,993</b>	<b>247,123,801</b>	<b>11,762,242</b>	<b>867,855,552</b>
<b>Total 2012</b>	<b>1,996,344,935</b>	<b>1,024,998,032</b>	<b>4,190,166</b>	<b>3,017,152,801</b>		<b>443,180,937</b>	<b>193,112,556</b>	<b>3,799,500</b>	<b>632,493,993</b>
									<b>2,384,658,808</b>

## Fixed Asset Schedule

As at December 31, 2013

Annexure-C

Particulars	Cost			Rate	Depreciation			Written down value as at 31.12.2013
	Balance as at 01.01.2013	Addition during the year	Disposal during the year		Balance as at 31.12.2013	Charged for the year	Adjustment made during the year	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	-	-	-	-	104,253,000
Immovable Property	995,326,830	-	-	2.50%	995,326,830	24,457,479	-	953,841,077
Furniture and Fixture	829,148,745	146,629,286	6,908,091	10%	968,869,940	75,688,219	5,619,313	717,704,210
Office Equipments	823,870,283	104,718,359	6,027,727	20%	922,560,915	112,838,331	4,826,523	458,984,145
Motor Vehicles	33,453,048	16,179,334	1,249,633	20%	48,382,749	1,955,161	164,724	17,625,283
Books and Periodicals	423,974	-	-	10%	423,974	-	-	-
Leasehold Asset	48,455,000	-	-	20%	48,455,000	9,630,996	-	12,746,557
Intangible Assets	33,870,312	46,600,692	-	20%	80,471,004	9,808,962	-	69,814,294
<b>Total 2013</b>	<b>2,868,801,192</b>	<b>314,127,671</b>	<b>14,185,451</b>		<b>3,168,743,412</b>	<b>234,379,148</b>	<b>10,610,560</b>	<b>2,334,968,566</b>
<b>Total 2012</b>	<b>1,900,433,316</b>	<b>972,558,042</b>	<b>4,190,166</b>		<b>2,868,801,192</b>	<b>182,078,972</b>	<b>3,799,500</b>	<b>2,258,794,934</b>

## List of Subordinated Debt Holders

As at December 31, 2013

### Annexure-D

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

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

### Annexure - E

SL No.	Name of Directors of the Bank	Name of Companies in which the directors have interest
1	<b>Mr. Rashed Ahmed Chowdhury</b> Chairman (from February 26, 2014) (Representing Associated Builders Corp. Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- ABC Building Products Ltd.</li> <li>- Banga Garments Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Associated Builders Corporation Ltd.</li> <li>- ABC Real Estate Ltd.</li> <li>- Shamsuddin Towels Ltd.</li> </ul>
2	<b>Mr. M.A. Rouf, JP</b> Vice-Chairman (from February 26, 2014)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Britannia Properties Ltd., Bangladesh</li> <li>- Britannia Holdings and Management Ltd.</li> <li>- Britannia Developments Limited</li> <li>- Diamond Properties (BD) Ltd.,</li> <li>- Diamond Properties, (UK) Scotland</li> <li>- Balaka Group, UK</li> </ul> <b>Vice - Chairman</b> <ul style="list-style-type: none"> <li>- Sonata Shipping Lines Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Tiger Tours Ltd.</li> </ul>
3	<b>Mr. Syed Manzur Elahi</b> Director (Founding Chairman)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Footwear Ltd.</li> <li>- Apex Pharma Ltd.</li> <li>- Blue Ocean Footwear</li> <li>- Apex Enterprise Ltd.</li> <li>- Apex Investments</li> <li>- Central Depository Bangladesh Ltd. (CDBL)</li> <li>- Grey Advertising (Bangladesh) Ltd.</li> <li>- Quantam Market Research</li> <li>- Manusher Jonno Foundation</li> <li>- Holiday Publications</li> <li>- Bangladesh Freedom Foundation</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Financial Express</li> <li>- Credit Rating Agency of Bangladesh Ltd. (CRAB)</li> <li>- East West University</li> </ul>

SL No.	Name of Directors of the Bank	Name of Companies in which the directors have interest
4	<b>Dr. Arif Dowla</b> Director (former Chairman) (Representing Advanced Chemical Industries Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Tetley ACI (Bangladesh) Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Advanced Chemical Industries Ltd.</li> <li>- ACI Pure Flour Ltd.</li> <li>- ACI Foods Ltd.</li> <li>- ACI Motors Ltd.</li> <li>- ACI Logistics Ltd.</li> <li>- ACI Agro Chemicals Ltd.</li> <li>- PremiaFlex Plastics Ltd.</li> <li>- Stochastic Logic Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- ACI Formulations Ltd.</li> <li>- ACI Salt Limited</li> <li>- ACI Edible Oils Limited</li> <li>- ACI Godrej Agrovet (Pvt) Limited.</li> <li>- Creative Communication Limited.</li> <li>- Consolidated Chemicals Limited</li> <li>- ACI HealthCare Limited</li> <li>- ACI Chemicals Limited</li> </ul>
5	<b>Mr. Hedayetullah</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Hedayetullah Securities Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- FB Footwear Ltd. (a joint venture factory with Italy)</li> <li>- Apex Property Development Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- BW International Ltd. (a joint venture PU outsole factory with China)</li> <li>- RYT Joint Co. Ltd. (a joint venture outsole factory with Japan)</li> </ul>
6	<b>Mr. Md. Abdul Malek</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Sheltech Consultants (Pvt.) Ltd.</li> </ul> <b>Proprietor</b> <ul style="list-style-type: none"> <li>- Gardenia</li> </ul>
7	<b>Mr. Md. Wakiluddin</b> Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Baridhara Enterprise (pvt.) Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Swadesh Properties Ltd.</li> <li>- Baridhara Corporation Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- HURDCO International School</li> </ul>
8	<b>Mrs. Khawaja Nargis Hossain</b> Director	<b>Director</b> <ul style="list-style-type: none"> <li>- SAHCO International Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- SAHCO Securities Ltd.</li> </ul>

SL No.	Name of Directors of the Bank	Name of Companies in which the directors have interest
9	<b>Mr. Anjan Chowdhury</b> Director (Representing ASTRAS Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Maasranga Productions Ltd</li> <li>- Oracle Travels Ltd.</li> </ul> <b>President</b> <ul style="list-style-type: none"> <li>- Bangladesh Agro Processors Association</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Square Toiletries Ltd.</li> <li>- Square Consumer Products Ltd.</li> <li>- Mediacom Ltd.</li> <li>- Square Securities Management Ltd.</li> <li>- Maasranga Communications Ltd (Maasranga Television)</li> <li>- Square Texcom Limited</li> <li>- Square Spinning Mills Ltd.</li> <li>- Aegis Services Ltd</li> <li>- Square Air Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- ASTRAS Limited</li> <li>- Square Pharmaceuticals Limited</li> <li>- Square Textiles Ltd.</li> <li>- Square Hospitals Ltd.</li> <li>- Square Fashions Limited</li> <li>- Square Fashion Yarns Limited</li> <li>- Square Yarns Limited</li> <li>- Square Denims Limited</li> <li>- Square Apparels Limited</li> <li>- Pharma Packages (Pvt.) Ltd.</li> <li>- Barnali Printers Ltd.</li> <li>- Square Holdings Ltd.</li> <li>- Square Informatix Ltd.</li> <li>- Sabazpur Tea Co. Ltd.</li> <li>- Abahani Limited</li> </ul>
10	<b>Mr. Q.A.F.M Serajul Islam</b> Director (Representing Pioneer Insurance Company Ltd.)	N/A
11	<b>Mr. Anwarul Amin</b> Independent Director	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Kayfin Consultants Ltd. (Management Consultancy Firm)</li> </ul>
12	<b>Dr. Sultan Hafeez Rahman</b> Independent Director	N/A



## Consolidated Financial Highlights

As at December 31, 2013

### Annexure-F

BDT in Million/Percentage

SL No.	Items	2013	2012
1	Paid up Capital	2,797.85	2,543.50
2	Total Capital	8,136.56	6,980.82
3	Surplus in Capital Fund	1,101.88	458.71
4	Total Asset	101,463.54	93,162.05
5	Total Deposit	84,372.74	75,140.14
6	Total Loans and Advances	59,548.36	56,511.08
7	Total Contingent Liabilities	23,896.68	17,676.52
8	Lending-Deposit Ratio	70.58%	75.21%
9	Classified Loans as % of Total Loans and Advances	3.62%	3.69%
10	Profit After Provision and Tax	573.25	327.87
11	Total Classified loans and advances	2,155.77	2,085.01
12	Total Provision Maintained against Classified Loans	993.78	926.30
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	13.23%	13.67%
15	Earning Asset	85,323.09	78,806.55
16	Non-Interest Earning Asset	16,140.45	14,355.50
17	Return on Investments (ROI)	10.05%	7.45%
18	Return on Asset (ROA)	0.59%	0.39%
19	Income from Investment	2,466.23	1,602.59
20	Earnings per Share (BDT)	2.05	1.17
21	Profit per Share (BDT)	2.05	1.17
22	Price-Earning Ratio (Times)	7.94	16.99

Financial Information

## Off-Shore Banking Unit (OBU) Balance Sheet

As at December 31, 2013

Annexure- G

Property and Assets	Note	2013		2012	
		USD	BDT	USD	BDT
<b>Cash</b>		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>	<b>3</b>	-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
<b>Loans and advances</b>		<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,476</b>
Loans, cash credits, overdrafts etc.	<b>4</b>	806,621	62,714,758	1,005,310	80,173,476
Bills purchased and discounted	<b>5</b>	2,223,721	172,894,317	-	-
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	<b>6</b>	-	-	113,452	9,061,553
Non-banking assets		-	-	-	-
<b>Total assets</b>		<b>3,030,342</b>	<b>235,609,075</b>	<b>1,118,762</b>	<b>89,235,029</b>
<b>Liabilities and Capital</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents	<b>7</b>	3,004,342	233,587,591	1,000,000	79,750,000
<b>Deposits and other accounts</b>	<b>8</b>	-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposits		-	-	-	-
<b>Other liabilities</b>	<b>9</b>	-	-	3,853	307,260
<b>Total liabilities</b>		<b>3,004,342</b>	<b>233,587,591</b>	<b>1,003,853</b>	<b>80,057,260</b>
<b>Capital/Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings	<b>10</b>	26,000	2,021,484	114,909	9,177,769
<b>Total Shareholders' equity</b>		<b>26,000</b>	<b>2,021,484</b>	<b>114,909</b>	<b>9,177,769</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>3,030,342</b>	<b>235,609,075</b>	<b>1,118,762</b>	<b>89,235,029</b>
<b>Off-Balance Sheet Items</b>					
<b>Contingent liabilities</b>					
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Other commitments</b>					
Documentary credits and short-term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Liabilities against forward purchase and sale		-	-	-	-
Other commitments		-	-	-	-
<b>Total Off-Balance Sheet exposures including contingent liabilities</b>		-	-	-	-

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

As at December 31, 2013

Annexure- G

Particulars	Note	2013		2012	
		USD	BDT	USD	BDT
Interest income	11	91,950	7,174,870	424,746	33,924,448
Less: Interest on deposits, borrowings, etc.	12	65,950	5,146,107	309,837	24,746,679
<b>Net Interest Income</b>		<b>26,000</b>	<b>2,028,764</b>	<b>114,909</b>	<b>9,177,769</b>
<b>Total Operating Income (A)</b>		<b>26,000</b>	<b>2,028,764</b>	<b>265,938</b>	<b>18,503,999</b>
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		-	-	-	-
<b>Total operating expenses (B)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) before provision (C=A-B)</b>		<b>26,000</b>	<b>2,028,764</b>	<b>265,938</b>	<b>18,503,999</b>
<b>Provision for loans and advances / investments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Specific provision		-	-	-	-
General provision		-	-	-	-
<b>Provision for diminution in value of investments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other provision</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total provision (D)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit / (loss) before taxes (C-D)</b>		<b>26,000</b>	<b>2,028,764</b>	<b>265,938</b>	<b>18,503,999</b>
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Net profit / (loss) after taxation</b>		<b>26,000</b>	<b>2,028,764</b>	<b>265,938</b>	<b>18,503,999</b>
Retained earnings brought forward from previous years		-	-	-	-
		<b>26,000</b>	<b>2,028,764</b>	<b>265,938</b>	<b>18,503,999</b>

## Off Shore Banking Unit (OBU) Statement of Cash Flow

As at December 31, 2013

Annexure- G

Particulars	2013		2012	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest receipts in cash	91,950	7,174,870	424,746	33,924,448
Interest payments	(65,950)	(5,146,107)	(305,984)	(24,439,419)
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>26,000</b>	<b>2,028,764</b>	<b>118,762</b>	<b>9,485,029</b>
<b>Increase / (decrease) in operating assets and liabilities</b>				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(3,030,342)	(235,609,075)	(1,005,310)	(80,173,476)
Other assets	-	-	113,452	(9,061,553)
Deposits from other banks / borrowings	3,004,342	233,587,592	1,000,000	79,750,000
Deposits from customers	-	-	-	-
Other liabilities	-	-	-	-
	<b>(26,000)</b>	<b>(2,021,484)</b>	<b>(118,762)</b>	<b>(9,485,029)</b>
<b>Net cash from operating activities</b>	<b>-</b>	<b>7,280</b>	<b>-</b>	<b>-</b>
<b>B) Cash flows from investing activities</b>				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Borrowing from Mutual Trust Bank Limited	-	-	-	-
<b>Net Cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>-</b>	<b>7,280</b>	<b>-</b>	<b>-</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>(7,280)</b>	<b>-</b>	<b>-</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	-	-	-	-
<b>Balance with other banks and financial institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

As at December 31, 2013

### 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 (BB). 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 (BB), 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 (BDT) 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, 2013.

##### 2.5. Loans and advances/investments

- a) Loans and advances of Off-Shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank (BB). 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 (BB), BRPD circular 14 and 19 dated September 23, 2012 and December 27, 2012 respectively.

**2.6. Provision for liabilities**

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

**2.7. Interest income**

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

**2.8. Interest paid and other expenses**

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

**2.9. Allocation of common expenses**

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

**2.10. General**

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities and income and expenses have been converted into Taka currency @ US\$1 = BDT 77.75 (closing rate as at December 31, 2013) and BDT 78.03 (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 and 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 exists no balance as on December 31, 2013

	2013		2012	
	USD	BDT	USD	BDT

**4. Loans and advances**

i) Loans, cash credits, overdrafts etc.

Term Loan Industrial

806,621	62,714,758	1,005,310	80,173,476
<b>806,621</b>	<b>62,714,758</b>	<b>1,005,310</b>	<b>80,173,476</b>

ii) Bills purchased and discounted

Payable Outside Bangladesh

Foreign bills purchased and discounted

2,223,721	172,894,317	-	-
2,223,721	172,894,317	-	-
<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,476</b>

**4.01 Loans and Advances to Industries**

Food

Electricity & Gas Industry

Service Industries

Others

-	-	-	-
-	-	-	-
3,030,342	235,609,075	1,005,310	80,173,476
-	-	-	-
<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,476</b>

	2013		2012	
	USD	BDT	USD	BDT
<b>4.02 Classification of Loans and Advances including bill discounted</b>				
<b>Unclassified (UC):</b>				
Standard	3,030,342	235,609,075	1,005,310	80,173,476
Special Mention Account (SMA)	-	-	-	-
<b>Sub Total</b>	<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,476</b>
<b>Classified:</b>				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad and Loss	-	-	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,476</b>

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

Name of the clients	Outstanding in USD		Outstanding in BDT		Outstanding in BDT	
	Funded	Non-Funded	Funded	Non-Funded	Funded	Non-Funded
Biman Bangladesh Airlines	3,030,342	-	235,609,075	-	80,173,476	-
RZ Power Limited	-	-	-	-	-	-
<b>Total</b>	<b>3,030,342</b>	<b>-</b>	<b>235,609,075</b>	<b>-</b>	<b>80,173,476</b>	<b>-</b>

	2013		2012	
	USD	BDT	USD	BDT

**4.04 Geographical Location wise Loans and Advances**

**Inside Bangladesh**

**Urban**

Dhaka Division

3,030,342	235,609,075	1,005,310	80,173,473
3,030,342	235,609,075	1,005,310	80,173,473

**Rural**

Rajshahi Division

Outside Bangladesh

-	-	-	-
<b>3,030,342</b>	<b>235,609,075</b>	<b>1,005,310</b>	<b>80,173,473</b>

**5 Bills purchased and discounted**

In Bangladesh

Outside Bangladesh

2,223,721	172,894,317	-	-
-	-	-	-
2,223,721	172,894,317	-	-

**6 Other assets**

Due from MTB

-	-	113,452	9,061,553
-	-	113,452	9,061,553

	Note	2013		2012	
		USD	BDT	USD	BDT
<b>7 Borrowings from other banks, financial institutions and agents</b>					
In Bangladesh		2,173,036	168,953,523	-	-
Outside Bangladesh		831,306	64,634,068	1,003,853	80,057,277
		<b>3,004,342</b>	<b>233,587,591</b>	<b>1,003,853</b>	<b>80,057,277</b>
<b>In Bangladesh:</b>					
Borrowing from Bank:					
Bangladesh Bank		2,165,438	168,362,779	-	-
Other Bank			-	1,000,000	79,750,000
Interest payable on Borrowing		7,598	590,745	-	-
		<b>2,173,036</b>	<b>168,953,523</b>	<b>1,000,000</b>	<b>79,750,000</b>
Outside Bangladesh		831,306	64,634,068	-	-
		<b>3,004,342</b>	<b>233,587,591</b>	<b>1,000,000</b>	<b>79,750,000</b>
<b>8 Deposits and other accounts</b>					
Bank deposits (Note 8.1)		-	-	-	-
Customer deposits and other accounts		-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9 Other liabilities</b>					
Provision for Unclassified Loans and Advances		-	-	-	-
Provision for Expenses		-	-	-	-
Provision for Taxation		-	-	-	-
Due to Head Office		-	-	3,853	307,260
		<b>-</b>	<b>-</b>	<b>3,853</b>	<b>307,260</b>
<b>10 Retained earnings</b>					
Net Profit for the Year		26,000	2,028,764	114,909	9,177,769
Translation loss			7,280		
		<b>26,000</b>	<b>2,021,484</b>	<b>114,909</b>	<b>9,177,769</b>
<b>11 Interest income</b>					
Interest on term loan		53,715	4,191,417	424,746	33,924,448
Foreign Documentary bills purchased		38,235	2,983,453	-	-
<b>Total Interest on loans and advances</b>		<b>91,950</b>	<b>7,174,870</b>	<b>424,746</b>	<b>33,924,448</b>
<b>12 Interest on deposits, borrowings, etc.</b>					
a) Interest paid on deposits		-	-	-	-
b) Interest paid on local bank accounts		-	-	-	-
b) Interest paid on borrowings & others		65,950	5,146,107	309,837	24,746,679
		<b>65,950</b>	<b>5,146,107</b>	<b>309,837</b>	<b>24,746,679</b>



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

As at December 31, 2013

Annexure-G

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
<b>Assets:</b>						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	-	-	-	-	-	-
Money at Call and Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	62,714,758	-	-	62,714,758
Premises and Fixed Asset	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	-	-	<b>62,714,758</b>	-	-	<b>62,714,758</b>
<b>Liabilities:</b>						
Borrowing From Other Banks, Financial Institutions & Agents	590,745	168,362,779	64,634,068	-	-	233,587,591
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>590,745</b>	<b>168,362,779</b>	<b>64,634,068</b>	-	-	<b>233,587,591</b>
<b>Net Liquidity</b>	<b>(590,745)</b>	<b>(168,362,779)</b>	<b>(1,919,310)</b>	-	-	<b>(170,872,834)</b>

## Auditor's Report



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

Partners: Md. Waliullah, FCA  
Swadesh Ranjan Saha, FCA  
Md. Habibur Rahman Sarker, FCA  
Anjan Mallik, ACA

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9-G, MOTIJHEEL C/A,

Dhaka-1000, Bangladesh

### AUDITORS' REPORT

#### TO THE SHAREHOLDERS OF MTB SECURITIES LIMITED

We have audited the accompanying Financial Statements of **MTB Securities Limited** consisting of the statement of Financial Position as of 31<sup>st</sup> December 2013 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 statement prepared in the accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2013 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994, the Bangladesh 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 has 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

Dhaka, Bangladesh.  
January 23, 2014.

MALEK SIDDIQUI WALI  
Chartered Accountants

# MTB Securities Limited Statement of Financial Position

As at December 31, 2013

	Note	2013 BDT	2012 BDT
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' equity</b>			
Share capital	3	1,270,000,000	1,270,000,000
Retained earnings	4	6,271,220	389,438
<b>Total sources of funds</b>		<b>1,276,271,220</b>	<b>1,270,389,438</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investment and advances</b>			
Membership at cost	5	8,000,000	8,000,000
Investment in securities	6	181,555,582	143,114,053
Other advances	7	2,686,473	3,236,469
		<b>192,242,055</b>	<b>154,350,522</b>
<b>Current assets</b>			
Advances and prepayments	8	18,867,621	17,223,653
Margin loan to clients	9	3,991,847,697	4,120,360,234
Accounts receivable	10	162,480,732	57,315,435
Advance Income Tax (AIT)	11	51,929,594	25,775,219
Cash and cash equivalents	12	367,976,414	235,384,843
		<b>4,593,102,058</b>	<b>4,456,059,384</b>
<b>Current liabilities</b>			
Accounts payable	13	418,935,585	150,783,747
Short term borrowing	14	2,505,554,081	2,665,554,081
Interest payable	15	290,994,717	294,312,957
Provision for expenses	16	24,466,735	9,217,716
Provision for income tax	17	125,421,246	111,957,477
Provision for investment	18	125,047,746	53,547,746
Dividend payable	19	130,175,000	169,483,962
		<b>3,620,595,110</b>	<b>3,454,857,686</b>
<b>Net current asset</b>		<b>972,506,948</b>	<b>1,001,201,698</b>
Property, plant and equipment	20	111,522,217	114,837,218
<b>Total application of funds</b>		<b>1,276,271,220</b>	<b>1,270,389,438</b>

The annexed notes form an integral part of these accounts.

  
**ANIS A. KHAN**  
 Vice Chairman

  
**QUAMRUL ISLAM CHOWDHURY**  
 Director

  
**MD. NAZRUL ISLAM MAZUMDER**  
 Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
 January 23, 2014

  
**MALEK SIDDIQUI WALI**  
 Chartered Accountants

## MTB Securities Limited Statement of Comprehensive Income

For the year ended December 31, 2013

	Note	2013 BDT	2012 BDT
<b>Operating income</b>		<b>823,063,908</b>	<b>817,078,354</b>
Brokerage commission	21	150,500,429	164,903,836
Interest on margin loan	22	658,715,793	638,903,874
Margin account maintenance	23	2,065,500	2,096,500
Depository participant	24	11,586,859	11,174,144
Gain/(loss) on sale of securities		195,327	-
<b>Less: Operating expenses</b>		<b>25,292,319</b>	<b>26,286,745</b>
Howla charge		1,944,712	2,100,512
Laga charge		7,659,207	8,278,830
CDBL charge	25	15,688,400	15,907,403
<b>Net Operating Income</b>		<b>797,771,589</b>	<b>790,791,609</b>
Add: Other income	26	25,917,020	47,357,078
<b>Total Income</b>		<b>823,688,609</b>	<b>838,148,687</b>
Less: Office and administrative expenses	27	135,796,832	111,212,611
Less: Provision for Investment	28	71,500,000	42,000,000
<b>Profit before financial expenses</b>		<b>616,391,777</b>	<b>684,936,076</b>
Less: Financial expenses	29	353,435,122	413,173,105
<b>Net profit/(loss) before income tax</b>		<b>262,956,655</b>	<b>271,762,971</b>
Less: Income tax expenses	30	129,338,006	101,911,114
<b>Net profit after tax</b>		<b>133,618,649</b>	<b>169,851,857</b>

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**MD. NAZRUL ISLAM MAZUMDER**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

# MTB Securities Limited Statement of Cash Flows

For the year ended December 31, 2013

	2013 BDT	2012 BDT
<b>A) Cash Flow from Operating Activities:</b>		
Net profit during the year (after tax)	133,618,649	169,851,857
Add: Amount consider as non cash items:		
Increase/(decrease) in provision for expenses	15,249,019	(3,535,367)
Increase in provision for investment in securities	71,500,000	28,547,746
Depreciation	10,390,441	8,745,510
Loss on sale of fixed Assets	5,891,647	-
Increase/(decrease) in provision for income tax	13,463,769	(33,757,889)
<b>Sub Total of non cash items</b>	<b>116,494,876</b>	<b>-</b>
<b>Changes in working capital components</b>		
Increase/(decrease) in accounts payable	268,152,138	47,934,439
(Increase)/decrease in accounts receivable	(105,165,297)	(43,496,284)
Increase/(decrease) in Interest payable	(3,318,240)	-
(Increase)/decrease in Advance Income Tax	(26,154,375)	22,205,631
<b>Net Cash Flow from operating activities</b>	<b>383,627,751</b>	<b>196,495,643</b>
<b>B) Cash Flow from investing activities:</b>		
(Increase)/Decrease in Investment in securities	(38,636,856)	33,771,372
(Increase)/Decrease in purchase of premises and fixed asset	(10,607,177)	(52,303,869)
(Increase)/Decrease in margin loan to clients	128,512,237	(626,901,140)
(Increase)/Decrease in advance to others	(1,093,972)	(4,141,617)
Cash Sale of fixed asset	273,550	-
<b>Net Cash Flow from investing activities</b>	<b>78,447,782</b>	<b>(649,575,254)</b>
<b>C) Cash Flow from financing activities :</b>		
Issue of share capital	-	270,000,000
Decrease in short-term borrowing	(160,000,000)	-
Dividend paid	(169,483,962)	(194,672,030)
<b>Net cash flow from financing activities</b>	<b>(329,483,962)</b>	<b>75,327,970</b>
<b>D) Net cash increase/(decrease) (ABC)</b>	<b>132,591,571</b>	<b>(377,751,641)</b>
<b>E) Opening cash and cash equivalents</b>	<b>235,384,843</b>	<b>613,136,484</b>
<b>F) Closing cash and cash equivalents</b>	<b>367,976,414</b>	<b>235,384,843</b>
<b>Closing balance represent :</b>		
Cash at bank	359,851,414	233,807,492
Fixed deposit	-	-
Cheque in hand	8,125,000	1,577,351
<b>Total</b>	<b>367,976,414</b>	<b>235,384,843</b>

The annexed notes form an integral part of these accounts.

  
**ANIS A. KHAN**  
 Vice Chairman

  
**QUAMRUL ISLAM CHOWDHURY**  
 Director

  
**MD. NAZRUL ISLAM MAZUMDER**  
 Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
 January 23, 2014

  
**MALEK SIDDIQUI WALI**  
 Chartered Accountants

## MTB Securities Limited Statement of Changes in Equity

For the year ended December 31, 2013

Particulars	Paid up capital	Retained earnings	Amount BDT	
			2013	2012
Balance as at January 01, 2013	1,270,000,000	389,438	1,270,389,438	1,000,021,543
Adjust during the year	-	2,438,133	2,438,133	270,000,000
Net profit for the year after tax	-	133,618,649	133,618,649	169,851,857
Less: Dividend paid (Interim) for 2013	-	130,175,000	130,175,000	(169,483,962)
<b>Balance as at December 31, 2013</b>	<b>1,270,000,000</b>	<b>6,271,220</b>	<b>1,276,271,220</b>	<b>1,270,389,438</b>

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**MD. NAZRUL ISLAM MAZUMDER**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

## Notes to the Financial statements

For the year ended December 31, 2013

### 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 objective 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 statements 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 and equipment

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

Category of Assets	Rate of Depreciation
Furniture	10%
Office equipment	20%
Fixture and fittings	20%

#### 2.4 Revenue recognition

Revenue which comprises of brokerage commission, service rendered and capital gain is recognized 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 recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embedding economic benefits will be required to settle the present obligations and reliable estimate of the amount can be measured.

**2.7 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 and comparison**

The Financial Statement covers from January 01, 2013 to December 31, 2013.

	2013 BDT	2012 BDT
<b>3. Share Capital</b>		
<b>3.1 Authorized Capital</b>		
20,000,000 ordinary shares of Taka 100 each.	2,000,000,000	2,000,000,000
<b>3.2 Issued, subscribed and paid-up capital</b>		
12,700,000 ordinary shares of Taka 100 each fully paid.	1,270,000,000	1,270,000,000
<b>3.3 Shareholding Position of the Company</b>		
<b>Share holders</b>	<b>Number of Share</b>	<b>Number of Share</b>
Mutual Trust Bank Limited	12,699,873	12,699,873
Dr. Arif Dowla	127	127
<b>Total</b>	<b>12,700,000</b>	<b>12,700,000</b>
<b>4. Retained Earnings</b>		
Opening balance	389,438	21,543
Adjustment during the year	2,438,133	-
Net profit during the year	133,618,649	169,851,857
Dividend paid during the year	(130,175,000)	(169,483,962)
<b>Closing balance</b>	<b>6,271,220</b>	<b>389,438</b>
<b>5. Membership at cost</b>		
This represents the amount paid by Mutual Trust Bank Limited (MTB) for purchasing membership of Dhaka Stock Exchange (DSE).		
<b>6. Investment in Securities</b>		
Investment in securities represent the cost price of securities which have been invested by the company in the capital market.		
Quoted share	161,579,582	143,114,053
Unquoted share	19,976,000	-
<b>Total</b>	<b>181,555,582</b>	<b>143,114,053</b>
The detail has shown in Annexure-B		
<b>7. Other advances</b>		
Loan to employees	2,276,473	2,826,469
Advance to supplier	410,000	410,000
<b>Total</b>	<b>2,686,473</b>	<b>3,236,469</b>
<b>8. Advances and prepayments</b>		
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 2013. The detail is as follows:

	2013 BDT	2012 BDT
Opening balance	4,120,360,234	3,493,459,094
Addition during the year	71,871,291	316,114,100
Interest during the year	658,715,793	638,903,874
Adjustment during the year	(859,099,621)	(328,116,834)
<b>Closing balance</b>	<b>3,991,847,697</b>	<b>4,120,360,234</b>

## 10. Accounts receivable

Receivable from Dhaka Stock Exchange (DSE) (Note 10.1)	4,208,219	35,518,102
Receivable from Dhaka Stock Exchange (DSE)-dealer (Note 10.1)	-	21,006,333
Other receivable	158,272,513	791,000
<b>Total</b>	<b>162,480,732</b>	<b>57,315,435</b>

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

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

## 11. Advance income tax

Opening balance	25,775,219	47,980,850
Addition during the year (Note 11.01)	110,924,586	93,461,426
Adjusted during the year	(84,770,211)	(115,667,057)
<b>Closing balance</b>	<b>51,929,594</b>	<b>25,775,219</b>

### 11.01 Addition during the year

Brokerage commission	19,148,017	20,697,075
Bank interest	2,278,340	4,386,379
Dividend income	498,229	691,759
Advance tax	89,000,000	67,686,213
<b>Total</b>	<b>110,924,586</b>	<b>93,461,426</b>

## 12. Cash and cash equivalents

Mutual Trust Bank Ltd	0002-0320000724	1,020,869	1,873,413
Mutual Trust Bank Ltd	0002-0320001438	622,389	537,633
Mutual Trust Bank Ltd	0002-0320001081	227,320,053	156,613,812
Mutual Trust Bank Ltd	0002-0320002080	3,865,115	12,955,508
Mutual Trust Bank Ltd	0002-0320001634	2,726,574	1,053,774
Mutual Trust Bank Ltd	0005-0320001462	150,000	-
Mutual Trust Bank Ltd	0032-0320000308	719,984	-
Mutual Trust Bank Ltd	0033-0320000165	5,257,560	4,604,075
Mutual Trust Bank Ltd	0023-0320000934	-	5,077
One Bank Limited	5025386029	63,103,860	47,481,898
One Bank Limited	0025386019	106,979	523,904
IFIC Bank Limited	1090358680041	398,746	7,814,959
Standard Chartered	2114647901	11,736,334	343,439
HSBC	001-207455-067	42,807,183	-
Cheques in hand		8,125,000	1,577,351
Cash in hand		15,768	-
<b>Total</b>		<b>367,976,414</b>	<b>235,384,843</b>

**13. Accounts Payable**

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

	2013 BDT	2012 BDT
Payable to clients (Note 13.1)	251,428,554	146,034,137
Payable to Dhaka Stock Exchange (DSE) (Note 13.2)	357,179	458,029
Payable to Dhaka Stock Exchange (DSE)-dealer (Note 13.2)	2,132	8,978
Payable to foreign client	2,051,549	-
Others payable (Note 13.3)	37,596,171	4,282,603
Payable to client for block trade	127,500,000	-
<b>Total</b>	<b>418,935,585</b>	<b>150,783,747</b>

**13.1 Payable to clients**

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

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

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

**13.3 Others payable**

This balance represents cheques issued to various clients 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.

Opening balance	2,665,554,081	2,665,554,081
Addition during the year	-	-
Paid during the year	(160,000,000)	-
<b>Closing balance</b>	<b>2,505,554,081</b>	<b>2,665,554,081</b>

**15. Interest payable**

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

Opening balance	294,312,957	84,856,203
Addition during the year	353,187,900	413,173,105
Paid during the year	(356,506,140)	(203,716,351)
<b>Closing balance</b>	<b>290,994,717</b>	<b>294,312,957</b>

**16. Provision for expenses**

Opening balance	9,217,716	12,753,083
Addition during the year (Note 16.1)	23,139,828	9,148,285
Adjustment during the year	(7,890,809)	(12,683,652)
<b>Closing balance</b>	<b>24,466,735</b>	<b>9,217,716</b>

**16.1 Addition during the year**

Provision for performance bonus	7,000,000	6,500,000
Provision for office rent	2,020,668	80,000
Provision for postage, telephone and telegraph	90,000	520,950
Provision for utility bill	500,000	-
Provision for CDS charge	1,500,000	600,000
Provision for audit fee	50,000	45,000
Provision for consultancy fee for research	5,420,000	-
Provision for annual conference fee- outside Dhaka	1,500,000	-
Provision for other rent	800,000	-
Provision for software maintenance	300,000	-

	2013 BDT	2012 BDT
Provision for security service	250,000	-
Provision for other expenses	1,415,000	1,402,335
Provision for interior decoration	2,294,160	-
<b>Total</b>	<b>23,139,828</b>	<b>9,148,285</b>

**17. Provision for income tax**

Opening balance	111,957,477	145,715,366
Addition during the year	125,421,246	101,911,114
Payment during the year	(111,957,477)	(135,669,003)
<b>Closing balance</b>	<b>125,421,246</b>	<b>111,957,477</b>

**18. Provision for investment**

Opening balance	53,547,746	25,000,000
Addition during the year	71,500,000	42,000,000
Adjustment during the year	-	(13,452,254)
<b>Closing balance</b>	<b>125,047,746</b>	<b>53,547,746</b>

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

**19. Dividend payable**

This amount was declared as interim dividend by the MTBSL board at its board meeting held on December 2013 from net profit of 2013 instead of any percentage of paid up capital.

**20. Property, plant & equipment****Cost:**

Furniture	1,311,858	1,880,235
Office equipment	27,254,339	24,535,744
Fixture and fittings	63,304,677	59,531,139
Premises	46,365,000	46,365,000
Total cost value of the asset	138,235,874	132,312,118
Accumulated depreciation	26,713,657	17,474,900
<b>Total carrying amount</b>	<b>111,522,217</b>	<b>114,837,218</b>

The detail has been shown in Annexure - A.

**21. Brokerage commission**

This amount is charged on daily turnover during the year as per rate decided by the company. The details are as follows:

**22. Interest on margin loan**

MTB Securities paid margin loan at the rate specified by the management of the company. Total number of marginable client was 2,007 at the end of 2013.

**23. Margin account maintenance**

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

**24. Depository participant**

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

BO maintenance fee	9,600,500	9,114,000
BO opening fee	1,000,000	675,500
Demate charge	20,195	41,256
CDS charge	966,164	1,343,388
<b>Total</b>	<b>11,586,859</b>	<b>11,174,144</b>

**25. CDBL charge**

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

	2013 BDT	2012 BDT
--	-------------	-------------

**26. Other income**

Other Income represents interest income from various bank accounts and FDR maintained at MTB and dividend income. The details are follows:

Interest on bank deposit	22,783,399	43,863,801
Dividend income	2,491,146	3,433,777
Other Income	642,475	59,500
<b>Total</b>	<b>25,917,020</b>	<b>47,357,078</b>

**27. Office and administrative expenses**

Salary and remunerations	55,801,667	51,420,155
Rental expenses	29,942,244	27,247,071
Postage, telephone, telegraph	1,427,153	1,009,516
Car expenses	1,286,993	1,316,013
Securities service bill	3,132,221	2,489,278
Cleaning expenses	2,514,328	1,622,097
Utility	5,428,948	4,218,485
Conveyance	280,607	258,639
Entertainment	1,416,091	1,532,220
Newspaper	63,313	59,331
Printing and stationery	1,211,557	1,153,327
Office maintenance	1,030,144	972,378
Advertisement	604,164	242,351
Repair and maintenance	827,250	1,343,953
Insurance expenses	285,574	358,144
Training expenses	66,300	190,493
Other rent	4,675,861	3,860,451
Software maintenance	300,000	200,000
Travelling expenses	11,632	92,805
Business Development Expenses	282,800	487,783
Annual conference	1,500,000	45,000
Audit fee	50,000	-
Consultancy fee	5,420,000	-
Director fees	11,500	-
Fees and Other charges	289,320	345,904
Fuel for generator	1,655,078	2,252,700
Loss on sale of fixed asset	5,873,539	-
Miscellaneous loss	18,108	-
Depreciation	10,390,440	8,494,517
<b>Total</b>	<b>135,796,832</b>	<b>111,212,611</b>

**28. Provision for investment**

This provision is made to reduce the risk of capital market .

**29. Financial expenses**

Financial expenses represent interest expense on short term borrowing from Mutual Trust Bank Limited (MTBL).

**30. Income tax expenses**

Income tax expenses calculated on the basis of taxable income. Tax rate is considered @37.50% on business income.

**31. Related party disclosure.****31.1 Name of Directors and their shareholdings as at December 31, 2013.**

Mutual Trust Bank Limited	99.999%
Dr. Arif Dowla	0.001%
	<u><u>100.000%</u></u>

**31.2 Related party transactions**

Name of the party	Nature of transactions	Amount BDT
Mutual Trust Bank	Short term borrowing	2,505,554,081
	Interest Expenses	353,435,122
	Interest Payable	290,994,717
	Dividend Paid	-
	Interim Dividend	-

**32. 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 87 persons."

## MTB Securities Limited Fixed Asset Schedule

As at December 31, 2013

Annexure- A

Amount BDT

Particulars	Cost				Depreciation				Written down	
	Balance as at January 1, 2013	Addition during the year	Balance as at December 31, 2013	Rate	Balance as at January 1, 2013	Charged for the year	Disposal for the year	Balance as at December 31, 2013	as at December 31, 2013	
Furniture	1,880,235	-	568,377	10%	345,515	123,989	185,707	283,797	1,028,061	
Fixture and fittings	59,531,139	10,405,652	6,632,114	10%	8,591,857	5,042,979	932,695	12,702,141	50,602,536	
Office equipment	24,535,744	2,853,248	134,653	20%	8,537,527	3,142,133	33,280	11,646,380	15,607,959	
Premises	46,365,000	-	-	10%	-	2,081,339	-	2,081,339	44,283,661	
<b>Total</b>	<b>132,312,118</b>	<b>13,258,900</b>	<b>7,335,144</b>		<b>17,474,899</b>	<b>10,390,440</b>	<b>1,151,682</b>	<b>26,713,657</b>	<b>111,522,217</b>	

## MTB Securities Limited

### Statement of Investment in Quoted Securities

As at December 31, 2013

Annexure-B  
Amount in BDT

Name of the Company	Quantity	Cost	Market Value
Active Fine Chemical	230,000	22,563,000	18,929,000
Agni System Limited	90,000	2,221,200	2,061,000
Al-Arafah Islami Bank Limited	25,000	787,000	477,500
Asia Pacific Insurance Company Limited	40,000	2,962,800	1,200,000
Bank Asia Limited	50,000	1,346,000	1,150,000
Bengal Windsor	35,000	3,464,450	3,459,500
BD Submarine Cable	49,000	9,824,990	8,236,900
Dhaka Bank Limited	26,400	840,312	496,320
Eastern Bank Limited	25,000	1,013,250	727,500
EXIM Bank Limited	62,000	1,887,900	799,800
Familytex (BD) Limited	50,000	3,014,000	2,905,000
First Securities Bank Limited	30,000	857,100	453,000
Golden Harvest Agro	45,000	2,179,800	1,975,500
Grameenphone Limited	50,000	10,194,000	10,045,000
IDLC	125,000	9,333,750	7,862,500
IFIC	120,000	5,240,550	5,316,500
Islami Bank BD Limited	150,000	5,976,000	5,190,000
LankaBangla Finance	190,000	11,835,100	12,635,000
Lafarge Surma Cement	300,000	10,248,000	10,050,000
Jamuna Bank Limited	40,000	1,272,400	652,000
Olympic Industries Limited	20,000	3,294,000	2,942,000
Orion Pharma Limited	150,000	9,901,500	8,805,000
Pubali Bank Limited	80,000	3,677,600	2,600,000
Square Pharma	120,000	21,171,600	22,824,000
Standard Bank Limited	200,300	4,026,030	2,964,440
Titas Gas T&D Co. Limited	100,000	8,659,000	7,380,000
United Commercial Bank Limited	75,000	3,788,250	1,882,500
<b>Total</b>		<b>161,579,582</b>	<b>144,019,960</b>

Financial Information

## Auditor's Report



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

Partners: Md. Waliullah, FCA  
Swadesh Ranjan Saha, FCA  
Md. Habibur Rahman Sarker, FCA  
Anjan Mallik, ACA

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### AUDITORS' REPORT

TO THE SHAREHOLDERS OF  
MTB CAPITAL LIMITED

We have audited the accompanying Financial Statements of **MTB Capital Limited** consisting of The Statement of Financial Position as at December 31, 2013 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, 2013 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  
January 23, 2014

  
**Malek Siddiqui Wali**  
Chartered Accountants



## MTB Capital Limited Statement of Financial Position

As at December 31, 2013

	Note	2013 BDT	2012 BDT
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' equity</b>			
Share Capital	4	250,000,000	100,000,000
Retained Earnings	5	134,435	(838,507)
<b>Total sources of funds</b>		<b>250,134,435</b>	<b>99,161,493</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investment and advances</b>			
		<b>17,329,727</b>	<b>39,169,367</b>
Investment in securities	6	16,418,874	37,975,182
Other advances	7	910,853	1,194,185
<b>Current assets</b>			
		<b>287,283,459</b>	<b>58,143,107</b>
Margin loan to clients	8	76,541,355	5,236,479
Accounts receivable	9	36,694,009	780,917
Advance Income Tax (AIT)	10	3,075,711	1,183,369
Cash and cash equivalents	11	170,972,383	50,942,342
<b>Current liabilities</b>			
		<b>62,561,916</b>	<b>4,625,662</b>
Accounts payable	12	42,083,411	3,253,942
Provision for investment in securities	13	1,371,720	1,371,720
Provision for income tax		6,106,784	-
Dividend payable	14	13,000,000	-
<b>Net current asset</b>			
		<b>224,721,543</b>	<b>53,517,445</b>
Property, plant & equipment	15	8,083,165	6,474,681
<b>Total application of funds</b>		<b>250,134,435</b>	<b>99,161,493</b>

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**KHAIRUL BASHER A. T. MOHAMMED**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

## MTB Capital Limited Statement of Comprehensive Income

For the year ended December 31, 2013

	Note	2013 BDT	2012 BDT
<b>Operating income</b>			
Interest on margin loan	16	3,950,393	640,916
Capital gain on sale of securities	17	4,514,920	3,374,630
Fees and commission income	18	1,669,334	241,737
Income from investment	19	1,037,200	916,320
Issue management fees	20	2,500,000	900,000
Underwriting commission	21	40,000	147,500
Portfolio management fees		596,190	129,608
<b>Net income from operation</b>		<b>14,308,037</b>	<b>6,350,711</b>
Other income	22	18,217,320	7,161,741
<b>Total income</b>		<b>32,525,357</b>	<b>13,512,452</b>
Office and administrative expenses	23	12,445,631	10,601,490
Provision against investment in securities		-	1,371,720
<b>Profit before financial expenses</b>		<b>20,079,726</b>	<b>1,539,242</b>
<b>Net profit before tax</b>		<b>20,079,726</b>	<b>1,539,242</b>
Income tax expenses		6,106,784	416,860
<b>Net profit after tax</b>		<b>13,972,942</b>	<b>1,122,382</b>

Financial Information

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**KHAIRUL BASHER A. T. MOHAMMED**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

## MTB Capital Limited Statement of Cash Flows

For the year ended December 31, 2013

	2013 BDT	2012 BDT
<b>A. Cash flows from operating activities</b>		
Collection from interest, fees and commission	8,855,317	2,189,261
Payment for employees salary and allowances	(6,674,192)	(4,537,971)
Payment for other operational expenses	(6,667,839)	(4,190,774)
Other income (SND and FDR interest)	17,710,820	7,371,741
Advance income tax payment	(1,892,342)	(927,447)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>11,331,764</b>	<b>(95,189)</b>
<b>B. Cash flows from investing activities</b>		
Payment for purchase of shares	(71,695,276)	(34,597,947)
Capital gain on sale of shares	97,766,505	3,151,127
Dividend received	714,500	755,620
Accounts receivables - IPO	-	(16,900)
Payment for purchase of fixed assets	(4,179,480)	(91,650)
Advance for investment and others	292,145	9,949,710
Change in margin loan	(71,304,876)	(3,273,740)
<b>Net cash outflows from investing activities</b>	<b>(48,406,482)</b>	<b>(24,123,780)</b>
<b>C. Cash flows from financing activities</b>		
Share capital	150,000,000	-
Loan from parent company	-	(2,384,302)
Clients accounts balance	7,104,759	447,194
<b>Net cash outflows from financing activities</b>	<b>157,104,759</b>	<b>(1,937,108)</b>
<b>D. Net cash inflows/(outflows) for the year (A+B+C)</b>	<b>120,030,041</b>	<b>(26,156,077)</b>
<b>E. Add: Opening cash and cash equivalents</b>	<b>50,942,342</b>	<b>77,098,419</b>
<b>Closing cash and cash equivalents (D+E)</b>	<b>170,972,383</b>	<b>50,942,342</b>

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**KHAIRUL BASHER A. T. MOHAMMED**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

## MTB Capital Limited Statement of Changes in Equity

For the year ended December 31, 2013

Particulars	Paid up capital	Retained earnings	Amount BDT	
			2013	2012
Opening Balance	100,000,000	(838,507)	99,161,493	98,039,111
Addition during the year	150,000,000	-	150,000,000	-
Net profit for the year after tax	-	13,972,942	13,972,942	1,122,382
Dividend payable during the year	-	13,000,000	13,000,000	-
<b>Balance as at December 31, 2013</b>	<b>250,000,000</b>	<b>6,271,220</b>	<b>250,134,435</b>	<b>99,161,493</b>

The annexed notes form an integral part of these accounts.



**ANIS A. KHAN**  
Vice Chairman



**QUAMRUL ISLAM CHOWDHURY**  
Director



**KHAIRUL BASHER A. T. MOHAMMED**  
Chief Executive Officer

Signed as per annexed report on even date

Dated: Dhaka  
January 23, 2014



**MALEK SIDDIQUI WALI**  
Chartered Accountants

## Notes to the Financial statements

For the year ended December 31, 2013

### 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, 2013 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 and 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 in with that of 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, 2013.

	2013 BDT	2012 BDT
<b>4.00 Authorized capital</b>	<b>500,000,000</b>	<b>500,000,000</b>
50,00,000 Ordinary Shares of BDT 100 each.		
<b>Issued, Subscribed and paid-up capital</b>	<b>250,000,000</b>	<b>100,000,000</b>
25,00,000 Ordinary Shares of BDT 100 each		

**Shareholding position:**

Particulars	No. of Shares	Percentage
Mutual Trust Bank Limited.	2,499,900	99.99%
Dr. Arif Dowla (Representative as chairman of MTB)	100	0.01%
<b>Total</b>	<b>2,500,000</b>	<b>100.00%</b>

<b>5.00 Retained earnings</b>		
Opening balance	(838,507)	(1,960,889)
Add: Net profit during the year	13,972,942	1,122,382
Less: Dividend paid during the year	13,000,000	-
<b>Closing retained earnings</b>	<b>134,435</b>	<b>(838,507)</b>

<b>6.00 Investment in securities</b>	
Investment in securities has been shown as cost value of securities	

**Portfolio statement as at December 31, 2013**

Name of the company	No. of shares	Cost per share	Total cost (BDT)	Market value (BDT)	Difference
Padma Oil	56,540	290.39	16,418,874	14,265,042	(2,153,832)
<b>Total</b>			<b>16,418,874</b>	<b>14,265,042</b>	<b>(2,153,832)</b>

<b>7.00 Other advances</b>		
Loan to employees	910,853	1,194,185
<b>8.00 Margin loans to clients</b>		
Margin Loan to Investors - Non-Discretionary Account (NDA)	76,528,641	4,484,649
Margin Loan to Investors - Discretionary Account (DA)	12,714	751,830
	<b>76,541,355</b>	<b>5,236,479</b>
<b>9.00 Accounts receivable</b>		
Receivable from FDR interest	1,409,000	350,000
Underwriting commission receivable (Argon Denims Ltd. - IPO)	-	87,500
Dividend receivable	483,400	160,700
Receivable from broker - SES Company Ltd	522,468	32,475
Receivable from broker - SSML	33,887,047	133,342
Receivable from broker - MTBSL	349,594	-
Receivable from rental income	37,500	-
Accounts receivable - IPO	5,000	16,900
	<b>36,694,009</b>	<b>780,917</b>

	2013 BDT	2012 BDT
<b>10.00 Advance income tax</b>		
Opening balance	1,183,369	672,782
Addition during the Year	1,892,342	927,447
<b>Total</b>	3,075,711	-
Adjusted during the Year	-	416,860
	<b>3,075,711</b>	<b>1,183,369</b>
<b>11.00 Cash &amp; cash equivalents</b>		
This is made up as under:		
Cash in hand	54	488
<b>Cash at Bank (Mutual Trust Bank)</b>		
MTB-0012-0210010492 (DA)	22,418	538,452
MTB-0012-0210010572 (CD)	(8,990)	10,102
MTB-0012-0210010607 (Own Portfolio)	88,702	17,712
MTB-0012-0210010581 (NDA)	3,782,040	215,263
MTB-0012-0320001007 (SND)	22,088,158	160,325
FDR-105563/46478/13	145,000,000	50,000,000
	170,972,329	50,941,854
<b>Cash and Bank balance</b>	<b>170,972,383</b>	<b>50,942,342</b>
<b>12.00 Accounts payable</b>		
Mbank software	550,663	1,700,000
Audit fees payable	51,111	37,500
Salary, rent and electricity bill payable	-	991,212
Payable to non-discretionary portfolio clients	39,039,742	32,420
Client deposits - NDA	2,338,375	307,892
Client deposits - DA	7,705	139,302
Cheque in transit	28,000	-
VAT deducted at sources payable	51,933	36,536
Withholding tax payable	15,884	9,080
	<b>42,083,411</b>	<b>3,253,942</b>
<b>13.00 Provision for investment in securities</b>		
This amount represents provision against unrealised loss on investment in securities as per guideline of Bangladesh Security and Exchange Commission (BSEC)		
<b>14.00 Dividend payable</b>		
This amount was declared as interim dividend by the MTBCL board at its board meeting held on December, 2013 from the net profit of 2013		



	2013 BDT	2012 BDT
<b>15.00 Property, plant &amp; equipment</b>		
Opening balance	6,474,681	8,378,446
Addition during the year	3,030,142	91,650
<b>Total cost</b>	<b>9,504,823</b>	<b>8,470,096</b>
Less: Depreciation charged during the year	1,421,658	1,995,415
<b>Written down value</b>	<b>8,083,165</b>	<b>6,474,681</b>
Detail is shown in Annexure - A		
<b>16.00 Interest on margin loan</b>		
Interest on margin loan - Non-Discretionary Account (NDA)	3,949,656	640,756
Interest on margin loan - Discretionary Account (DA)	738	160
	<b>3,950,393</b>	<b>640,916</b>
<b>17.00 Capital gain on sale of securities</b>		
Sale proceeds of securities	97,766,505	52,377,962
Less: Cost of securities sold	93,251,585	49,226,835
Add: Unrealized loss recovered during the year	-	223,503
	<b>4,514,920</b>	<b>3,374,630</b>
<b>18.00 Fees &amp; commission income</b>		
Settlement fee	1,580,334	219,237
Documentation charge	89,000	22,500
	<b>1,669,334</b>	<b>241,737</b>
<b>19.00 Income from investment (dividend income from securities)</b>		
Padma Oil	462,600	-
Grameenphone Limited	441,000	596,500
Prime Bank Limited	38,500	40,000
Southeast Bank Limited	25,500	12,000
Social Investment Bank Limited	8,500	2,625
Trust Bank Limited	-	1,500
Square Pharmaceuticals Ltd.	-	25,875
BD Submarine Cable Co. Ltd.	-	40,000
Saiham Cotton Mills Ltd.	-	30,000
Unique Hotel & Resort Ltd.	-	6,000
Square Textile	-	1,120
Jamuna Oil Company Ltd.	-	85,500
Meghna Petroleum Ltd.	-	61,200
Premier Cement Mills Limited	20,800	-
One Bank Limited	21,750	-
Confident Cement	10,000	-
Global Heavy Chemicals	6,000	-
Meghna Life Insurance	300	-
ACI Formulation Ltd.	2,250	-
Eastern Housing	-	14,000
	<b>1,037,200</b>	<b>916,320</b>

	2013 BDT	2012 BDT
<b>20.00 Issue management fee</b>		
Zaheen Spinning Limited (Capital raising and IPO)	2,500,000	250,000
Data Edge Limited (Capital raising and IPO)	-	500,000
Crystal Insurance Company Limited (IPO)	-	150,000
	<b>2,500,000</b>	<b>900,000</b>
<b>21.00 Underwriting commission</b>		
United Airways (BD) Ltd. - Right	40,000	-
Keya Cosmetics Ltd. - Right	-	60,000
Argon Denims Limited - IPO	-	87,500
	<b>40,000</b>	<b>147,500</b>
<b>22.00 Other income</b>	<b>18,217,320</b>	<b>7,161,741</b>
It represents interest income from various bank accounts maintained at Mutual Trust Bank Limited.		
<b>23.00 Office &amp; administrative expenses</b>		
Salary and remuneration	5,682,980	4,933,362
Rent, taxes, insurance, electricity, water etc.	3,103,656	645,312
Legal and professional expense	231,600	141,710
Postage, telephone, fax, stamps	88,502	74,382
Printing and stationery	77,089	89,549
Repairs and maintenance	70,347	63,231
Depreciation	1,421,658	1,401,009
Auditors' fees	51,111	36,450
Directors' fee	5,000	-
Car expenses	686,227	689,111
CDBL charges	228,856	69,362
Rental expenditure (Dhakacom Ltd.)	52,185	72,450
Security service charges	496,570	214,740
Books and newspaper	8,960	7,908
Holiday working bill	1,250	1,000
Bank charge	7,530	4,158
Entertainment	97,790	69,289
Excise duty	67,000	46,350
VAT on fees and commission income	37,271	9,669
Conveyance	11,700	13,850
Advertisement in newspaper	10,350	-
Domain and Hosting Charge	8,000	3,000
Fuel for generator	-	6,100
Labor cost - H/O transfer	-	9,500
	<b>12,445,631</b>	<b>10,601,490</b>

## MTB Capital Limited Schedule of Fixed Assets

As at December 31, 2013

Annexure- A

Category of Assets	Cost			Depreciation			Written down value
	Opening balance	Addition during the year	Disposal during the year	Total	Rate (%)	Opening balance	
Furniture and Fixture	100,389	21,505	-	121,894	10%	13,460	98,237
Office Equipment	8,107,544	54,950	-	8,162,494	20%	1,954,933	5,078,217
Interior Decoration	262,163	2,953,687	-	3,215,850	10%	27,022	2,906,711
<b>Total Tk.</b>	<b>8,470,096</b>	<b>3,030,142</b>	<b>-</b>	<b>11,500,238</b>		<b>1,995,415</b>	<b>8,083,165</b>

## Directors' Report

### MTB Exchange (UK) Limited

For the year ended December 31, 2013

The directors present their report and accounts for the year ended 31 December, 2013

#### 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) Syed Manzur Elahi
- B) Anis A. Khan
- C) Dr. Arif Dowl
- D) Mohammad Abdur Rouf, JP

#### OWNERSHIP

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

#### DIRECTORS' RESPONSIBILITIES

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

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

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

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 10, 2014.



**ANIS A. KHAN**  
Director



**SYED MANZUR ELAHI**  
Director

## Statement by Director

For the year ending December 31, 2013, 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 10, 2014 and signed on their behalf by



**SYED MANZUR ELAHI**  
Director



**ANIS A. KHAN**  
Director



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

## Accountant's Report

### To The Board of Directors on The Financial Statements of MTB Exchange (UK) Ltd.

For the year ended December 31, 2013

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 2013 as set out on pages 5 to 10 from the company's accounting records and from information and explanations you have given us.

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

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

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

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



**JAHAN & CO.**  
Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD

January 10, 2014

## MTB Exchange (UK) Limited Profit and Loss Account

For the year ended December 31, 2013

	Note	2013	2012
		£	£
<b>TURNOVER</b>	<b>2</b>	66,045	48,153
<b>GROSS PROFIT</b>		66,045	48,153
Distribution costs		(3,059)	(1,725)
Administrative expenses	<b>3</b>	(139,810)	(143,705)
<b>OPERATING LOSS</b>		(76,824)	(97,277)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(76,824)	(97,277)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(76,824)	(97,277)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(76,824)	(97,277)

## MTB Exchange (UK) Limited Balance Sheet

As at December 31, 2013

	Note	2013	2012
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	5	28,251	35,314
<b>CURRENT ASSETS</b>			
Debtors (amount falling due within one year)	6	2,571	4,139
Debtors (amount falling due after more than one year)	6	8,750	8,750
Cash at bank and in hand		53,483	143,732
		64,804	156,621
Creditors: Amounts falling due within one year	7	177,159	196,702
<b>NET CURRENT LIABILITIES</b>		(112,355)	(40,081)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(84,104)	(4,767)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	230,000	230,000
Other reserves	9	2,513	2,513
Profit and loss account	10	(316,617)	(237,280)
<b>SHAREHOLDERS' FUND</b>		<b>(84,104)</b>	<b>(4,767)</b>

Financial Information



**ANIS A. KHAN**  
Director



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



# Notes to the Accounts

For the year ended December 31, 2013

## 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.

	2013	2012
	£	£
Remittances Commissions	47,597	42,107
Bureau DE Change Commission	7,329	6,046
Translation Gain	1,304	-
Exchange Gain	6,907	-
Cash Surplus	2,908	-
	<u>66,045</u>	<u>48,153</u>
<b>3. Operating Loss</b>		
Operating Loss is started after charging:	-	-
Depreciation	7,063	8,830
	<u>7,063</u>	<u>8,830</u>

## 4. Tax on Ordinary Activities

- -

	Plant and Machinery	Fixtures and Fittings	TOTAL
	£	£	£
<b>5. Tangible Fixed Assets</b>			
<b>Cost</b>			
At 01/01/2013	13,300	45,423	58,723
Additions	-	-	-
At 31/12/2013	<b>13,300</b>	<b>45,423</b>	<b>58,723</b>
<b>Depreciation</b>			
At 01/01/2013	4,990	18,419	23,409
For the year	1,662	5,401	7,063
At 31/12/2013	<b>6,652</b>	<b>23,820</b>	<b>30,472</b>
<b>Net Book Amounts</b>			
At 31/12/2013	6,648	21,603	28,251
At 31/12/2012	<b>8,310</b>	<b>27,004</b>	<b>35,314</b>
<b>6. Debtors</b>		<b>2013</b>	<b>2012</b>
		£	£
Amount falling due within one year:			
Other debtors		2,571	4,139
		<b>2,571</b>	<b>4,139</b>
Amount falling due after more than one year:			
Rent Deposit		8,750	8,750
Total Debtors		<b>8,750</b>	<b>8,750</b>
<b>7. Creditors: Amounts falling due within one year</b>			
TT payable		172,859	188,154
Taxation and social security		-	866
Other Creditors		4,300	7,682
		<b>177,159</b>	<b>196,702</b>
<b>8. Share Capital</b>			
Allotted, issued and fully paid:			
230,000 Ordinary shares of £ 1 each		230,000	230,000
		<b>230,000</b>	<b>230,000</b>
<b>9. Other Reserves:</b>			
Translation reserve		1,308	1,308
Cash Surplus/Shortage		1,205	1,205
		<b>2,513</b>	<b>2,513</b>
<b>10. Profit and Loss Reserve:</b>			
Opening balance		(237,280)	(140,003)
Loss for the year		(76,824)	(97,277)
Transfer from reserve		(2,513)	-
		<b>(316,617)</b>	<b>(237,280)</b>
<b>11. Controlling Party :</b>			

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