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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 as amended in 2013 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, M. J. ABEDIN & CO., in order to ensure that the provision of such services does not impair the auditor's independence. The report is given on page 190 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

এম, জে, আবদীন এন্ড কোং
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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 (the "Group") as well as the separate financial statements of Mutual Trust Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2014 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 2.61 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 forgery.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making these 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.

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 31 December 2014, 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 2.61.

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MOORE STEPHENS
CHARTERED ACCOUNTANTS



Other Matter

The Financial Statements of the Bank for the year ended 31 December 2013 were audited by A. Qasim & Co. Chartered Accountants, who through their report dated 09 March 2014 expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud, internal controls and instances of fraud and forgery as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - (i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.29 of the financial statements appeared to be materially adequate;
 - (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 note 2.30 of these financial statements;
- (c) the financial statements of subsidiaries of the Bank MTB Capital Limited and MTB Securities Limited have been audited by, Ahmed and Akhter, Chartered Accountants and expressed an unqualified opinion on those financial statements and MTB Exchange (KIK) Ltd. have been compiled by, Jahan & Co. Chartered Management Accountants 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;
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,360 person hours for the audit of the books and accounts of the Bank and
- (l) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.



M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
February 24, 2015

Consolidated Balance Sheet

As at December 31, 2014

Property and Assets	Note	2014 BDT	2013 BDT
Cash	3 (a)	8,933,605,158	7,169,407,855
In Hand (Including Foreign Currency)		1,592,524,446	1,715,994,704
With Bangladesh Bank and its agent Bank (including Foreign Currency)		7,341,080,712	5,453,413,151
Balance with Other Banks & Financial Institutions	4 (a)	2,173,783,801	1,633,866,234
In Bangladesh		1,898,902,497	1,320,657,340
Outside Bangladesh		274,881,304	313,208,894
Money at Call and Short Notice	5.00	-	460,000,000
Investments	6 (a)	20,767,846,269	25,824,406,855
Government		18,479,093,705	23,806,295,142
Others		2,288,752,564	2,018,111,713
Loans and Advances	7 (a)	77,140,918,049	59,548,362,590
Loans, Cash Credit, Overdrafts, etc.		74,940,867,534	57,954,404,092
Bills Purchased and Discounted		2,200,050,515	1,593,958,498
Fixed Asset including Premises, Furniture & Fixture	8 (a)	2,488,892,429	2,458,193,366
Other Assets	9 (a)	4,795,916,269	4,078,312,273
Non-Banking Asset		-	-
Total Property and Assets		116,300,961,975	101,172,549,174
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10 (a)	2,702,826,026	2,637,966,323
Deposit and Other Accounts	11 (a)	97,106,323,435	84,372,740,788
Current Deposit & Other Accounts		17,262,169,133	11,509,180,645
Bills Payable		1,284,280,568	779,790,179
Savings Deposit		14,384,269,440	11,097,954,735
Fixed Deposit		49,411,783,655	48,281,499,552
Deposit-Products		14,763,820,639	12,704,315,678
Other Liabilities	12 (a)	7,221,285,354	6,212,685,051
Subordinated Debt	13.00	2,500,000,000	2,500,000,000
Total Liabilities		109,530,434,816	95,723,392,162
Capital/Shareholders' Equity			
Paid up Capital	14.00	3,077,633,060	2,797,848,240
Statutory Reserve	15 (a)	2,276,079,020	1,917,204,582
Revaluation Reserve on Investment in Securities		520,276,266	161,739,327
Foreign Currency Translation gain		2,344,209	1,070,995
General Reserve	16.00	276,777,324	276,777,324
Retained Earnings	17 (a)	617,298,134	294,423,377
Total Shareholders' Equity		6,770,408,013	5,449,063,845
Minority Interest		119,147	93,167
Total Liabilities and Shareholders' Equity		116,300,961,975	101,172,549,174
Net Asset Value (NAV) per share		22.00	19.48

Consolidated Balance Sheet

As at December 31, 2014

Off-Balance Sheet Items	Note	2014 BDT	2013 BDT
Contingent Liabilities	18 (a)		
Letter of Guarantee		7,021,192,518	6,048,664,710
Irrevocable Letter of Credit		8,207,237,141	6,440,568,870
Bills for Collection		3,191,555,490	1,713,053,536
Other Contingent Liabilities		12,381,817,631	9,694,390,988
Total Off-Balance Sheet Items		30,801,802,780	23,896,678,104
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off-Balance Sheet Items Including Contingent Liabilities		30,801,802,780	23,896,678,104

financial information

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


Rashed A. Chowdhury
Chairman


M.A. Rouf, JP
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

As per our report of same date.

Dated, Dhaka
February 24, 2015


M. J. ABEDIN & CO
Chartered Accountants

Consolidated Profit and Loss Account

For the Year ended December 31, 2014

Particulars	Note	2014	2013
		BDT	BDT
Interest Income	20 (a)	9,716,735,358	8,984,990,174
Less: Interest Paid on Deposit and Borrowing, etc.	21 (a)	7,881,712,195	7,957,130,247
Net Interest Income		1,835,023,163	1,027,859,927
Income from Investments	22 (a)	2,492,377,440	2,466,231,850
Commission, Exchange and Brokerage	23 (a)	949,044,250	766,744,340
Other Operating Income	24 (a)	448,337,545	358,150,727
		3,889,759,234	3,591,126,917
Total Operating Income		5,724,782,398	4,618,986,844
Less: Operating Expenditure:			
Salary and Allowances	25 (a)	1,480,618,517	1,208,377,316
Rent, Tax, Insurance and Electricity	26 (a)	525,227,662	477,223,454
Legal Expense	27 (a)	3,160,564	1,900,320
Postage, Stamps and Telephone	28 (a)	16,801,240	18,169,003
Printing, Stationery and Advertisement	29 (a)	105,723,591	87,257,490
Managing Director's Remuneration	25.01	14,999,333	14,039,333
Directors' Fee	30.00	1,409,750	775,000
Audit Fee	31 (a)	1,449,419	1,396,061
Depreciation on and Repair to Bank's Property	32 (a)	305,146,481	269,728,113
Other Expenditure	33 (a)	667,087,417	514,259,686
		3,121,623,975	2,593,125,777
Profit Before Provision		2,603,158,423	2,025,861,067
Less: Provision against Loans & Advances including Off-Balance Sheet Items	34.00	427,530,521	455,899,298
Less: Provision against Investment in Quoted Shares		243,760,404	170,647,985
Less: Provision against Other Asset		2,469,480	-
Total Provision		673,760,405	626,547,283
Profit Before Tax		1,929,398,019	1,399,313,784
Less: Income Tax Expenses	35 (a)	967,838,025	826,061,583
Net Profit After Tax		961,559,993	573,252,201
Attributable to:			
Shareholders of the Bank		961,534,013	573,231,689
Minority Interest		25,980	20,512
		961,559,993	573,252,201

Consolidated Profit and Loss Account

For the Year ended December 31, 2014

	Note	2014 BDT	2013 BDT
Retained Surplus Brought Forward		294,423,377	255,237,061
		1,255,957,391	828,468,750
Appropriation:			
Bonus Share Issued/Cash Dividend during the year		279,784,820	254,349,840
Transferred to Statutory Reserve		358,874,438	279,862,757
		638,659,258	534,212,597
Retained Surplus, Carried Forward		617,298,134	294,256,153
Earnings Per Share	36 (a)	3.12	1.86

financial information

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



Rashed A. Chowdhury
Chairman



M.A. Rouf, JP
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

As per our report of same date.



M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
February 24, 2015

Consolidated Statement of Cash Flow

For the Year ended December 31, 2014

financial information

	Note	2014 BDT	2013 BDT
A) Cash Flow From Operating Activities:			
Interest Received		12,152,869,004	11,392,281,733
Interest Paid on Deposits, Borrowings, etc.		(7,991,123,938)	(8,002,885,252)
Dividend Income		56,243,794	58,940,290
Fees & Commission Income		949,044,250	562,295,401
Recoveries of Loans previously written off		7,336,952	5,900,000
Cash Paid to Employees as Salaries and Allowances		(1,495,617,850)	(1,121,839,551)
Advance Income Tax Paid		(741,772,809)	(669,113,985)
Cash Received From Other Operational Income	37 (a)	642,741,621	556,699,665
Cash Paid for Other Operational Expenses	38 (a)	(1,360,802,785)	(1,118,658,667)
Cash Flow From Operating Activities Before Changes in Net Current Asset:		2,218,918,238	1,663,619,634
Investment in Treasury Bond		1,525,786,363	(143,180,402)
Loans & Advances		(17,592,555,459)	(3,037,285,367)
Other Asset		24,168,813	(328,529,346)
Customers' Deposit		12,148,833,713	9,278,351,287
Borrowing from Other Banks, Financial Institutions & Agents		64,859,703	(3,324,253,677)
Other Liabilities		203,102,505	219,686,618
		(3,625,804,362)	2,664,789,113
Net Cash Flow From Operating Activities		(1,406,886,124)	4,328,408,747
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(270,640,851)	(4,182,072)
Purchase of Premises & Fixed Asset (net)		(282,117,439)	(320,658,360)
Net Cash Flow From Investing Activities		(552,758,291)	(324,840,432)
C) Cash Flow From Financing Activities:			
Net Cash Flow From Financing Activities		-	-
D) Net Increase in Cash and Cash Equivalents		(1,959,644,415)	4,003,568,315
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		2,344,209	1,070,995
F) Opening Cash and Cash Equivalents		14,321,182,383	10,316,543,073
Closing Cash and Cash Equivalents (D+E+F)		12,363,882,180	14,321,182,383
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,592,524,446	1,715,994,704
Balance with Bangladesh Bank and its Agent Bank		7,341,080,712	5,453,413,151
Balance with Other Banks & Financial Institutions		2,173,783,801	1,633,866,234
Money at Call and Short Notice		-	460,000,000
Treasury Bill		1,253,329,821	5,055,134,895
Prize Bond		3,163,400	2,773,400
		12,363,882,180	14,321,182,383
Net Operating Cash Flow Per Share		(4.57)	15.47

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


Rashed A. Chowdhury
Chairman


M.A. Rouf, JP
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Consolidated Statement of Changes in Equity

For the Year ended December 31, 2014

Particulars	Amount in BDT								
	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Profit & Loss Account	Total	Minority Interest	Total
Balance as at January 01, 2014	2,797,848,240	1,917,204,582	276,777,324	161,739,327	1,070,995	294,423,377	5,449,063,845	93,167	5,449,157,013
Bonus Share Issued during the year	279,784,820	-	-	-	-	(279,784,820)	-	-	-
Currency Translation differences	-	-	-	-	1,273,214	-	1,273,214	-	1,273,214
Revaluation Reserve transferred during the year	-	-	-	358,536,939	-	-	358,536,939	-	358,536,939
Net Profit for the year After Tax	-	-	-	-	-	961,534,013	961,534,013	25,980	961,559,993
Appropriation made during the year	-	358,874,438	-	-	-	(358,874,438)	-	-	-
Balance as at December 31, 2014	3,077,633,060	2,276,079,020	276,777,324	520,276,266	2,344,209	617,298,134	6,770,408,013	119,147	6,770,527,160
Balance as at December 31, 2013	2,797,848,240	1,917,204,582	276,777,324	161,739,327	1,070,995	294,423,377	5,449,063,845	93,167	5,449,157,013

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


Rashed A. Chowdhury
Chairman


M.A. Rouf, JP
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

..... financial information

Consolidated Liquidity Statement

As at December 31, 2014

Particulars	Amount in BDT					
	Less than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Total
Assets:						
Cash	8,933,605,158	-	-	-	-	8,933,605,158
Balance with other Banks and Financial Institutions	1,248,891,902	461,285,919	263,188,053	200,417,927	-	2,173,783,801
Money at Call & Short notice	-	-	-	-	-	-
Investments	3,163,400	1,516,278,614	1,402,124,871	5,532,761,476	12,313,517,908	20,767,846,269
Loans and Advances	5,736,354,788	27,839,920,281	18,788,334,512	18,273,264,844	6,503,043,624	77,140,918,049
Premises and Fixed Assets	7,652,606	15,305,212	68,873,454	367,325,088	2,029,736,069	2,488,892,429
Other Assets	31,556,817	742,109,337	386,936,420	3,000,925,263	634,388,433	4,795,916,269
Non-Banking Asset	-	-	-	-	-	-
Total Assets	15,961,224,671	30,574,899,364	20,909,457,309	27,374,694,598	21,480,686,034	116,300,961,975
Liabilities:						
Borrowing From Other Banks, Financial Institutions & Agents	2,702,826,026	-	-	-	-	2,702,826,026
Deposit and Other Account	25,617,293,004	47,213,764,955	14,272,107,902	6,204,034,363	3,799,123,212	97,106,323,436
Provision & Other Liabilities	23,194,794	524,892,026	1,403,862,359	2,986,710,662	2,207,011,321	7,145,671,163
Subordinated Debt	-	75,614,192	-	-	2,500,000,000	2,575,614,192
Total Liabilities	28,343,313,824	47,814,271,173	15,675,970,262	9,190,745,025	8,506,134,533	109,530,434,816
Net Liquidity	(12,382,089,153)	(17,239,371,809)	5,233,487,048	18,183,949,573	12,974,511,501	6,770,527,160

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



Rashed A. Chowdhury
Chairman



M.A. Rouf, JP
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Balance Sheet

As at December 31, 2014

<u>Property and Assets</u>	<u>Note</u>	<u>2014 BDT</u>	<u>2013 BDT</u>
Cash	3.00	8,926,888,089	7,154,414,979
In Hand (Including Foreign Currency)		1,585,807,377	1,701,001,828
With Bangladesh Bank and its agent Bank (including Foreign Currency)		7,341,080,712	5,453,413,151
Balance with other Banks & Financial Institutions	4.00	1,970,213,215	1,370,713,131
In Bangladesh		1,695,331,911	1,057,504,237
Outside Bangladesh		274,881,304	313,208,894
Money at Call and Short Notice	5.00	-	460,000,000
Investments	6.00	20,406,057,886	25,626,432,399
Government		18,479,093,705	23,806,295,142
Others		1,926,964,181	1,820,137,257
Loans and Advances	7.00	75,707,231,791	58,301,814,393
Loans, Cash Credit, Overdrafts, etc.		73,507,181,276	56,707,855,895
Bills Purchased and Discounted		2,200,050,515	1,593,958,498
Fixed Asset including Premises, Furniture & Fixture	8.00	2,369,772,934	2,334,968,565
Other Assets	9.00	6,325,650,624	5,483,787,674
Non-Banking Asset		-	-
Total Property and Assets		115,705,814,538	100,732,131,141
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.00	2,702,826,026	2,637,966,323
Deposit and Other Accounts	11.00	97,270,633,407	84,640,395,660
Current Deposit & Other Accounts		17,426,479,105	11,631,835,517
Bills Payable		1,284,280,568	779,790,179
Savings Deposit		14,384,269,440	11,097,954,735
Fixed Deposit		49,411,783,655	48,426,499,552
Deposit-Products		14,763,820,639	12,704,315,678
Other Liabilities	12.00	6,428,217,471	5,471,461,983
Subordinated Debt	13.00	2,500,000,000	2,500,000,000
Total Liabilities		108,901,676,904	95,249,823,966
Capital/Shareholders' Equity			
Paid up Capital	14.00	3,077,633,060	2,797,848,240
Statutory Reserve	15.00	2,276,079,020	1,917,204,582
Revaluation Reserve on Investment in Securities		520,276,266	161,739,327
Foreign Currency Translation gain/(Loss)		-	-
General Reserve	16.00	276,777,324	276,777,324
Retained Earnings	17.00	653,371,964	328,737,703
Total Shareholders' Equity		6,804,137,635	5,482,307,176
Total Liabilities and Shareholders' Equity		115,705,814,538	100,732,131,141
Net Asset Value (NAV) per share		22.11	19.59

Balance Sheet

As at December 31, 2014

Off-Balance Sheet Items	Note	2014 BDT	2013 BDT
Contingent Liabilities	18.00		
Letter of Guarantee		7,021,192,518	6,048,664,710
Irrevocable Letter of Credit		8,207,237,141	6,440,568,870
Bills for Collection		3,191,555,490	1,713,053,536
Other Contingent Liabilities		12,381,817,631	9,694,390,988
Total Off-Balance Sheet Items		30,801,802,780	23,896,678,104
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
Total Off Balance Sheet Items including Contingent Liabilities		30,801,802,780	23,896,678,104

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

Rashed A. Chowdhury
Chairman

M.A. Rouf, JP
Vice Chairman

Syed Manzur Elahi
Director

Anis A. Khan
Managing Director & CEO

As per our report of same date.

M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
February 24, 2015

Profit and Loss Account

For the Year ended December 31, 2014

Particulars	Note	2014 BDT	2013 BDT
Interest Income	20.00	9,426,970,071	8,675,511,888
Less: Interest Paid on Deposit and Borrowing, etc.	21.00	7,910,059,642	7,997,883,744
Net Interest Income		1,516,910,429	677,628,144
Income from Investments	22.00	2,608,301,690	2,603,854,730
Commission, Exchange and Brokerage	23.00	704,561,402	628,696,332
Other Operating Income	24.00	375,563,211	347,061,067
		3,688,426,302	3,579,612,129
Total Operating Income		5,025,336,732	4,257,240,272
Less: Operating Expenditure:			
Salary and Allowances	25.00	1,393,841,751	1,138,200,598
Rent, Tax, Insurance and Electricity	26.00	480,218,233	432,273,845
Legal Expense	27.00	3,160,564	1,563,657
Postage, Stamps and Telephone	28.00	15,567,614	16,553,109
Printing, Stationery and Advertisement	29.00	104,089,036	84,956,292
Managing Director's Remuneration	25.01	14,999,333	14,039,333
Directors' Fee	30.00	1,409,750	775,000
Audit Fees	31.00	943,000	930,000
Depreciation on and Repair to Bank's Property	32.00	291,679,656	256,152,998
Other Expenditure	33.00	573,828,105	487,950,114
Total Operating Expenses		2,879,737,043	2,433,394,946
Profit Before Provision		2,325,599,689	1,823,845,327
Less: Provision against Loans & Advances including Off Balance Sheet Items	34.00	427,530,521	455,899,298
Less: Provision against Investment in Quoted Shares		101,227,502	99,147,985
Less: Provision against Other Asset		2,469,480	-
Total Provision		531,227,503	555,047,283
Profit Before Tax		1,794,372,186	1,268,798,044
Less: Income Tax Expenses	35.00	831,078,668	690,616,793
Net Profit After Tax		963,293,519	578,181,251
Retained Surplus Brought Forward		328,737,702	284,769,049
		1,292,031,221	862,950,300
Appropriation:			
Bonus Share Issued/Cash Dividend during the year		279,784,820	254,349,840
Transferred to Statutory Reserve		358,874,438	279,862,757
		638,659,258	534,212,597
Retained Surplus, Carried Forward		653,371,964	328,737,703
Earnings Per Share	36.00	3.13	1.88

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


Rashed A. Chowdhury
Chairman


M.A. Rouf, JP
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

As per our report of same date.

Dated, Dhaka
February 24, 2015


M. J. ABEDIN & CO
Chartered Accountants

Statement of Cash Flow

For the Year ended December 31, 2014

financial information

	Note	2014 BDT	2013 BDT
A) Cash Flow From Operating Activities:			
Interest Received		11,979,027,967	11,077,251,327
Interest Paid on Deposits, Borrowings, etc		(8,019,471,385)	(8,043,638,749)
Dividend Income		56,243,794	202,115,290
Fees & Commission Income		493,916,030	424,247,393
Recoveries of Loans previously written off		7,336,952	5,900,000
Cash Paid to Employees as Salaries and Allowances		(1,376,905,411)	(1,051,662,832)
Advance Income Tax Paid		(743,208,639)	(641,067,268)
Cash Received From Other Operational Income	37.00	569,967,287	545,610,005
Cash Paid for Other Operational Expenses	38.00	(1,218,363,444)	(1,041,775,867)
Cash Flow From Operating Activities Before Changes in Net Current Asset		1,748,543,150	1,476,979,300
Changes in Net Current Asset :			
Investment in Treasury Bond		1,166,859,424	(143,180,401)
Loans & Advances		(17,118,095,808)	(2,928,773,435)
Other Asset		(155,279,203)	(310,542,342)
Customers' Deposit		12,739,649,490	9,317,421,013
Borrowing from Other Banks, Financial Institutions & Agents		64,859,703	(3,324,253,677)
Other Liabilities		54,975,581	14,725,790
		(3,247,030,813)	2,625,396,947
Net Cash Flow From Operating Activities		(1,498,487,663)	4,102,376,247
B) Cash Flow From Investing Activities:			
Investments in Shares & Bonds		(106,436,924)	10,938,958
Purchase of Premises & Fixed Asset (net)		(284,517,293)	(310,552,780)
Net Cash Flow From Investing Activities		(390,954,217)	(299,613,822)
C) Cash Flow From Financing Activities:			
Net Cash Flow From Financing Activities		-	-
D) Net Increase in Cash and Cash Equivalents		(1,889,441,881)	3,802,762,425
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	-
F) Opening Cash and Cash Equivalents		14,043,036,405	10,240,273,980
Closing Cash and Cash Equivalents (D+E+F)		12,153,594,524	14,043,036,405
The above closing Cash and Cash Equivalents include:			
Cash in Hand		1,585,807,377	1,701,001,828
Balance with Bangladesh Bank and its Agent Bank		7,341,080,712	5,453,413,151
Balance with Other Banks & Financial Institutions		1,970,213,215	1,370,713,131
Money at Call and Short Notice		-	460,000,000
Treasury Bill		1,253,329,821	5,055,134,895
Prize Bond		3,163,400	2,773,400
		12,153,594,524	14,043,036,405
Net Operating Cash Flow Per Share		(4.87)	14.66

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


Rashed A. Chowdhury
Chairman


M.A. Rouf, JP
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Statement of Changes in Equity

For the Year ended December 31, 2014

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Profit & Loss Account	Amount in BDT Total
Balance as at January 01, 2014	2,797,848,240	1,917,204,582	276,777,324	161,739,327	-	328,737,703	5,482,307,176
Bonus Share Issued during the year	279,784,820	-	-	-	-	(279,784,820)	-
Revaluation Reserve transferred during the year	-	-	-	358,536,939	-	-	358,536,939
Net Profit for the year after tax	-	-	-	-	-	963,293,519	963,293,519
Appropriation made during the year	-	358,874,438	-	-	-	(358,874,438)	-
Balance as at December 31, 2014	3,077,633,060	2,276,079,020	276,777,324	520,276,266	-	653,371,964	6,804,137,635
Balance as at December 31, 2013	2,797,848,240	1,917,204,582	276,777,324	161,739,327	-	328,737,703	5,482,307,176

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


Rashed A. Chowdhury
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Anis A. Khan
Managing Director & CEO

..... financial information

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Liquidity Statement

As at December 31, 2014

Particulars	Amount in BDT					
	Less than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Total
Assets:						
Cash	8,926,888,089	-	-	-	-	8,926,888,089
Balance with other Banks and Financial Institutions	1,248,891,902	461,285,919	59,617,467	200,417,927	-	1,970,213,215
Money at Call & Short notice	-	-	-	-	-	-
Investments	3,163,400	1,162,490,231	1,402,124,871	5,532,761,476	12,305,517,908	20,406,057,886
Loans and Advances	4,373,030,125	27,684,127,425	18,683,194,931	18,171,007,219	6,795,872,091	75,707,231,791
Premises and Fixed Asset	23,697,729	47,395,459	213,279,564	1,137,491,008	947,909,174	2,369,772,934
Other Assets	31,556,817	742,109,337	368,274,974	3,000,925,263	2,182,784,233	6,325,650,624
Non-Banking Asset	-	-	-	-	-	-
Total Assets	14,607,228,062	30,097,408,371	20,726,491,807	28,042,602,893	22,232,083,406	115,705,814,538
Liabilities:						
Borrowing From Other Banks, Financial Institutions & Agents	2,702,826,026	-	-	-	-	2,702,826,026
Deposit and Other Account	25,617,293,003	47,213,764,955	14,436,417,874	6,204,034,363	3,799,123,212	97,270,633,407
Provision & Other Liabilities	23,194,794	405,892,026	729,794,476	2,986,710,662	2,207,011,321	6,352,603,279
Subordinated Debt	-	75,614,192	-	-	2,500,000,000	2,575,614,192
Total Liabilities	28,343,313,823	47,695,271,173	15,166,212,350	9,190,745,025	8,506,134,533	108,901,676,904
Net Liquidity	(13,736,085,761)	(17,597,862,802)	5,560,279,457	18,851,857,868	13,725,948,873	6,804,137,635

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


Rashed A. Chowdhury
Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Notes to the Financial Statements

For the year ended December 31, 2014

Corporate Profile and Significant Accounting Policies

1.00 The bank and its activities

1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994. All types of commercial banking services are provided by the bank within the stipulations laid down by the Bank Companies Act, 1991 as amended in 2013 and directive as received from the Bangladesh Bank from time to time. 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 89 (eighty nine) branches, 14 (fourteen) SME/Agri Branches and 01 (one) Booth all over Bangladesh. The bank has no overseas branch as at December 2014. The booth is located at Hazrat Shahjalal International Airport, Dhaka.

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

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

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

1.03 Off-Shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009-4470 dated December 03, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank. Separate Financial Statements of Off-shore Banking Unit has been drawn up in **Annexure-G**.

1.04 Subsidiary

1.4.1 MTB Securities Limited (MTBSL)

MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guidelines. 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.

1.4.2 MTB Exchange (UK) Limited (MTB UK)

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

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

1.4.3 MTB Capital Limited (MTBCL)

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

MTBCL offers the following services to the market:

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

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

2.0 Significant accounting policies and basis of preparation of financial statements

2.01 Statement of Compliance

The consolidated financial statements of the Group and the financial statements of the Bank and its subsidiary as at and for the year ended 31 December 2014 have been prepared under the historical cost convention and in accordance with Bangladesh Financial Reporting Standards (BFRSs), the "First Schedule" (section-38) of the Bank Companies Act 1991, as amended in 2013 and as per the BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, the Companies Act, 1994, the Bangladesh Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

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

2.01.01 Investment in shares and securities

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

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated 25 June 2003 of Bangladesh Bank Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments. As such Mutual Trust Bank Limited measures and recognizes Investment in Quoted and Unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

2.01.02 Revaluation gain/loss on Government securities:

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

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

2.01.03 Provision on loans and advances

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

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

2.01.04 Financial instruments - presentation and disclosure:

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

2.01.05 REPO transactions

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

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

2.01.06 Financial guarantees

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

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

2.01.07 Cash and cash equivalents

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

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

2.01.09 Cash flow statement

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

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

2.01.10 Balance with Bangladesh Bank: (CRR)

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

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

2.01.11 Loans and advance net of provision

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

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

[Also refer to Note 2.21 Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

2.02 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiary, as mentioned in note no.1.03 has been consolidated in accordance with Bangladesh Accounting Standard 27 "Consolidated and Separate Financial Statements". The Consolidation of the Financial Statement has been made after eliminating all material intercompany balance, income and expenses arising from intercompany transactions.

The total profit of the Company and its subsidiary are shown in the consolidated statement of comprehensive income with the proportion of profit after taxation. All assets and liabilities of the Company and of its subsidiary is shown in the consolidated statement of financial position. The consolidated financial statements are prepared to a common financial year ended 31 December 2014.

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	121.0009	77.9494
For income & expenses	Average price	127.7229	77.6204

Transactions eliminated on consolidation

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

2.03 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to income statement.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land & Buildings is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 "Property, Plant & Equipment."

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

2.04 Going concern

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

2.05 Functional and presentation currency

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

2.06 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the Provision for impairment of loans & investments and Employees benefits.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.07 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.08 Comparative information

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is reclassified and rearranged wherever necessary to conform to the current presentation.

2.09 Foreign currency transaction and Commitments

a) Foreign currencies translation

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

b) Commitments

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

2.10 Statement of cash flows

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

2.11 Statement of changes in equity

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

2.12 Liquidity statement

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

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

2.13 Accounting for contingent liabilities and contingent assets

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

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

2.14 Assets and basis of their valuation

2.14.01 Cash and cash equivalents

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

2.14.02 Investments

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

a) Held to maturity (HTM)

Investments which have 'fixed or determinable payments' and are intended to be 'held to maturity' other than those that meet the defined of held at amortized cost', are classified as held to maturity (HTM). These investments are subsequently measured at present value as per Bangladesh Bank Guideline. Investments in securities have been revalued as marking to market as at 31 December 2014, the gain of revaluation from the held to maturity securities has been shown in the statement in changes in equity of 31 December 2014.

b) Held for trading (HFT)

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

2.14.02 Investments

c) Revaluation

As per the DOS Circular no.05, dated 26 May 2008 & subsequent amendment circular no.05, dated 28 January 2010. HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognized in the statement of changes in equity. Gain/ loss on revaluation of HFT securities is recognized in the income statement on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

Valuation of investments has been shown as under Government treasury bills and bonds (HTM) at present value (using amortization concept), Government treasury bills and bonds (HFT) at present value (using making to market concept).

d) Value of investments has been shown as under:

Investment class	Initial recognition	Measurement after recognition	Recording of change
Government treasury bills (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bills (HTM)	Cost	Amortized cost	Loss transferred to profit and loss account and gain transferred to revaluation reserve.
Government treasury bonds (HTM)	Face value	None	None
Prize bond	Cost	None	None
Unquoted shares and debentures	Cost	None	-
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

2.14.03 Loans, advances and provisions

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

Interest on loans and advances

Interest is calculated on daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss. Interest is calculated on unclassified loans and advances (standard and special mention accounts) and recognized as income during the year. Interest calculated on classified loans and advances as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the year of its receipt from the defaulting borrowers.

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

Provision for loans and advances

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

Rate of provision

Particulars		Short term Agri. Credit	Consumer financing			SME F	Loans to BHs/SDs	All other Credit
			Other than HF, LP	HF	LP			
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%

Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

Security against Loans:

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

Bills Purchased and Discounted

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

Written off loans and advances

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

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

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

Property, plant and equipments have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per BAS-16: Property, plant and equipments. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost of enhancement of an existing asset is recognized as a separate asset, only when it is probable that future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial periods which are incurred.

b) Depreciation

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%

c) Disposal of fixed assets

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

d) Capital Work-in-Progress

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

e) Borrowing costs

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

e) Impairment

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

2.14.05 Other assets

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

Provision for other assets

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

2.14.06 Receivables

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

2.14.07 Leases

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

The Bank as Lessor

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

2.14.07 Leases

The Bank as Lessee

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

2.14.08 Non-Banking Assets

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

2.14.09 Reconciliation of inter-bank/inter-branch account

Accounts with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/ balances in the case of inter-branch transactions as on the reporting date are not material (note-9.02).

2.15 Liabilities and provision

2.15.01 Borrowings from other banks, financial institutions and agents

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

2.15.02 Deposits and other accounts

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

2.15.03 Other liabilities

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

2.15.04 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 2014 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.

2.15.05 Employee benefit scheme

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

a) Provident Fund

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

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

Particulars	Equivalent Basic
8 years	02 months last drawn basic
7 years	1.70 months last drawn basic
6 years	1.35 months last drawn basic
5 years	1 month last drawn basic

c) MTB Welfare Fund

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

d) MTB Employees Medical Assistance Fund

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

e) MTB Employees Death Benefit Plan

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

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

f) MTB Foundation

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

2.15.06 Taxation**a. Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Bank's liability for current tax is calculated using tax rates that have been enacted the reporting period.

b. Deferred tax

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh and as per BAS-12 (Income Taxes). Deferred tax liabilities are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and MTB intends to settle its deferred tax assets and deferred tax liabilities on net basis.

2.16 Capital and share holders equity**2.16.01 Capital management**

The bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the bank and provide the banks shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the bank. The bank's finance and risk management department are key to implementing the bank's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.

2.16.02 Paid-up share capital

Paid-up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.16.03 Statutory reserve

The Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 as amended in 2013.

2.17 Off Balance Sheet items

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

2.18 Provision for Nostro Accounts

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

2.19 Revenue recognition

The Revenue during the year has been recognized according to the provision of BAS-18 "Revenue" as well as Bangladesh Bank guidelines.

2.19.01 Interest income

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

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

2.19.02 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

- Income on investment in treasury bills, bonds, preference shares and debenture, etc. other than equity shares has been accounted for on accrual basis.
- Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.
- Dividend on equity shares is recognized during the period in which it is declared and duly approved.
- Net increase in securities held to maturity during the period due to the valuation at market to market basis has been credited to income statement.

2.19.03 Fee and commission income

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

2.19.04 Dividend Income on Shares

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

2.19.05 Other operating income

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

2.19.06 Interest paid on deposits and borrowings

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

2.19.07 Other expenses

Expenses incurred by the bank are recognized on accrual basis.

2.19.08 Other comprehensive income

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

2.20 Earnings per share

Basic earnings per share

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

2.21 Reporting period

These financial statements of the bank and its subsidiary cover one calendar year from 01 January to 31 December 2014.

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

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

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

Name of the BAS	BAS No.	Status
Bangladesh Financial Reporting Standard (BFRSs)		
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	N/A
Noncurrent Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied

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

2.23 Regulatory & legal compliance

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

- The Bank Companies Act, 1991(as amended in 2013)
- The Companies Act, 1994
- Rules & regulations issued by Bangladesh Bank
- Securities & Exchange Rules, 1987
- Securities & Exchange Ordinance, 1969
- Securities & Exchange Act, 1993
- IPO Rules, 1998
- The Income-tax Ordinance, 1984
- VAT Act, 1991.

2.24 Proposed dividend

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

2.25 Events after the reporting period

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

2.26 Operating segment

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

2.27 Litigation

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

2.28 Written Off

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

2.29 Risk Management

Risk is an integral part of banking business and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. The management intimates the compliance issues of Bangladesh Bank to the Board. The Board accords approval to the policy guidelines developed in line with the instructions and guidelines of Bangladesh Bank. The risk management of the Bank covers all areas of risk issues. The major areas are Credit Risk, Foreign Exchange Risk, Internal Control and Compliance Risk, Money Laundering Risk, Asset Liability Management Risk and Information Technology Risk and these are handled proficiently by the Bank. The concerned divisions/departments are headed by senior executives with vast knowledge. To put this in effect, the Bank took the following steps under the guidelines of Bangladesh Bank.

(a) Credit Risk Management

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

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

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

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

(b) Market Risk

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

i. Foreign Exchange Risk Management

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

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

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

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

i. 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.

ii. Equity Risk

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

(c) Operational Risk

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

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

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

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

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

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

(d) Reputation Risk

Money Laundering risk of Financial Institutions lies with the involvement in any single transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities. So it is a major threat to the banks and non-bank financial institutions. In place of the Money Laundering Prevention Act, 2002, the government re-enacted Money Laundering Prevention Ordinance, 2008 (ordinance 12 of 2008) on 13.04.08. The government enacted Anti Terrorism Ordinance, 2008 on 09.06.2008 in order to combat terrorism and financing of terrorism. These two Ordinances entrust some duties and responsibilities with financial institutions. Bangladesh Bank, the regulatory authority, has issued 20 (twenty) circulars so far which includes, among others, KYC procedures, STR, CTR, Money Laundering Prevention Ordinance, 2008, Anti Terrorism Ordinance, 2008 and their implementation processes.

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

(e) Fraud and Forgeries

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

2.30 Disclosures of fraud and forgeries by bank employee

Three fraud incidents done by bank employees were identified during the year, the incidents involves:

Sl.	Employee Name	Designation & Branch	Money Involved (BDT in Million)	Current Status
01.	Mr. D. A. N. M Mustafizur Rahman	VP & Ex-Manager, Bashundhara Branch	14.71	The employee has been suspended. Provision has been made for the full amount.
02.	Mr. Syed Ashraful Huq	Ex-deputy Manager, Chokoria Branch, Chittagong	4.01	Money suit no. 07/2013 has been filed at the court of Joint District Judge, Cox's Bazar. BDT. 60,000 has been recovered by the reporting date
03.	Mr. Md. Moniruzzaman	Junior Officer & Cash In Charge, Jessore Branch	2.47	ICC personnel are investigating the case. Out of the fraud amount BDT. 800,000 has been recovered in cash by the reporting date and provision has been made for rest of the amount.

2.31 Audit Committee

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

Sl. No.	Name of the Director	Status With the Bank	Status with the committee	Educational Qualification
01	Mr. 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	Dr. Arif Dowla	Director (Former Chairman)	Member	Ph.D. degree in Mathematics from University of California, USA
04	Mrs. Khwaja Nargis Hossain	Director	Member	Post Graduate in Islamic History from University of Dhaka
05	Dr. Sultan Hafeez Rahman	Independent Director	Member	Ph.D. and M.A from Stanford University, USA and M.A in Economics from Vanderbilt University, USA

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

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

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

2.32 Directors responsibility on statements

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

2.33 Approval of Financial Statements

The financial statements were approved by the Board of Directors on February 24, 2015.

2.34 General

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

	2014 BDT	2013 BDT
3.00 Cash		
In Hand (Including foreign currency) (note 3.01)	1,585,807,377	1,701,001,828
Balance with Bangladesh Bank and its Agent Bank (note 3.02)	7,341,080,712	5,453,413,151
	8,926,888,089	7,154,414,979
3.01 In Hand (Including foreign currency)		
Local Currency	1,575,957,930	1,685,118,328
Foreign Currency	9,849,447	15,883,500
	1,585,807,377	1,701,001,828
3.02 Balance with Bangladesh Bank and its Agent Bank		
With Bangladesh Bank		
Local Currency	7,063,693,136	5,231,855,031
Foreign Currency	85,166,635	61,638,813
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	192,220,942	159,919,307
	7,341,080,712	5,453,413,151

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, 2014 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	13	8	55,748,225	11,958,898
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	13	8	55,748,225	11,958,898

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. 01 dated June 23, 2014 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 6.50% has been calculated and maintained with the Bangladesh Bank in Current Account and 19.50% 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)

	2014		2013	
Cash Reserve Requirement (CRR)				
	%	(BDT Million)	%	(BDT Million)
Required	6.50%	6,626.35	6.00%	4,933.48
Maintained	6.89%	7,019.90	6.04%	4,965.42
Surplus/(Deficit)	0.39%	393.55	0.04%	31.94
Statutory Liquidity Ratio (SLR) (including CRR)				
Required	19.50%	19,879.04	19.00%	15,622.71
Maintained	26.84%	27,364.60	38.37%	31,550.62
Surplus/(Deficit)	7.34%	7,485.57	19.37%	15,927.91

In order to support the Government of Bangladesh through debt financing, MTB, as a Primary Dealer, under writer the Government securities as the auction calendar provided by Bangladesh Bank. The bank sometimes keep excess Government Securities over SLR due to development of Government Securities to the PDs bank.

		2014 BDT	2013 BDT
3.05 Components of Statutory Liquidity Ratio (SLR) (BDT Million)			
Cash in Hand		1,585.81	1,701.00
Balance with Bangladesh Bank (as per bank statement)		7,107.48	5,883.40
Balance with Sonali Bank		192.22	159.92
Held to Maturity (HTM) Securities		15,484.05	16,626.76
Held for Trading (HFT) Securities		2,995.04	7,179.53
		27,364.60	31,550.62
3 (a) Consolidated cash			
i. Cash in hand (including foreign currency)			
Mutual Trust Bank Limited (note-3.01)		1,585,807,377	1,701,001,828
MTB Securities Limited		4,406,945	8,140,768
MTB Capital Limited		822	54
MTB Exchange (UK) Limited		2,309,302	6,852,054
		1,592,524,446	1,715,994,704
ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
Mutual Trust Bank Limited (note-3.02)		7,341,080,712	5,453,413,151
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	-
		7,341,080,712	5,453,413,151
		8,933,605,158	7,169,407,855
4.00 Balance with other Banks and Financial Institutions			
In Bangladesh (note-4.01)		1,695,331,911	1,057,504,237
Outside Bangladesh (note- 4.02)		274,881,304	313,208,894
		1,970,213,215	1,370,713,131
4.01 In Bangladesh	Transaction Currency		
Fixed Deposits Receipt (FDR)			
Lanka Bangla Finance Limited	BDT	103,187,500	100,653,720
IDLC Finance Limited	BDT	33,751,395	66,937,983
Bangladesh Investment and Finance Company Limited	BDT	154,030,139	102,311,111
Reliance Finance Limited	BDT	60,805,000	40,127,000
International Leasing Limited	BDT	203,055,556	154,062,500
Union Capital Limited	BDT	204,345,972	153,090,278
Industrial & Infrastructure Development Finance Company Limited	BDT	60,839,167	-
Peoples Leasing Limited	BDT	101,054,167	-
MIDAS Financing Limited	BDT	101,760,000	-
Standard Bank Limited	BDT	505,270,833	-
National Bank of Pakistan	BDT	-	204,462,500
Fareast Finance Limited	BDT	-	50,637,500
Prime Finance & Investment Limited	BDT	-	51,027,083
Special Notice Deposit (SND)			
Dutch Bangla Bank Limited	BDT	62,965	374,484
BASIC Bank Limited	BDT	78,508	82,297
Sonali Bank Limited	BDT	12,077,575	-
State Bank of India	BDT	100,000	100,000
Agrani Bank Limited	BDT	28,463,926	3,973,630
Janata Bank Limited	BDT	11,170,671	30,923,582
Current Deposits (CD)			
Standard Chartered Bank	BDT	26,957,102	5,254,475
Arab Bangladesh Bank Limited	BDT	200,000	200,000
Southeast Bank Limited	BDT	1,244,432	1,374,066
Islami Bank Bangladesh Limited	BDT	24,901	17,576
Janata Bank Limited	BDT	17,521,658	2,349,851
Brac Bank Limited	BDT	1,405,851	1,405,851
Agrani Bank Limited	BDT	67,924,593	88,138,748
Sub total		1,695,331,911	1,057,504,237

		2014 BDT	2013 BDT
4.02 Outside Bangladesh (NOSTRO Accounts)	Transaction Currency		
in current account			
Mashreqbank, New York	US\$	38,094,403	-
Standard Chartered Bank, New York	US\$	27,613,313	56,680,367
Habib American Bank, New York	US\$	20,864,310	58,891,966
Mashreqbank, London	US\$	584,798	2,678,774
ICICI, Hong Kong	US\$	3,932,722	4,955,915
National Commercial Bank, Jeddha	US\$	7,041,798	2,231,515
Sonali Bank, London	US\$	23,934,472	39,481,093
Commerz Bank AG Germany	US\$	3,034,302	-
Standard Chartered Bank, Singapore	SGD	1,236,975	149,879
Standard Chartered Bank Colombo	ACU-USD	729,807	3,347,011
Mashreqbank, London	GBP	14,060,922	7,213,143
Standard Chartered Bank, London	GBP	13,386,318	11,340,310
Sonali Bank, London	GBP	2,395,207	2,551,686
Habib American Bank, Zurich	CHF	1,060,352	4,519,463
Standard Chartered Bank, Tokyo	JPY	14,108,695	36,201,010
UBAF, Tokyo	JPY	165,136	-
Mashreqbank, London	EUR	1,323,219	388,683
Standard Chartered Bank, Germany	EUR	2,672,110	-
Sonali Bank, London	EUR	446,204	3,411,815
ICICI, Mumbai	EUR	511,096	-
Unicredit, Germany	EUR	817,514	-
Commerze Bank, Germany	EUR	13,488,108	-
Standard Chartered Bank, Mumbai	ACU	8,325,729	-
Standard Chartered Bank, Kolkata	ACU	2,384,275	2,378,176
Standard Chartered Bank, Karachi	ACU	7,187,366	-
United Bank of India, Kolkata	ACU	4,809,871	2,008,013
United Bank of India, Kolkata	ACU-EUR	693,252	1,558,888
Mashreqbank, Mumbai	ACU	2,572,524	16,615,067
AB Bank, Mumbai	ACU	8,066,876	9,067,708
ICICI, Mumbai	ACU	5,980,233	9,235,199
HDFC Bank, Mumbai	ACU	8,341,566	4,845,325
Himalayan Bank Ltd., Kathmundu	ACU	1,543,398	1,539,450
Nepal Bangladesh Bank Ltd.	ACU	19,487	19,438
Habib Metropolitan Bank, Karachi	ACU	1,555,948	-
		242,982,304	281,309,894
Term Deposit			
ICICI, Mumbai	US\$	31,899,000	31,899,000
Sub total		274,881,304	313,208,894
Total		1,970,213,215	1,370,713,131

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

4.03 Net Balance With other Banks and Financial Institutions

Balance with other Banks and Financial Institutions (note-4)	1,970,213,215	1,830,713,131
Less: Borrowing From Other Banks, Financial Institutions and Agents (note-10.01)	2,702,826,026	2,637,966,323
	(732,612,811)	(807,253,192)

4.04 Maturity grouping of Balance with other Banks and Financial Institutions

On Demand	1,248,891,902	868,876,788
Less than three months	461,285,919	320,924,995
More than three months but less than one year	59,617,467	41,476,955
More than one year but less than five years	200,417,927	139,434,393
More than five years	-	-
	1,970,213,215	1,370,713,131

	2014 BDT	2013 BDT
4 (a) Consolidated balance with other banks and financial institutions		
In Bangladesh		
Mutual Trust Bank Limited (note-4.01)	1,695,331,911	1,057,504,237
MTB Securities Limited	342,439,831	359,835,646
MTB Capital Limited	25,440,727	170,972,329
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(164,309,972)	(267,654,872)
	1,898,902,497	1,320,657,340
Outside Bangladesh		
Mutual Trust Bank Limited (note-4.02)	274,881,304	313,208,894
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	274,881,304	313,208,894
	2,173,783,801	1,633,866,234
5.00 Money at Call and Short Notice:		
Lanka Bangla Finance Limited	-	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
	-	460,000,000
6.00 Investments		
i) Investment Classified as per Bangladesh Bank Circular		
Held to Maturity (HTM)	15,484,053,517	16,626,763,781
Held for Trading (HFT)	2,995,040,188	7,179,531,361
Other Investments	1,926,964,181	1,820,137,257
	20,406,057,886	25,626,432,399
ii) Investment Classified as per Nature		
a) Government Securities		
Treasury Bills (at present value)		
Un-encumbered		
28 days	-	-
91 days	191,577,699	2,001,893,747
182 days	74,644,913	2,052,047,369
364 days	298,215,244	1,001,193,779
Sub-total	564,437,857	5,055,134,895
Encumbered		
91 days	11,199,341	-
182 days	282,362,067	-
364 days	395,330,556	-
Sub-total	688,891,964	-
Total Treasury Bill	1,253,329,821	5,055,134,895
Treasury Bonds		
Un-encumbered		
5 Years	4,945,161,476	6,033,042,312
10 Years	6,959,393,872	7,725,144,881
15 Years	3,244,316,287	3,019,932,699
20 Years	2,029,468,952	1,973,040,356
Sub-total	17,178,340,587	18,751,160,247

	2014 BDT	2013 BDT
Encumbered		
5 Years	-	-
10 Years	-	-
15 Years	-	-
20 Years	47,423,297	-
Sub-total	47,423,297	-
Total Treasury Bond	17,225,763,884	18,751,160,247
Prize Bonds (at face value)	3,163,400	2,773,400
Sub Total	18,482,257,105	23,809,068,542
b) Other Investments		
Shares in quoted companies	1,162,490,231	1,112,848,607
(Annexure-B may kindly be seen for details)		
Shares in unquoted companies (at face value):		
Industrial & Infrastructure Development Finance Company Limited	42,453,820	42,453,820
Summit Power Limited Preference Share	40,646,800	65,034,300
Central Depository (BD) Limited	15,694,430	15,694,430
Energypac Power Generation Limited	50,000,000	50,000,000
The Bangladesh Rating Agency Limited	4,915,500	3,332,700
BD Venture Limited	20,000,000	20,000,000
SwissPro Asset Management (BD) Limited	-	18,000,000
	173,710,550	214,515,250
Funds:		
MTB First Mutual Fund	100,000,000	100,000,000
MTB Unit Fund	217,600,000	200,000,000
	317,600,000	300,000,000
Bonds:		
Prime Bank Bond (note 6.02)	90,000,000	90,000,000
Uttara Finance & Investment Limited -Zero Coupon Bond (note 6.03)	100,000,000	100,000,000
AB Bank Subordinated Bond (note 6.04)	80,000,000	-
IDLC Zero Coupon Bonds(note 6.05)	-	-
	270,000,000	190,000,000
Sub Total	1,923,800,781	1,817,363,857
Total	20,406,057,886	25,626,432,399

6.01 Assets pledged as security for liabilities as at December 31, 2014 is BDT 8,652,791,187 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at December 31, 2014

Counter Party Name	Agreement Date	Reversal Date	Amount in BDT
A. Bangladesh Bank (Liquidity Support)	30.12.2014	01.01.2015	667,145,000
B. Bangladesh Bank (Repo)	-	-	-
C. Amanat Bima Trust Tahabil	30.12.2014	01.05.2015	233,221,053
D. Sonali Bank Limited	30.12.2014	01.01.2015	2,021,235,771
E. Janata Bank Limited	30.12.2014	01.01.2015	779,692,052
F. Rupali Bank Limited	30.12.2014	01.01.2015	1,228,709,227
G. Basic Bank Limited	30.12.2014	01.01.2015	2,808,916,692
H. Premier Bank Limited	30.12.2014	01.01.2015	581,249,750
I. IFIC Bank Limited	30.12.2014	01.01.2015	332,621,643
Total			8,652,791,187

ii. There is no outstanding Reverse Repo as at December 31, 2014 with the Bank.

(b) Disclosure regarding overall transaction of Repo for the year 2014

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	286,966,635	10,144,675,930	4,970,598,002
Securities purchased under reverse Repo:			
i) with Bangladesh Bank	200,000,000	200,000,000	1,095,890
ii) with Other Banks & Financial Institutions	140,562,049	1,556,260,743	26,319,623

	2014 BDT	2013 BDT
6.02 Prime Bank Bond		
Opening Balance	90,000,000	90,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.14	-	-
Closing Balance	<u>90,000,000</u>	<u>90,000,000</u>
6.03 Uttara Finance & Investment Limited- Zero Coupon Bond		
Principal	100,000,000	170,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.14	-	70,000,000
Redeemable Value	<u>100,000,000</u>	<u>100,000,000</u>
6.04 AB Bank Subordinated Bond		
Principal	80,000,000	-
Add: New investment	-	-
Less: Redeemed upto 31.12.14	-	-
Redeemable Value	<u>80,000,000</u>	<u>-</u>
6.05 IDLC Zero Coupon Bonds		
Principal	-	12,500,000
Add: New investment	-	-
Less: Redeemed upto 31.12.14	-	12,500,000
Redeemable Value	<u>-</u>	<u>-</u>
6.05 Maturity grouping of Investment as follows:		
On Demand	3,163,400	2,773,400
Less than three months	1,162,490,231	1,112,848,607
More than three months but less than one year	1,402,124,871	5,228,317,445
More than one year but less than five years	5,532,761,476	6,523,042,312
More than five years	12,305,517,908	12,759,450,635
	<u>20,406,057,886</u>	<u>25,626,432,399</u>
6(a) Consolidated Investments		
Government Investment		
Mutual Trust Bank Limited	18,479,093,705	23,806,295,142
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	<u>18,479,093,705</u>	<u>23,806,295,142</u>
Other Investments		
Mutual Trust Bank Limited	1,926,964,181	1,820,137,257
MTB Securities Limited	194,901,851	181,555,582
MTB Capital Limited	166,886,532	16,418,874
MTB Exchange (UK) Limited	-	-
	<u>2,288,752,564</u>	<u>2,018,111,713</u>
	<u>20,767,846,269</u>	<u>25,824,406,855</u>
7.00 Loans and Advances		
Loans (note-7.01.01)	45,725,814,630	36,941,468,261
Cash Credits	15,942,708,086	9,962,141,836
Overdrafts	11,838,658,560	9,804,245,798
	<u>73,507,181,276</u>	<u>56,707,855,895</u>
Bills Purchased and Discounted (note-7.01.02)	2,200,050,515	1,593,958,498
Total Loans and Advances	<u>75,707,231,791</u>	<u>58,301,814,393</u>

	2014 BDT	2013 BDT
7.01 Loans and Advances		
In Bangladesh		
7.01.01 Loans		
Term Loan	18,704,414,353	14,619,474,685
Time Loan	328,820,999	-
Small and Medium Enterprise Financing	7,027,540,075	4,868,942,288
Consumer Financing	502,384,587	641,919,828
Retail Financing	1,951,350,252	1,700,770,287
General Loans	2,436,049,231	338,308,237
Demand Loan	643,121,154	630,281,521
Payment Against Documents (PAD)	290,406,446	122,077,579
Trust Receipts	7,208,577,204	7,913,418,421
Lease Finance (note-7.03)	380,540,119	402,140,698
House Building Loan	2,409,251,702	2,104,905,582
Staff/Employee Loan	577,256,326	541,779,204
Loans and Advances - Offshore Banking Unit (Details in Annexure-G)	598,006,047	235,609,075
Loan to MTB Securities Limited	2,634,788,736	2,796,560,369
Loan to MTB Capital Limited	-	47,950
Loan to MTB Exchange (UK) Limited	33,307,399	25,232,536
	45,725,814,630	36,941,468,261
Cash Credit	15,942,708,086	9,962,141,836
Secured Overdraft	11,838,658,560	9,804,245,798
	73,507,181,276	56,707,855,895
Outside Bangladesh	-	-
	73,507,181,276	56,707,855,895
7.01.02 Bill Purchased and Discounted		
Payable in Bangladesh	2,123,318,715	1,552,709,859
Payable outside Bangladesh	76,731,800	41,248,639
	2,200,050,515	1,593,958,498
7.02 Net Loans & Advances		
Gross Loans & Advances (note- 7)	75,707,231,791	58,301,814,393
Less:		
Classified Loans & Advances (note-7.07)	2,060,278,919	2,155,769,192
Interest Suspense (note- 12.04)	381,689,511	295,576,392
Provision for Loans & Advances (note -12.01)	1,851,613,742	1,933,971,514
Net Loans & Advances	71,413,649,620	53,916,497,295
7.03 Gross Lease Rent Receivable		
within 1 year	87,933,243	97,731,624
within 5 years	404,166,842	449,203,056
after 5 years	-	-
	492,100,085	546,934,680
Less: Unearned Lease Rent	111,559,966	144,793,982
	380,540,119	402,140,698
7.04 Residual Maturity grouping of Loans and Advances		
On Demand	4,373,030,125	3,365,478,471
Not more than three months	27,684,127,425	21,305,669,563
More than three months but less than one year	18,683,194,931	14,378,563,264
More than one year but less than five years	18,171,007,219	13,984,384,246
More than five years	6,795,872,091	5,267,718,850
	75,707,231,791	58,301,814,393

7.05 Concentration of Loans and Advances:

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

b) Advances to Managing Director & other Senior Executives

c) **Advances to Industries**

	2014 BDT	2013 BDT
a)	-	-
b)	577,256,326	541,779,204
c)		
Agriculture	1,150,828,592	719,214,450
RMG	4,098,523,804	4,047,417,000
Textile	6,033,216,578	4,052,114,000
Ship Building	754,040,000	695,510,000
Ship Breaking	1,178,460,000	1,247,600,000
Other Manufacturing industry	14,297,263,878	10,339,411,000
SME loans	4,918,472,557	2,970,252,172
Construction	1,031,422,788	658,548,890
Power, Gas	776,085,400	884,339,000
Transport, Storage and Communication	711,851,500	918,403,000
Trade Service	12,215,662,100	7,809,629,000
Commercial real estate financing	4,150,187,086	3,849,930,360
Residential real estate financing	1,025,040,533	966,656,109
Consumer credit	1,590,214,611	1,593,684,369
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	4,248,620,000	4,328,390,000
NBFIs	7,728,905,299	4,987,172,400
Others	10,654,866,997	8,938,311,636
	76,563,661,723	59,006,583,386
Total	77,140,918,049	59,548,362,590

7.06 Details of Large Loan

Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 8,712.40 million as at December 31, 2014 (BDT 8,136.56 million in 2013)

Number of Clients	54	61
Outstanding Advances (BDT Million)	39,476.46	31,404.53

Client wise details are given below:

Name of the clients	Outstanding (BDT Million)		Total (BDT Million)	Classification Status
	Funded	Non - Funded		
MSA Group	1,014.50	819.10	1,833.60	UC
City Group	517.70	1,837.00	2,354.70	UC
RK Group	1,105.90	3.40	1,109.30	UC
City Seed Crushing Industries Limited & its allied concern	582.70	834.10	1,416.80	UC
Jalal Ahmed Spinning Mills Limited	413.10	94.50	507.60	UC
Chittagong Denim	33.50	333.00	366.50	UC
4A Yam Dyeing Limited & its allied concern	84.70	42.00	126.70	UC
Star Ceramics (Pvt.) Limited	603.50	13.70	617.20	UC
Walton Hi-Tech Industries Limited	40.00	-	40.00	UC
Butterfly Marketing Limited & its allied concern	281.00	200.10	481.10	UC
Anwar Group	452.70	69.80	522.50	UC
Bengal Group	346.90	236.90	583.80	UC
Ashik Composite Textile Mills Limited	263.20	491.40	754.60	UC
Peoples Leasing & Financial Services Limited	522.00	-	522.00	UC
Confidence Steel Limited & its allied concern	160.30	-	160.30	UC
Meghna Group	400.30	1,968.30	2,368.60	UC
Dynasty Sweater (BD) Limited & its allied concern	208.60	195.80	404.40	UC
Abdul Monem Group	1,448.00	-	1,448.00	UC
Karim Spinning Mills Limited	173.40	52.90	226.30	UC
Rahmat Group	522.20	49.50	571.70	UC
BSRM	332.30	15.70	348.00	UC

Name of the clients	Outstanding (BDT Million)		Total (BDT Million)	Classification Status
	Funded	Non - Funded		
Fareast Finance & Investment Limited	516.20	-	516.20	UC
Phoenix Finance & Investment Limited	0.01	195.80	195.81	UC
Sajeeb Group	276.90	139.80	416.70	UC
National Finance Limited	640.60	-	640.60	UC
Ahsan Group	50.60	409.38	459.97	UC
Lanka Bangla Finance Limited	131.10	-	131.10	UC
AJI Group	162.60	603.80	766.40	UC
Saiham Properties Limited & its allied concern	350.20	61.60	411.80	UC
Bay Developments Limited	1,077.80	61.70	1,139.50	UC
MGH	201.10	2.00	203.10	UC
PRAN	235.18	674.60	909.78	UC
GrameenPhone Limited	-	267.80	267.80	UC
Banglalink Digital Communications Limited	-	673.80	673.80	UC
Sarker Steel Limited	1,070.00	229.20	1,299.20	UC
BRAC	947.00	-	947.00	UC
Nitol Group	614.00	44.90	658.90	UC
Epyllion Fabrics Limited & its allied concern	185.00	-	185.00	UC
SQ Hues Limited	199.00	206.50	405.50	UC
Pride Group	29.10	126.60	155.70	UC
Opex Group	251.00	7.30	258.30	UC
S S Steel (Pvt.) Limited	970.10	198.00	1,168.10	UC
ROBI Axiata Limited	-	1,450.00	1,450.00	UC
BBS Cable Limited	803.70	68.10	871.80	UC
Abul Khair Group	641.00	769.50	1,410.50	UC
PHP Group	-	497.30	497.30	UC
KABIR Steel	635.50	263.00	898.50	UC
Liberty	822.90	22.00	844.90	UC
Saad Musa Hometex & Clothing Industries Limited & its allied concern	814.10	112.80	926.90	UC
T.K Group	310.00	464.20	774.20	UC
Jahangir & Others	1,179.90	-	1,179.90	UC
Sheena Automatic Re-Rolling Mills Limited & its allied concern	1,019.70	-	1,019.70	UC
KDS Group	535.80	176.80	712.60	UC
BSM Group	76.20	240.00	316.20	UC
Total	24,252.79	15,223.68	39,476.46	

7.07 Classification of Loans and Advances:

	2014 BDT	2013 BDT
Standard	72,741,845,924	55,090,169,134
Special Mention Account (SMA)	905,106,948	1,055,876,067
Sub total	73,646,952,872	56,146,045,201
Classified:		
Substandard	173,481,479	613,445,688
Doubtful	71,783,635	103,252,034
Bad & Loss	1,815,013,805	1,439,071,470
Sub total	2,060,278,919	2,155,769,192
Total	75,707,231,791	58,301,814,393

	2014 BDT	2013 BDT
7.07(a) Classification of Consolidated Loans and Advances:		
Consolidated Unclassified Loans and Advances (UC):		
Standard	74,175,532,182	56,336,717,331
Special Mention Account (SMA)	905,106,948	1,055,876,067
Sub total	75,080,639,130	57,392,593,398
Consolidated Classified Loans & Advances:		
Substandard	173,481,479	613,445,688
Doubtful	71,783,635	103,252,034
Bad & Loss	1,815,013,805	1,439,071,470
Sub total	2,060,278,919	2,155,769,192
Total	77,140,918,049	59,548,362,590

7.08 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	72,276,106,724	0.25%, 1%, 2% & 5%	781,046,782	876,649,074
Standard- Offshore Banking Unit			5,980,060	5,980,060
Special Mention Account (SMA)	904,120,593	0% & 5%	13,702,095	13,702,095
Sub total			800,728,937	896,331,229
Classified:				
Substandard	73,525,439	5% & 20%	14,534,794	14,534,794
Doubtful	31,563,035	5% & 50%	15,772,874	15,772,874
Bad loan	924,974,845	100%	924,974,845	924,974,845
Sub total			955,282,513	955,282,513
Total			1,756,011,450	1,851,613,742
Excess/(short) Provision as at December 31, 2014				95,602,292

7.09 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off- Balance Sheet Exposures	308,018,028	238,966,781
Total Provision maintained (note -12.02)	308,018,028	238,966,781
Excess/(Short) Provision	-	-

7.10 Suits filed by the Bank (Branch wise details)

Name of the Branch	No. of Suits 2014	No. of Suits 2013		
Principal Branch	19	8	825,350,000	151,269,665
Babu Bazar Branch	17	16	264,773,000	263,222,619
Uttara Model Town Branch	3	2	24,650,000	11,400,000
Dhanmondi Branch	6	6	28,660,000	28,660,000
Agrabad Branch	16	15	519,400,000	17,780,000
CDA Avenue Branch	6	6	210,874,000	1,120,000
Khatungonj Branch	13	12	438,736,000	358,407,184
Gulshan Branch	9	9	17,780,000	210,874,692
Progati Sharani Branch	1	1	1,100,000	438,736,521
Haidergonj SME/Agri Branch	9	9	13,230,000	13,230,000
Narayangonj Branch	1	1	350,000	350,000
Aman Bazar Branch	1	1	5,760,000	5,760,000
Bashundhara City Branch	12	12	247,320,000	247,320,000
Banani Branch	2	3	410,000	740,000
Aganagar Branch	2	2	740,000	410,000
Raipur Branch	9	9	13,580,000	13,580,000
Savar Branch	2	2	432,000	432,000
Madaripur Branch	11	11	5,124,000	5,124,357
			2,618,269,000	1,768,417,038

	2014 BDT	2013 BDT
7.11 Geographical Location wise Consolidated Loans and Advances		
Inside Bangladesh		
Urban		
Dhaka Division	51,149,077,267	38,585,384,502
Chittagong Division	16,795,322,130	12,649,045,762
Rajshahi Division	2,206,321,111	1,402,477,472
Sylhet Division	729,344,021	769,707,597
Khulna Division	1,131,320,514	880,563,805
Rangpur Division	1,302,313,353	946,266,652
Barisal Division	49,896,262	47,979,751
	73,363,594,658	55,281,425,541
Rural		
Dhaka Division	2,224,336,093	2,456,697,200
Chittagong Division	961,689,328	1,060,842,057
Rajshahi Division	555,517,442	657,254,951
Sylhet Division	35,780,528	92,142,841
Khulna Division	-	-
Rangpur Division	-	-
Barisal Division	-	-
	3,777,323,391	4,266,937,049
Outside Bangladesh	-	-
	77,140,918,049	59,548,362,590
7.12 Sector-wise Loans including Bill Purchased and Discounted		
Public sector	47,214,772	62,714,758
Co-Operative sector	-	-
Private sector	77,093,703,276	59,485,647,832
	77,140,918,049	59,548,362,590
7.13 Particulars of Loans and Advances:		
I) Debts considered good in respect of which the bank company is fully secured.	63,634,283,429	48,271,449,819
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	531,394,529	371,971,691
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	9,481,274,914	7,211,632,403
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.	577,256,326	541,779,204
VI) Debts due by companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as members.	-	-
VII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the bank or any of them either severally or jointly with any other person.	577,256,326	541,779,204
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;	-	-

	2014 BDT	2013 BDT
X) Amount of classified loan on which interest has not been charged:		
a. i) (Decrease)/Increase in provision,	924,974,845	899,389,729
ii) amount of loan written off	440,837,046	86,061,003
iii) amount realized against loan previously written off;	-	-
b. Amount of provision kept against loan classified as 'bad/loss'	924,974,845	899,389,729
c. Interest creditable to the interest Suspense A/c;	202,009,202	332,983,687
XI) Cumulative amount of loans written off:		
Opening Balance	952,830,242	866,769,239
Amount Written off during the year *	440,837,046	86,061,003
Balance of Written off Loans & Advances	1,393,667,288	952,830,242
XII) The amount of written off loan for which law suit has been filed	1,393,667,288	952,830,242
* During the year Loans & Advances of 03 (three) Clients/ Parties has been written off, clients name as follows:		
i) M/S. Kallol Enterprise		
ii) M/S. G.M. Enterprise		
iii) M/S. Chistiya Traders		
7.14 Maturity grouping of Bill Purchased and Discounted		
Payable within one month	1,153,193,648	835,500,277
More than one month but less than three months	814,018,691	589,764,644
More than three months but less than six months	231,005,303	167,365,642
More than or equal to six months	1,832,874	1,327,935
	2,200,050,515	1,593,958,498
7.15 Consolidated List of Asset pledged as Security/Collaterals		
Nature of Secured Asset:		
Gold & Gold Ornaments	-	-
Shares & Securities	73,416,326	56,673,199
Merchandise	6,720,572,355	5,187,896,921
Machinery with other Fixed Asset and Financial obligations	877,734,538	677,560,789
Real Estate with Financial obligations	11,815,395,156	9,120,808,306
Financial Obligations only (Insurance policies, Savings certificates, Bank deposits etc)	2,083,868,051	1,608,626,777
Miscellaneous:		
i) Crops/stock of crops hypothecation	168,176,263	129,822,442
ii) Guarantee of individuals/ Institutions	49,843,687,790	38,476,472,062
iii) Others	5,558,067,570	4,290,502,093
Without any security	-	-
	77,140,918,049	59,548,362,590
7.16 Maturity grouping of Consolidated Loans and Advances		
On Demand	5,736,354,788	4,428,136,759
Not more than three months	27,839,920,281	21,490,821,076
More than three months but less than one year	18,788,334,512	14,503,516,218
More than one year but less than five years	18,273,264,844	14,105,911,987
More than five years	6,503,043,624	5,019,976,550
	77,140,918,049	59,548,362,590
7 (a) Consolidated loans, advances and lease		
Mutual Trust Bank Limited (note-7.01.01)	73,507,181,276	56,707,855,895
MTB Securities Limited	3,995,756,801	3,991,847,697
MTB Capital Limited	106,025,591	76,541,355
MTB Exchange (UK) Limited	-	-
	77,608,963,669	60,776,244,947
Less: Loan to Subsidiaries	2,668,096,135	2,821,840,855
	74,940,867,534	57,954,404,092
Consolidated bills purchased and discounted:		
Mutual Trust Bank Limited (note-7.01.02)	2,200,050,515	1,593,958,498
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,200,050,515	1,593,958,498
	77,140,918,049	59,548,362,590

	2014 BDT	2013 BDT
8.00 Fixed Asset including Premises, Furniture & Fixture Cost		
Land	104,253,000	104,253,000
Immovable Property	995,326,830	995,326,830
Furniture & Fixtures	1,093,022,070	968,869,940
Office Equipments	1,075,968,599	922,560,915
Motor Vehicles	54,649,664	48,382,748
Books & Periodicals	423,974	423,974
Intangible Assets	70,367,646	80,471,004
Leased Asset	48,455,000	48,455,000
Total Cost	3,442,466,783	3,168,743,411
Less: Accumulated Depreciation	1,072,693,849	833,774,846
Book value at the end of the year	2,369,772,934	2,334,968,565
Details are shown in Annexure-C		
8 (a) Consolidated fixed assets including premises, furniture and fixtures		
Mutual Trust Bank Limited (note-8)	2,369,772,934	2,334,968,565
MTB Securities Limited	109,461,778	111,522,217
MTB Capital Limited	6,923,097	8,083,165
MTB Exchange (UK) Limited	2,734,620	3,619,419
Consolidated net book value at the end of the year	2,488,892,429	2,458,193,366
Details are shown in Annexure-C (i)		
9.00 Other Asset		
Classification of Other Asset		
A) Income generating Other Asset		
i) Investment in Shares of Subsidiary Companies (note-9.01)	1,548,395,800	1,548,395,800
B) Non-Income generating Other Asset :		
i) Stationery, Stamps, Printing materials in stock etc.	16,190,337	22,892,861
ii) Advance Rent and Advertisement	368,274,974	414,994,184
ii) Interest Accrued on Investment but not collected & other income receivable	162,289,956	186,623,770
iv) Security Deposit	8,456,951	8,022,416
v) Branch Adjustment (note-9.02)	-	-
vi) Suspense Account (note-9.03)	9,558,251	4,535,779
vii) Others (note-9.04)	4,212,484,354	3,298,322,863
	6,325,650,624	5,483,787,674
9.01 Investment in Shares of Subsidiary Companies		
MTB Securities Limited	1,270,000,000	1,270,000,000
MTB Capital Limited	250,000,000	250,000,000
MTB Exchange (UK) Limited	28,395,800	28,395,800
	1,548,395,800	1,548,395,800
9.02 Branch Adjustment (net)		

Entries	No. of Entries Outstanding as on 31-12-2014	BDT	BDT
Debit entries	-	-	-
Credit entries	-	-	-
	-	-	-

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

	2014 BDT	2013 BDT
9.04 Others		
Advance Income Tax (note-9.04.01)	3,000,925,263	2,257,716,624
Payment Against Construction	719,978,889	435,092,285
Deferred Tax Assets (note-9.04.02)	-	56,624,891
Advance Salary	650,000	650,000
Advance Against Interior Decoration	5,640,000	43,680,000
Advance to Employee	14,716,480	6,524,546
Advance to Suppliers/Parties	6,932,196	10,336,447
Interest on Treasury Bond	463,641,526	487,698,071
Total	4,212,484,354	3,298,322,864
9.04.01 Advance Income Tax		
Opening Balance	2,257,716,624	1,616,649,356
Less: Adjustment made during the year	-	-
Add: Payment during the year	743,208,639	641,067,268
Closing Balance	3,000,925,263	2,257,716,624
9.04.01(a) Consolidated Advance Income Tax		
Mutual Trust Bank Limited (note-9.04.01)	3,000,925,263	2,257,716,624
MTB Securities Limited	49,385,089	51,929,594
MTB Capital Limited	4,184,386	3,075,711
MTB Exchange (UK) Limited	-	-
	3,054,494,738	2,312,721,929
9.04.02 Deferred Tax Asset		
Opening Balance	56,624,891	31,841,684
Add: Deferred Tax Income/(Expense) during the year	(104,004,442)	24,783,207
Closing Balance	(47,379,552)	56,624,891
9.04.02(a) Computation of deferred tax		
Accounting written down value- Fixed Assets	2,365,853,059	2,334,968,566
Tax base written down value- Fixed Assets	2,199,338,643	2,249,841,971
Taxable temporary difference	(166,514,416)	85,126,595
Book value - Gratuity provision	55,033,117	218,361,631
Tax base - Gratuity provision	-	-
Deductable temporary difference	55,033,117	218,361,631
Net taxable temporary difference	(111,481,299)	133,235,037
Effective tax rate	42.50%	42.50%
Deferred Tax Assets/(Liabilities)	(47,379,552)	56,624,891
Deferred Tax Income/(Expense)		
Closing Deferred Tax Assets/(Liabilities)	(47,379,552)	56,624,891
Opening Deferred Tax Assets/(Liabilities)	56,624,891	31,841,684
Deferred Tax Income/(Expense)	(104,004,442)	24,783,207
9.05 Classification of Other Asset		
Unclassified	6,323,181,144	5,483,787,674
Substandard	-	-
Doubtful	2,469,480	-
Bad/Loss	-	-
	6,325,650,624	5,483,787,674
9 (a) Consolidated other assets		
Mutual Trust Bank Limited (note-9)	6,325,650,624	5,483,787,674
Less: Investment in subsidiary	(1,548,395,800)	(1,548,395,800)
	4,777,254,824	3,935,391,874
MTB Securities Limited	125,080,450	243,964,420
MTB Capital Limited	11,042,348	40,680,573
MTB Exchange (UK) Limited	1,538,647	1,450,407
Less: Intragroup receivable & payable	(119,000,000)	(143,175,000)
	18,661,445	142,920,400
	4,795,916,269	4,078,312,273

	2014 BDT	2013 BDT
10.00 Borrowing From Other Banks, Financial Institutions & Agents		
In Bangladesh	2,631,015,500	2,598,850,000
Outside Bangladesh	-	-
Borrowing from other banks & financial institutions-Offshore Banking Unit	71,810,526	39,116,323
	2,702,826,026	2,637,966,323
In Bangladesh:		
Borrowing from Bank/Other Institutions:	1,963,870,500	2,598,850,000
Agrani Bank Limited	300,000,000	-
United Commercial Bank Limited	150,000,000	-
Dutch Bangla Bank Limited	510,074,154	-
State Bank of India	230,000,000	120,000,000
ICB Islamic Bank Limited	580,000,000	420,000,000
Commercial Bank of Ceylon	193,796,346	108,850,000
Rupali Bank Limited	-	400,000,000
Farmers Bank Limited	-	100,000,000
Premier Bank Limited	-	100,000,000
Basic Bank Limited	-	1,250,000,000
South Bangla Agriculture & Commerce Bank Limited	-	100,000,000
Repo of Treasury Bill/Bond	667,145,000	-
Bangladesh Bank	667,145,000	-
Total	2,631,015,500	2,598,850,000
10.01 Security against Borrowing From Other Banks, Financial Institutions and Agents		
Secured	667,145,000	-
Unsecured	2,035,681,026	2,637,966,323
	2,702,826,026	2,637,966,323
10.02 Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
On Demand	2,051,015,500	2,178,850,000
Repayable within one month	580,000,000	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 year but within ten years	-	-
	2,631,015,500	2,598,850,000
10 (a) Consolidated borrowing from other banks, financial institutions and agents		
Mutual Trust Bank Limited (note-10)	2,702,826,026	2,637,966,323
MTB Securities Limited	2,634,773,736	2,796,545,369
MTB Capital Limited	-	47,950
MTB Exchange (UK) Limited	33,307,399	25,232,536
Less: Intragroup Borrowings	(2,668,081,135)	(2,821,825,855)
	2,702,826,026	2,637,966,323
11.00 Deposit and Other Accounts		
From Banks (note 11.01)	-	-
From Customers (note 11.02)	97,270,633,407	84,640,395,660
	97,270,633,407	84,640,395,660
11.01 Deposits From Banks	-	-

11.02 Customer Deposit and Other Accounts:**Current Deposit & Other Accounts :**

	2014 BDT	2013 BDT
Current Deposit	5,543,177,138	3,959,449,505
Foreign Currency Deposit	1,109,302,980	878,188,976
Non-Resident Taka account	33,552,399	(7,825,583)
Sundry Deposit	2,582,199,470	2,307,282,717
Short Term Deposit	8,158,247,118	4,494,739,902
	17,426,479,105	11,631,835,517

Bills Payable :

Payment Order Issued	1,268,903,346	757,619,245
Pay Slip Issued	1,183,708	546,227
Demand Draft Payable	14,193,514	21,624,706
	1,284,280,568	779,790,179

Savings Deposit

	14,384,269,440	11,097,954,735
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Fixed Deposit

	49,411,783,655	48,426,499,552
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Deposit-Products :

Brick by Brick	5,907,147,952	4,723,788,516
Save Everyday Deposit	1,111,183	1,084,155
Festival Savings Plan	10,260,149	11,849,333
Children Education Deposit Scheme	435,779	918,283
Best invest Deposit	687,405	1,975,022
Unique Savings Plan	17,811	101,554
NRB Deposit Pension Scheme	80,515,477	45,487,046
MTB Gift Cheque	3,257,692	1,079,029
MTB Kotipati	357,588,818	141,392,622
MTB 1.5 Times Benefit Plan	91,708	3,798,351
MTB Double Saver Plan	4,095,981,049	3,407,416,645
MTB Triple Saver Plan	276,357,259	253,530,775
MTB Millionaire Plan	1,738,785,029	1,305,838,870
MTB Education Plan	167,907,379	147,373,702
MTB Monthly Benefit Plan	2,123,331,178	2,658,277,154
MTB Quarterly Benefit Plan	344,772	404,622

Total

	14,763,820,639	12,704,315,678
	97,270,633,407	84,640,395,660

11.03 Maturity grouping of Deposit and Other Accounts:

On Demand	25,617,293,003	22,290,980,736
Repayable within one month	17,237,146,411	14,998,965,681
More than one month but within six months	29,976,618,544	26,084,263,721
More than six months but within one year	14,436,417,874	12,561,901,552
More than one year but within five years	6,204,034,363	5,398,463,080
More than five year but within ten years	3,644,609,300	3,171,370,046
More than ten years	154,513,912	134,450,843
	97,270,633,407	84,640,395,660

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

	11,847,096,805	8,915,701,719
Current Deposit	5,543,177,138	3,959,449,505
Savings Deposit (9%)	1,294,584,250	998,815,926
Foreign Currency Deposit non interest bearing	1,109,302,981	878,188,976
Non Resident Taka Deposit	33,552,399	(7,825,583)
Sundry Deposit	2,582,199,470	2,307,282,717
Bills Payable	1,284,280,569	779,790,179

b) Time Deposits

Saving Deposit (91%)

Fixed Deposit

Short Term Deposit

Deposit Under Scheme

Total Demand & Time Deposits**11.05 Sectorwise Deposit**

Government

Autonomous & Semi-Autonomous Bodies

Public Non- Financial Organisation

Other Public

Foreign Currency

Private

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

Mutual Trust Bank limited (note-11.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Less: Intragroup Deposit

Bills payable

Mutual Trust Bank limited (note-11.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Saving deposit

Mutual Trust Bank limited (note-11.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Fixed deposit

Mutual Trust Bank limited (note-11.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

Less: Intragroup Deposit

Deposit Products

Mutual Trust Bank limited (note-11.02)

MTB Securities Limited

MTB Capital Limited

MTB Exchange (UK) Limited

2014 BDT	2013 BDT
85,423,536,602	75,724,693,941
13,089,685,191	10,099,138,809
49,411,783,655	48,426,499,552
8,158,247,118	4,494,739,902
14,763,820,639	12,704,315,678
97,270,633,407	84,640,395,660
483,610,000	372,437,000
972,392,000	1,198,837,000
1,675,664,000	2,041,511,000
477,570,000	1,067,254,000
1,109,302,980	878,188,976
92,552,094,427	79,082,167,684
97,270,633,407	84,640,395,660
17,426,479,105	11,631,835,517
-	-
-	-
-	-
(164,309,972)	(122,654,872)
17,262,169,133	11,509,180,645
1,284,280,568	779,790,179
-	-
-	-
-	-
1,284,280,568	779,790,179
14,384,269,440	11,097,954,735
-	-
-	-
-	-
14,384,269,440	11,097,954,735
49,411,783,655	48,426,499,552
-	-
-	-
-	-
-	(145,000,000)
49,411,783,655	48,281,499,552
14,763,820,639	12,704,315,678
-	-
-	-
-	-
14,763,820,639	12,704,315,678
97,106,323,435	84,372,740,788

	2014 BDT	2013 BDT
12.00 Other Liabilities		
Provision for Loans and Advances (note-12.01)	1,851,613,742	1,933,971,514
Provision for Off Balance Sheet Items (note-12.02)	308,018,028	238,966,781
Provision for Other Asset	2,469,480	-
Provision for Shares in quoted companies (note-12.03)	225,507,667	124,280,165
Interest Suspense (note-12.04)	381,689,511	295,576,392
Short term liabilities to Banks Abroad (note-12.05)	-	28,503,591
Provision for Income Tax (note-12.06)	3,323,117,624	2,596,043,398
Provision for Gratuity (2.15.05-b)	55,033,117	67,000,000
Provision for Bonus	125,351,242	81,448,686
Contribution to MTB Foundation	10,000,000	5,000,000
Contribution to MTB Employees Welfare Fund	971	6
Contribution to MTB Employees Medical Assistance Fund	2,000,000	-
Provision for Expenses	11,194,794	9,347,626
Deferred Tax Liability (note-9.04.02)	47,379,552	-
Interest Payable on Subordinated debt	75,614,192	75,614,191
Interest Payable on Borrowing from other bank	2,720,250	-
Liabilities Under Finance Lease	6,507,302	15,709,632
	6,428,217,471	5,471,461,983
12.01 Provision for Loans and Advances		
For Unclassified		
Opening Balance	944,461,224	700,000,000
Add: Provision made during the year	(48,129,995)	244,461,224
Closing Balance	896,331,229	944,461,224
For Classified		
Opening Balance	989,510,290	926,300,000
Add: Provision made during the year	406,609,269	149,271,293
Less: Loan written off during the year	440,837,046	86,061,003
Closing Balance	955,282,513	989,510,290
	1,851,613,742	1,933,971,514
12.02 Provision for Off Balance Sheet Items		
Opening Balance	238,966,781	176,800,000
Add: Provision made during the year	69,051,247	62,166,781
Closing Balance	308,018,028	238,966,781
12.03 Provision against Shares in quoted companies		
Opening Balance	124,280,165	25,132,180
Add: Provision made during the year	101,227,502	99,147,985
Closing Balance	225,507,667	124,280,165
12.04 Interest suspense account		
Opening Balance	295,576,392	235,590,439
Add: Addition during the year	202,009,202	332,983,687
Less: Adjustment made during the year	115,896,083	272,997,734
Closing Balance	381,689,511	295,576,392
12.05 Short Term Liabilities to Banks Abroad		
Name of the Bank	Transaction Currency	
1 Mashreqbank, New York	US\$	46,204
2 HSBC, New York	US\$	9,812,334
4 JP Morgan, New York	US\$	2,677,062
5 Commerze Bank, Germany	EUR	1,185,009
6 Standard Chartered Bank, German	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
		28,503,591

	2014 BDT	2013 BDT
12.06 Provision for Income Tax*		
Opening Balance	2,596,043,398	1,880,643,398
Add: Provision made during the year	727,074,226	715,400,000
Closing Balance	3,323,117,624	2,596,043,398

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

12.06 (a) Consolidated Provision for Income Tax*		
Mutual Trust Bank limited (note-12.06)	727,074,226	715,400,000
MTB Securities Limited	135,011,269	125,421,246
MTB Capital Limited	14,814,280	6,106,784
MTB Exchange (UK) Limited	-	-
	876,899,775	846,928,030

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

12 (a) Consolidated other liabilities		
Mutual Trust Bank limited (note-12.00)	6,428,217,471	5,471,461,983
MTB Securities Limited	858,890,116	824,049,743
MTB Capital Limited	58,424,994	62,561,915
MTB Exchange (UK) Limited	(5,247,227)	(2,213,590)
Less: Intragroup receivable & payable	(119,000,000)	(143,175,000)
	7,221,285,354	6,212,685,051

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
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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 BDT 10 each	10,000,000,000	10,000,000,000
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14.02 Issued, subscribed and Paid-up Capital:

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

The issued, subscribed and paid-up capital of the Bank as at December 31, 2014 is BDT 3,077,633,060 divided into 307,763,306 Ordinary shares of BDT 10 each as follows:

60,000,000 Ordinary shares of BDT 10 each issued for cash	600,000,000	600,000,000
91,683,840 Ordinary shares of BDT 10 each issued as bonus shares up to the year of 2008	916,838,400	916,838,400
24,948,000 Ordinary shares of BDT 10 each issued as right shares in the year 2008	249,480,000	249,480,000
35,326,360 Ordinary shares of BDT 10 each issued as bonus shares in the year 2009	353,263,600	353,263,600
42,391,640 Ordinary shares of BDT 10 each issued as bonus shares in the year 2010	423,916,400	423,916,400
25,434,984 Ordinary shares of BDT 10 each issued as bonus shares in the year 2012	254,349,840	254,349,840
27,978,482 Ordinary shares of BDT 10 each issued as bonus shares in the year 2013	279,784,820	-
	3,077,633,060	2,797,848,240

14.03 Raising of Share Capital

Given below the history of raising of Share Capital of the Bank:

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20%	12,000,000	120,000,000	720,000,000
2004-Bonus	20%	14,400,000	144,000,000	864,000,000
2005-Bonus	10%	8,640,000	86,400,000	950,400,000
2006-Bonus	5%	4,752,000	47,520,000	997,920,000
2007-Bonus	25%	24,948,000	249,480,000	1,247,400,000
2008-Right	20%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10%	27,978,482	279,784,820	3,077,633,060
		307,763,306	3,077,633,060	

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

	December 31, 2014		% of holding
	No. of shares	Value of shares BDT	
Sponsors	136,905,138	1,369,051,380	44.48%
Financial Institutions	77,076,008	770,760,080	25.04%
General	93,782,160	937,821,600	30.47%
	307,763,306	3,077,633,060	100%

14.05 Capital Adequacy Ratio

There is a surplus of BDT 619.40 million in the capital fund of the Bank as at December 31, 2014 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:

	2014 BDT in Million	2013 BDT in Million
Total risk weighted assets	80,930.04	70,346.81
Required Capital : 10% of total risk weighted asset	8,093.00	7,034.68
Actual capital maintained		
Core Capital (Tier-I):		
Paid up Capital	3,077.63	2,797.85
Statutory Reserve	2,276.08	1,917.37
General Reserve	276.78	276.78
Minority Interest	0.12	0.09
Retained Earnings	617.30	294.26
	6,247.92	5,286.36
Deduction from Tier-I (Core Capital)		
Short fall provision required against investment in share	-	-
	6,247.92	5,286.36
Supplementary Capital (Tier-II):		
General Provision including Off Balance Sheet items	1,204.35	1,183.43
Revaluation Reserve on Investment in Securities	260.14	80.87
Subordinated debt	1,000.00	1,585.91
	2,464.49	2,850.21
Total Capital (Tier-I+Tier-II)	8,712.40	8,136.56
Surplus	619.40	1,101.88
Capital Adequacy Ratio	10.77%	11.57%

14.05.01 Capital Requirement

Tier-I
Tier-II
Tier-III

2014		2013	
Required	Held	Required	Held
5.00%	7.72%	5.00%	7.51%
	3.05%		4.06%
	0.00%		0.00%

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

BDT in Million

Sl.	Particulars	2014				2013
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
1	2	3	4	5	6=(4x5)	
a)	Cash		1,592.46	0%	-	-
b)	Claims on Bangladesh Government and Bangladesh Bank		22,825.13	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	47.21	20%	9.44	47.12
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
g)	Claims on Banks and NBFIs		-		-	-
	i) Original Maturity Over 3 month	1	1,538.95	20%	307.79	78.46
		2,3	5,311.10	50%	2,655.55	2,562.42
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	100%	-	-
	ii) Original Maturity less than 3 months		645.68	20%	129.14	54.98
h)	Claims on Corporates	1	5,806.42	20%	1,161.28	727.99
		2	14,052.65	50%	7,026.33	5,433.90
		3,4	12,383.50	100%	12,383.50	8,073.78
		5,6	152.88	150%	229.32	-
		Unrated	1,034.61	125%	1,293.26	8,997.50

Sl.	Particulars	2014				2013
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
h(1)	Claims on SME	SME 1	-	20%	-	-
		SME 2	85.37	40%	34.15	-
		SME 3	2,640.98	60%	1,584.59	-
		SME 4	1,661.99	80%	1,329.60	-
		SME 5	25.00	120%	30.00	-
		SME 6	-	150%	-	-
		Unrated (Small enterprise & <BDT 3.00 m)	5,201.98	75%	3,901.48	-
		Unrated (Small enterprise having ≥ BDT 3.00 m & Medium Enterprise)	15,928.24	100%	15,928.24	-
i)	Claims under Credit Risk Mitigation [From WP-1 (a)]:	PSE	-	N/A	-	-
		Banks & NBFIs	116.34	N/A	-	-
		Corporate	1,719.85	N/A	804.21	701.29
		Retail & Small	901.11	N/A	127.63	109.65
		Consumer finance	-	N/A	-	-
		Residential property	-	N/A	-	-
		Commercial Real Estate	-	N/A	-	-
j)	Claims on categorized as Retail Portfolio (Excluding SME, consumer finance & staff loan) up to 1 crore		3,820.30	75%	2,865.22	10,270.44
k)	Consumer Finance		502.38	100%	502.38	641.92
l)	Claims fully secured by residential property		74.36	50%	37.18	324.81
m)	Claims fully secured by commercial real estate		2,334.89	100%	2,334.89	1,455.28
n)	1. Past Due Claims (Risk weights are to be assigned net of specific provision):					
	- Where specific provisions are less than 20 per cent of the outstanding amount of the past due claim ;		1,049.37	150%	1,574.05	1,792.28
	-Where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim ;		56.01	100%	56.01	82.85
	-Where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.		677.31	50%	338.66	212.14
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount		-	100%	-	-

BDT in Million

Sl.	Particulars	2014				BDT in Million
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	2013 Risk weighted assets
	3. Loans and claims fully secured against residential property that are past due by 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount		-	75%	-	-
0)	Capital Market Exposure		-	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		2,488.89	100%	2,488.89	2,458.22
s	Claims on all fixed assets under operating lease		-	100%	-	-
t)	All other assets					
	i) Claims on GOB & BB		3,054.49	0%	-	-
	ii) Staff Loans /Investment * & Cash items in process of collection		577.26	20%	115.45	108.36
	iii) Cash items in process of collection		-	20%	-	-
	iv) Claims on Off shore Banking Unit (OBU)		550.79	100%	550.79	-
	v) Others (not specified above) [Net of specific provision if any]		1,741.42	100%	1,741.42	2,031.80
Total			110,598.94		61,540.45	51,250.68

b. Off Balance Sheet Exposure

Sl.	Particulars	2014				BDT in Million
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	2013 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, IB, NIB, CDB, IDB, CEDB		-	0%	-	-
	ii) Other MDBs	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-

BDT in Million						
Sl.	Particulars	2014				2013
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets	Risk weighted assets
e)	Claims on Public Sector Entities (other than Govt.) in Bangladesh	1	-	20%	-	-
		2,3	-	50%	-	-
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	50%	-	-
f)	Claims on Banks & NBFIs i) Maturity Over 3 month	1	-	20%	-	-
		2,3	195.76	50%	97.88	7.26
		4,5	-	100%	-	-
		6	-	150%	-	-
		Unrated	-	100%	-	-
	ii) Maturity less than 3 months		-	20%	-	-
g)	Claims on Corporate	1	5,993.84	20%	1,198.77	1,026.69
		2	7,499.63	50%	3,749.81	1,094.92
		3,4	3,852.07	100%	3,852.07	3,455.06
		5,6	-	150%	-	-
		Unrated	-	125%	-	4,187.29
h)	Claims against retail portfolio (Excluding SME and Consumer Loan)		-	75%	-	-
h (1)	Claims on SME	SME 1	-	20%	-	-
		SME 2	-	40%	-	-
		SME 3	831.52	60%	498.91	-
		SME 4	179.89	80%	143.91	-
		SME 5	-	120%	-	-
		SME 6	-	150%	-	-
	Unrated (Small enterprise & <BDT 3.00 m)	-	75%	-	-	
	Unrated (Small enterprise having ≥ BDT 3.00 m & Medium Enterprise)	-	100%	-	-	
h (2)	Consumer Finance		100%	-	-	
i)	Claims fully secured by residential property		50%	-	-	
j)	Claims fully secured by commercial real estate		100%	-	-	
k)	Investment in venture capital		150%	-	-	
-l)	All other assets		100%	-	-	
Total:			18,552.71		9,541.36	9,771.22

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	6=(4x5)	
A.	Interest Rate Related instruments	-	73.57	73.57	94.44
B.	Equities	152.43	152.43	304.86	230.91
C.	Foreign Exchange Position	-	37.21	37.21	36.40
Total (A+B+C):		152.43	263.22	415.64	361.75

d. Capital Charge for Operational Risk

2014

2013

Sl.	Year	Gross Income(GI)	Average GI	Alpha	CCFOR BDT in Million	CCFOR BDT in Million
A.	2013	4,678.97	3,794.54	15%	569.18	570.75
B.	2012	3,559.34				
C.	2011	3,145.30				

Total Risk Weighted Assets (RWA)

Particulars	RWA BDT in Million			RWA BDT in Million
A. Credit Risk on				
Balance Sheet Exposure	61,540.45	1.00	61,540.45	51,250.68
Off Balance Sheet Exposure	9,541.36	1.00	9,541.36	9,771.23
B. Market Risk	415.64	10.00	4,156.43	3,617.45
C. Operational Risk	569.18	10.00	5,691.80	5,707.45
Total Risk Weighted Assets (A+B+C)			80,930.04	70,346.81

14.07 Minimum Capital Requirement Under Basel II

Sl.	Particulars	BDT in Million	BDT in Million
A.	Eligible Capital :		
	1. Tier-I (Core Capital)	6,247.92	5,286.36
	2. Tier-II (Supplementary Capital)	2,464.49	2,850.20
	3. Tier-III (eligible for market risk only)	-	-
	4. Total Eligible Capital (1+2+3) :	8,712.40	8,136.56
B.	Total Risk Weighted Assets (RWA):	80,930.04	70,346.81
C.	Capital Adequacy Ratio (CAR) (A4 / B)*100	10.77%	11.57%
D.	Core Capital to RWA (A1 / B)*100	7.72%	7.51%
E.	Supplementary Capital to RWA (A2 / B)*100	3.05%	4.06%
F.	Minimum Capital Requirement (MCR)- as at December 31, 2014	8,093.00	7,034.68

14.08 Distribution Schedule of Shareholders by holdings as at December 31, 2014

Holdings	No. of Shareholders	No. of Shares	Value of shares in BDT	Total Holdings %
Less than 499 shares	6,646	1,049,816	10,498,160	0.34 %
500 to 5,000 shares	6,322	10,400,244	104,002,440	3.38 %
5,001 to 10,000 shares	798	5,562,505	55,625,050	1.81 %
10,001 to 20,000 shares	458	6,449,373	64,493,730	2.10 %
20,001 to 30,000 shares	163	4,013,179	40,131,790	1.30 %
30,001 to 40,000 shares	65	2,249,382	22,493,820	0.73 %
40,001 to 50,000 shares	49	2,241,322	22,413,220	0.73 %
50,001 to 100,000 shares	127	9,051,240	90,512,400	2.94 %
100,001 to 1,000,000 shares	147	45,042,622	450,426,220	14.64 %
Over 1,000,000 shares	52	221,703,623	2,217,036,230	72.04 %
Total	14,827	307,763,306	3,077,633,060	100.00 %

	2014 BDT	2013 BDT
15.00 Statutory Reserve		
Opening Balance	1,917,204,582	1,637,341,825
Add: Transferred during the year (20% of pretax profit)	358,874,438	279,862,757
Closing Balance	2,276,079,020	1,917,204,582
15 (a) Consolidated Statutory Reserve		
Opening Balance	1,917,204,582	1,637,341,825
Add: Transferred during the year (20% of pretax profit)	358,874,438	279,862,757
Closing Balance	2,276,079,020	1,917,204,582
16.00 General Reserve		
Opening Balance	276,777,324	276,777,324
Less: Transferred to Retained Earnings	-	-
Closing Balance	276,777,324	276,777,324
17.00 Retained Earnings		
Opening Balance	328,737,703	284,769,050
Add: Profit made during the year	963,293,518	578,181,250
Less: Bonus Share Issued during the year	(279,784,819)	(254,349,840)
Less: Transferred to Statutory Reserve	(358,874,438)	(279,862,757)
Closing Balance	653,371,964	328,737,033
17 (a) Consolidated Retained Earnings		
Opening Balance	294,423,377	255,237,061
Add: Consolidated Profit made during the year	961,534,013	573,231,688
Less: Bonus Share Issued during the year	(279,784,819)	(254,349,840)
Less: Transferred to Statutory Reserve	(358,874,438)	(279,862,757)
	617,298,134	294,256,152
Add: Prior year adjustment-Subsidiaries profit	-	2,116,176
Less: Foreign currency translation Loss	-	(1,948,951)
	617,298,134	294,423,377
18.00 Contingent Liabilities & Commitments		
Letter of Guarantee	7,021,192,518	6,048,664,710
Letter of Credit:		
Letter of Credit (Cash)	2,995,290,950	2,419,611,658
Letter of Credit (Back to Back)	1,095,036,794	1,263,298,445
Letter of Credit (EDF)	280,481,095	98,283,591
Letter of Credit (Deferred)	3,443,814,820	2,034,007,216
Letter of Credit (Inland)	392,613,482	625,367,960
	8,207,237,141	6,440,568,870
Bills for collection:		
Inland	6,508,681	7,619,422
Foreign:		
LDBC	2,126,455,781	925,263,814
FDBC	1,058,591,028	780,170,300
	3,191,555,490	1,713,053,536
Other Contingent Liabilities:		
IFDBC (Back to Back)	936,500	58,222,000
IFDBC (Cash)	-	-
Accepted Bill (Inland)	2,802,743,464	2,651,347,679
Accepted Bill (Foreign)	9,578,137,667	6,984,821,309
	12,381,817,631	9,694,390,988
Other Commitments		
Undrawn formal standby facilities, credit lines and other commitments	-	-
	30,801,802,780	23,896,678,104

	2014 BDT	2013 BDT
18.01 Letter of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the bank is contingently liable in respect of guarantees given favoring:		
Directors	417,588	359,746
Government	2,782,044,822	2,396,694,906
Bank and other Financial Institutions	3,322,726	2,862,484
Others	4,235,407,382	3,648,747,574
	7,021,192,518	6,048,664,710
Less: Margin	2,495,864,190	2,150,154,067
	4,525,328,328	3,898,510,643
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	4,525,328,328	3,898,510,643
18.02 Segregation of Commitment by Type		
Documentary Credit and Short Term Business Related Transaction	8,207,237,141	6,440,568,870
Forward Asset Purchased and Forward Deposit	-	-
Endorsed formal standby facilities, Credit facilities and other commitments:		
Less than one year	19,403,010,149	15,743,055,698
One year and above	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	3,191,555,491	1,713,053,536
	30,801,802,780	23,896,678,104
18 (a) Consolidated contingent liabilities		
Acceptances and endorsements		
Mutual Trust Bank Limited (note-18)	12,381,817,631	9,694,390,988
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	12,381,817,631	9,694,390,988
Letters of guarantee		
Mutual Trust Bank Limited (note-18)	7,021,192,518	6,048,664,710
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	7,021,192,518	6,048,664,710
Irrevocable Letters of Credit		
Mutual Trust Bank Limited (note-18)	8,207,237,141	6,440,568,870
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	8,207,237,141	6,440,568,870
Bills for collection		
Mutual Trust Bank Limited (note-18)	3,191,555,490	1,713,053,536
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	3,191,555,490	1,713,053,536
Other Commitments		
Mutual Trust Bank Limited (note-18)	-	-
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	30,801,802,780	23,896,678,104

	2014 BDT	2013 BDT
19.00 Income Statement		
Income:		
Interest, Discount and Similar Income	11,812,779,293	11,044,680,014
Dividend income	175,243,794	202,115,290
Fee, Commission and Brokerage	493,916,030	421,361,068
Gain less losses arising from investment securities	47,248,674	32,571,314
Gain less losses arising from dealing in Foreign Currencies	210,645,372	207,335,264
Other Operating Income	375,563,211	347,061,067
	13,115,396,373	12,255,124,017
Expenses:		
Interest, Fee and Commission	7,910,059,642	7,997,883,744
Administrative expenses	2,014,229,282	1,689,291,833
Other operating expenses	624,975,247	509,723,965
Depreciation on Banking Assets	240,532,514	234,379,148
	10,789,796,685	10,431,278,690
Operating profit	2,325,599,689	1,823,845,327
20.00 Interest Income		
Loans and Advances (note-20.01)	9,023,096,457	8,537,542,827
Money at Call and Short Notice	99,608,368	41,567,889
Balance with Other Banks and Financial Institutions (note-20.02)	304,265,246	96,401,173
	9,426,970,071	8,675,511,888
20.01 Interest on Loans and Advances		
Term Loan	2,112,587,517	1,817,078,928
Small and Medium Enterprise Financing	855,393,179	652,830,415
Retail/Consumer Financing	374,174,990	381,811,307
General Loans	365,264,054	112,439,117
Demand Loan	72,267,439	315,661,277
Payment Against Documents (PAD)	34,568,331	26,375,860
Trust Receipts	981,494,967	1,125,438,545
Lease Finance	58,457,115	73,362,274
Export Development Fund	2,739,909	661,820
House Building Loan	379,637,509	315,308,492
Cash Credit	1,823,766,790	1,446,558,301
Packing Credit	206,080	-
Secured Overdraft	1,314,458,788	1,501,914,313
Bills Purchased and Discounted	284,765,996	362,463,210
Interest on Loans to Subsidiaries	268,228,367	353,187,900
Interest Income- Offshore Banking Unit	13,478,365	7,174,870
Other Loans and Advances	81,607,061	45,276,197
	9,023,096,457	8,537,542,827
20.02 Interest on Balance with other Bank and Financial Institution		
Interest on Balance with other Bank in Bangladesh	304,265,246	96,401,173
Interest on Balance held with outside Bangladesh	-	-
	304,265,246	96,401,173
20(a) Consolidated Interest Income		
Mutual Trust Bank Limited (note-20.00)	9,426,970,071	8,675,511,888
MTB Securities Limited	539,800,779	658,715,793
MTB Capital Limited	18,192,875	3,950,393
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Income (Loans)	(268,228,367)	(353,187,900)
	9,716,735,358	8,984,990,174
21.00 Interest Paid on Deposit & Borrowing, etc.		
Interest on Deposit and Other Accounts (note-21.01)	7,700,178,376	7,549,265,957
Interest on Borrowing from other Banks and Financial Institutions	209,881,266	448,617,787
	7,910,059,642	7,997,883,744

		2014 BDT	2013 BDT
21.01	Interest on Deposits and Other Accounts		
	Savings Deposits	394,068,479	341,843,039
	Short Term Deposits	576,724,781	239,436,018
	Fixed Deposits	4,829,809,411	5,224,044,123
	Deposit-Products	1,589,438,467	1,438,796,670
	Interest paid on deposit & borrowings-Offshore Banking Unit	10,137,238	5,146,107
	Interest on Subordinated Debt	300,000,000	300,000,000
		7,700,178,376	7,549,265,957
21(a)	Consolidated Interest Paid on Deposits & Borrowings, etc.		
	Mutual Trust Bank Limited (note-21)	7,910,059,642	7,997,883,744
	MTB Securities Limited	268,271,510	353,435,122
	MTB Capital Limited	57,752	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Expense (Borrowings)	(268,228,367)	(353,187,900)
	Less: Intragroup Interest Expense (Deposits)	(28,448,342)	(41,000,719)
		7,881,712,195	7,957,130,247
22.00	Income From Investments		
	Interest on Treasury Bill	440,337,473	555,858,509
	Interest on Treasury Bond	1,932,473,953	1,790,553,549
	Reverse REPO	1,572	12,653
	Gain/(Loss) on Investment in shares of quoted companies	47,248,674	32,571,314
	Dividend from Subsidiary	119,000,000	143,175,000
	Prize Bond	1,000	(500)
	Dividend on Investment in Shares	56,243,794	58,940,290
	Other Investment	12,995,224	22,743,915
		2,608,301,690	2,603,854,730
22(a)	Consolidated Income From Investments		
	Mutual Trust Bank Limited (note-22)	2,608,301,690	2,603,854,730
	MTB Securities Limited	-	-
	MTB Capital Limited	3,075,750	5,552,120
	MTB Exchange (UK) Limited	-	-
	Dividend paid by MTB Securities & Capital	(119,000,000)	(143,175,000)
		2,492,377,440	2,466,231,850
23.00	Commission, Exchange and Brokerage		
	Commission (note-23.01)	493,749,948	421,361,068
	Exchange	210,645,372	207,335,264
	Brokerage	166,083	-
		704,561,402	628,696,332
23.01	Commission		
	Letter of Guarantee	55,932,910	52,917,185
	Letter of Credit	169,848,219	143,359,717
	Acceptance of Bills	160,187,701	113,869,682
	LC Advising	9,613,250	8,563,718
	Export Bills	1,754,378	4,785,186
	PQ, DD & TT	5,555,332	5,582,791
	Exchange houses	8,391,741	6,478,895
	Foreign Remittance	2,954,282	2,274,599
	On-line service	8,283,840	2,542,010
	IBP/FBP/IDBP	141,462	1,674,595
	FDBC/IFDBC/LDBC	809,705	29,601,562
	OBC/IBC	558,031	564,111
	Underwriting Comm. on Treasury Bill/Bond	44,775,757	23,847,480
	POS Commission	24,943,339	25,299,538
		493,749,948	421,361,068
23(a)	Consolidated Commission, Exchange and Brokerage		
	Mutual Trust Bank Limited (note-23)	704,561,402	628,696,332
	MTB Securities Limited	231,701,206	125,208,110
	MTB Capital Limited	6,208,383	4,805,524
	MTB Exchange (UK) Limited	6,573,259	8,034,374
		949,044,250	766,744,340

	2014 BDT	2013 BDT
24.00 Other Operating Income		
Postage Charge Recoveries	3,165,323	5,555,763
Telephone & Telegram Charge Recoveries	55,740	37,750
Handling Charges	3,170,783	5,395,250
VISA ATM	2,288,113	1,565,754
VISA POS	11,562,443	8,193,974
Service Charges	110,572,834	97,572,090
Margin A/c Maintenance Income	26,961	1,710
SWIFT Charge Recoveries	8,571,523	15,779,848
Management fees	59,020,186	49,645,702
Early Settlement Fee	2,949,578	1,918,695
Loan Processing Fee	3,607,289	4,065,393
Partial Payment Fee	320,229	104,966
Incidental charges, CPV Charges and other recoveries	275,350	187,065
Charges against cards	63,173,540	45,790,119
Recovery from written off loans	7,336,952	5,900,000
Locker Rent	2,977,297	2,734,690
Commission on IPO Collection	8,904,344	2,886,325
Miscellaneous Earnings	87,584,725	99,725,972
	375,563,211	347,061,067
24 (a) Consolidated other operating income		
Mutual Trust Bank Limited (note-24)	375,563,211	347,061,067
MTB Securities Limited	63,357,972	33,873,059
MTB Capital Limited	37,864,704	18,217,320
MTB Exchange (UK) Limited	-	-
Less: Intragroup other operating income	(28,448,342)	(41,000,719)
	448,337,545	358,150,727
25.00 Salary & Allowances		
Basic Pay	574,293,370	432,003,200
Allowances	439,756,114	350,403,188
Bonus	224,324,856	210,228,806
Gratuity	55,033,117	67,000,000
Daily Wages	-	470,054
Leave Fare Assistance	50,346,473	39,726,504
Provident Fund	50,087,821	38,368,846
	1,393,841,751	1,138,200,598
25 (a) Consolidated salaries and allowances		
Mutual Trust Bank Limited (note-25)	1,393,841,751	1,138,200,598
MTB Securities Limited	70,711,441	57,088,660
MTB Capital Limited	9,529,361	6,369,207
MTB Exchange (UK) Limited	6,535,964	6,718,851
	1,480,618,517	1,208,377,316
25.01 Managing Director's Remuneration		
Basic	6,426,666	5,826,666
House Rent	1,800,000	1,800,000
House Maintenance	1,200,000	1,200,000
Entertainment	180,000	180,000
Festival Bonus	1,650,000	1,500,000
Incentive Bonus	1,000,000	1,000,000
Leave Fare Assistance	1,500,000	1,350,000
Security and personal wages	600,000	600,000
Provident Fund	642,667	582,667
	14,999,333	14,039,333
26.00 Rent, Tax, Insurance, Electricity, etc.		
Rent	325,858,657	301,091,647
Rates & taxes	2,775,936	1,455,158
Insurance	65,351,577	55,684,604
Power & electricity	85,025,283	71,302,014
Lease Rent	1,206,780	2,740,422
	480,218,233	432,273,845

		2014 BDT	2013 BDT
26 (a)	Consolidated rent, taxes, insurance, electricity, etc.		
	Mutual Trust Bank Limited (note-26)	480,218,233	432,273,845
	MTB Securities Limited	35,594,060	35,656,766
	MTB Capital Limited	2,722,817	3,103,656
	MTB Exchange (UK) Limited	6,692,552	6,189,187
		525,227,662	477,223,454
27.00	Legal Expense		
	Legal Expense	3,160,564	1,563,657
		3,160,564	1,563,657
27 (a)	Consolidated Legal Expense		
	Mutual Trust Bank Limited (note-27)	3,160,564	1,563,657
	MTB Securities Limited	-	105,063
	MTB Capital Limited	-	231,600
	MTB Exchange (UK) Limited	-	-
		3,160,564	1,900,320
28.00	Postage, Stamps, Telephone, etc		
	Postage/Courier Service	4,617,617	5,340,234
	Fax & e-mail	638,676	957,582
	Telephone	10,311,322	10,255,292
		15,567,614	16,553,109
28 (a)	Consolidated postage, stamp, telecommunication, etc.		
	Mutual Trust Bank Limited (note-28)	15,567,614	16,553,109
	MTB Securities Limited	1,061,295	1,427,153
	MTB Capital Limited	119,070	88,502
	MTB Exchange (UK) Limited	53,260	100,240
		16,801,240	18,169,003
29.00	Printing, Stationery, Advertisement etc.		
	Printing & Security Stationery	45,351,325	37,521,164
	Computer Stationery	10,087,547	10,431,941
	Petty & Table Stationery	11,638,886	10,105,945
	Publicity & Advertisement	37,011,278	26,897,241
		104,089,036	84,956,292
29 (a)	Consolidated Printing, Stationery, Advertisements etc.		
	Mutual Trust Bank Limited (note-29)	104,089,036	84,956,292
	MTB Securities Limited	1,228,435	1,815,721
	MTB Capital Limited	119,127	87,439
	MTB Exchange (UK) Limited	286,993	398,039
		105,723,591	87,257,490
30.00	Directors' Fees		
	Meeting fee	1,409,750	775,000
		1,409,750	775,000
31.00	Audit Fees		
	Annual Account	805,000	805,000
	NOSTRO Account	23,000	23,000
	IPFF Account	57,500	57,500
	Corporate Governance	57,500	44,500
		943,000	930,000
31 (a)	Consolidated Audit Fee		
	Mutual Trust Bank Limited (note-31)	943,000	930,000
	MTB Securities Limited	60,000	50,000
	MTB Capital Limited	63,250	51,111
	MTB Exchange (UK) Limited	383,169	364,950
		1,449,419	1,396,061
32.00	Depreciation on & Repairs to Bank's property		
	Depreciation:		
	Immovable Property	23,846,023	24,457,479
	Furniture & Fixture	73,164,650	70,400,480
	Office Equipments	129,719,254	127,935,032
	Motor Vehicles	4,171,591	1,955,161
	Books & Periodicals	-	-
	Leasehold Property	9,630,996	9,630,996
		240,532,514	234,379,148
	Repairs on Bank's property	51,147,142	21,773,850
		291,679,656	256,152,998

	2014 BDT	2013 BDT
32 (a) Consolidated depreciation and repair of assets		
Mutual Trust Bank Limited (note-32)	291,679,656	256,152,998
MTB Securities Limited	11,144,137	11,217,691
MTB Capital Limited	1,275,233	1,492,005
MTB Exchange (UK) Limited	1,047,456	865,418
	305,146,481	269,728,113
32 (a.1) Consolidated depreciation of assets		
Mutual Trust Bank Limited (note-32)	240,532,514	234,379,148
MTB Securities Limited	10,414,006	10,390,441
MTB Capital Limited	1,215,568	1,421,658
MTB Exchange (UK) Limited	932,555	932,555
	253,094,643	247,123,802
32 (a.2) Consolidated Repair & Maintenance of assets		
Mutual Trust Bank Limited (note-32)	51,147,142	21,773,850
MTB Securities Limited	730,131	827,250
MTB Capital Limited	59,665	70,347
MTB Exchange (UK) Limited	6,204	6,204
	51,943,142	22,677,652
33.00 Other Expenditure		
Security & Auxiliary Service	147,406,001	127,129,123
Office Cleaning & Maintenance	48,338,172	39,742,953
Car Expense	114,331,935	98,811,713
Entertainment	25,714,770	18,895,173
Newspaper & Periodicals	1,176,916	1,071,232
Clearing House Expense	829,708	1,143,980
Traveling & Conveyance	28,564,207	21,657,424
Holiday Conveyance	4,584,320	1,256,640
Bank Charge	2,390,131	2,564,614
Training/ Seminar Participation	12,534,198	7,785,898
Professional Fee	6,998,283	1,673,466
AGM Expense	2,463,931	5,174,107
Utility	2,578,759	2,212,603
Subscription & Donation	14,935,411	4,186,349
VISA Expense	10,220,967	34,414,659
Reuters Charge	1,877,644	1,337,933
CDBL Charges	694,267	398,339
Fees & Registration	34,015,146	14,199,446
Business Development Expense	20,975,216	13,733,836
Corporate Social Responsibility (CSR) activities	14,493,843	15,178,160
Branch Opening Expenses	2,871,731	1,891,629
Contribution to MTB Foundation	10,000,000	5,000,000
Employees Medical Assistance Fund	2,000,000	-
Honorarium	224,833	132,167
Cash Carrying Expense	17,615,299	15,537,718
Contact Point Verification (CPV) Charges	1,084,909	1,243,840
Site Maintenance & Support Service	2,134,498	2,503,369
On-line and connectivity charges	42,212,859	48,047,585
Transaction Charge NPSB	100,390	-
Loss on Sale of Fixed Assets	450,407	1,003,522
Miscellaneous Expense	9,355	22,635
	573,828,105	487,950,114
33 (a) Consolidated other expenditure		
Mutual Trust Bank Limited (note-33)	573,828,105	487,950,114
MTB Securities Limited	86,640,904	22,544,131
MTB Capital Limited	3,438,746	1,022,112
MTB Exchange (UK) Limited	3,179,662	2,743,329
	667,087,417	514,259,686

	2014 BDT	2013 BDT
34.00 Provision Against Loans and Advances		
Provision for Classified Loans & Advances	406,609,268	149,271,293
Provision for Unclassified Loans and Advances	(48,129,995)	244,461,224
Provision for Off Balance Sheet Items	69,051,247	62,166,781
Total amount of provision made during the year	427,530,521	455,899,298
35.00 Provision for Tax		
Current tax	727,074,226	715,400,000
Deferred tax* (note 9.04.02 (a))	104,004,442	(24,783,207)
Total	831,078,668	690,616,793
* Deferred tax has been calculated as per "BAS:12 Income Taxes" and it is the timing differences arising between the carrying value of gratuity liability & fixed assets.		
35 (a) Consolidated Provision for Tax		
Mutual Trust Bank Limited (note-35)	831,078,668	690,616,793
MTB Securities Limited	126,051,861	129,338,006
MTB Capital Limited	10,707,496	6,106,784
MTB Exchange (UK) Limited	-	-
	967,838,025	826,061,583
36.00 Earning Per Share (EPS):*		
Net Profit After Tax	963,293,518	578,181,250
Number of Ordinary Shares outstanding	307,763,306	307,763,306
Earning Per Share (EPS)	3.13	1.88
*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).		
36 (a) Consolidated Earning Per Share (EPS):*		
Consolidated Net Profit After Tax	961,559,993	573,252,200
Number of Ordinary Shares outstanding	307,763,306	307,763,306
Earning Per Share (EPS)	3.12	1.86
* Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).		
37.00 Received from Other Operational Income		
Exchange	210,645,372	207,335,264
Postage charge recoveries	3,165,323	5,555,763
Telephone and Telegram charge recovery	55,740	37,750
Handling charge	3,170,783	5,395,250
Service charge	110,572,834	97,572,090
SWIFT charge recovery	8,571,523	15,779,848
Early settlement and Loan processing fees	6,877,096	6,089,054
Incidental charges, CPV Charges and other recoveries	275,350	187,065
Locker rent	2,977,297	2,734,690
VISA ATM	2,288,113	1,565,754
Margin A/c Maintenance Income	26,961	1,710
Management fees	59,020,186	49,645,702
Charges against cards	63,173,540	45,790,119
VISA POS	11,562,443	8,193,974
Miscellaneous income	87,584,725	99,725,972
	569,967,287	545,610,005
37 (a) Consolidated Received from Other Operational Income		
Mutual Trust Bank Limited (note-37)	569,967,287	545,610,006
MTB Securities Limited	63,357,972	33,873,059
MTB Capital Limited	37,864,704	18,217,320
MTB Exchange (UK) Limited	-	-
Less: Intragroup other operating income	(28,448,342)	(41,000,719)
	642,741,621	556,699,665
38.00 Payment for Other Operational Expenses		
Rent, Tax, Insurance, Electricity	480,218,233	432,273,845
Legal Expense	3,160,564	1,563,657
Postage, Stamps, Telegram & Telephone	15,567,614	16,553,109
Audit fee	943,000	930,000
Printing, Stationery, Advertisement	104,089,036	84,956,292
Directors' Fee	1,409,750	775,000
Repair & Maintenance	51,147,142	21,773,850
Other Expenditure	561,828,105	482,950,114
	1,218,363,444	1,041,775,867

	2014 BDT	2013 BDT
38 (a) Consolidated Payment for Other Operational Expenses		
Rent, Tax, Insurance, Electricity	525,227,662	477,223,454
Legal Expense	3,160,564	1,900,320
Postage, Stamps, Telegram & Telephone	16,801,240	18,169,003
Audit fee	1,449,419	1,396,061
Printing, Stationery, Advertisement	105,723,591	87,257,490
Directors' Fee	1,409,750	775,000
Repair & Maintenance	51,943,142	22,677,652
Other Expenditure	655,087,417	509,259,686
	1,360,802,785	1,118,658,667

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 1,586.

40.00 Number of Branch 103 92

41.00 Number of Meeting

Board Meeting	14	12
Executive Committee Meeting	10	5
Audit Committee Meeting	4	5
Risk Management Committee Meeting	3	-

42.00 BDT 5.39 million worth of assets have been sold during the year 2014.

43.00 Auditors Work Hour

The external auditors of the bank, M.JABEDIN & 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, 2014**

Name	Designation	December 2014		
		No. of Shares held	BDT	Holding %
Associated Builders Corporation Ltd. represented by Mr. Rashed Ahmed Chowdhury	Chairman	15,388,150	153,881,500	5.00%
Mr. M. A. Rouf	Vice Chairman	6,166,766	61,667,660	2.00%
Mr. Syed Manzur Elahi	Founding Chairman	10,515,238	105,152,380	3.42%
Advanced Chemical Industries Ltd represented by Dr. Arif Dowla	Former Chairman	10,258,755	102,587,550	3.33%
Mr. Hedayetullah	Director	6,158,803	61,588,030	2.00%
Mr. Md. Abdul Malek	Director	6,207,433	62,074,330	2.02%
Mr. Md. Wakiluddin	Director	6,160,884	61,608,840	2.00%
Mrs. Khwaja Nargis Hossain	Director	6,155,451	61,554,510	2.00%
ASTRAS Ltd. Represented by Mr. Anjan Chowdhury	Director	7,694,051	76,940,510	2.50%
Pioneer Insurance Company Ltd. represented by Mr. Q.A.F.M Serajul Islam	Director	21,649,259	216,492,590	7.03%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
Total		96,354,790	963,547,900	31.31 %

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

44.02 Related Party Transactions

Name of party	Related with	Transactions nature	Outstanding amount BDT Million	Nature of Security
Mrs. Rozina Afroz	Mr. Md. Wakiluddin, Director	GHL	2.497	Land & Building
Mrs. Banesa Khatun	Mr. Md. Wakiluddin, Director	GHL	2.353	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		
	Square Textile ATM Booth		
	Square Pharmaceuticals		
	Square Pharmaceuticals ATM Booth		
Lease agreement	Square Hospital ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	Square Fashions		
	Square Fashions ATM Booth		
Lease agreement	Bilquis Tower	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Bilquis Tower ATM Booth		
	ABC House		
Lease agreement	ABC House ATM Booth	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	ABC Heritage		
	ABC Heritage ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch ATM Booth		

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.

44.06 Events after the Balance Sheet Date

i) The Board at its 175th meeting held on January 27, 2015 has decided to issue BDT 3,000 Million Subordinate Bond as Tier II Capital of the Bank subject to approval of the regulatory authority and Annual General Meeting of the valued shareholders.

ii) Subsequent to the balance sheet date, the Board of Directors recommended 20% (twenty percent) stock dividend i.e. 1 (one) fully paid ordinary share for 5 (five) ordinary shares which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting (AGM).

45.00 Financial Highlights as at December 31, 2014 are shown in **Annexure-F**

Annexure - A

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

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at December 31, 2014

Name of the Bank	Currency	2014			2013		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreqbank, New York	US\$	488,706.81	77.95	38,094,402.62	-	-	-
Standard Chartered Bank, New York	US\$	354,246.64	77.95	27,613,313.04	729,007.93	77.75	56,680,366.56
Habib American Bank, New York	US\$	267,664.79	77.95	20,864,309.78	75,7452.94	77.75	58,891,966.09
Commerz Bank, Germany	US\$	38,926.56	77.95	3,034,302.00	-	-	-
Mashreqbank, London	US\$	7,502.28	77.95	584,798.22	34,453.69	77.75	2,678,774.40
ICIQI, Hong Kong	US\$	50,452.24	77.95	3,932,721.84	63,741.67	77.75	4,955,914.84
National Commercial Bank, Jeddha	US\$	90,338.06	77.95	7,041,797.57	28,701.16	77.75	2,231,515.19
Sonali Bank, London	US\$	307,051.40	77.95	23,934,472.40	507,795.41	77.75	39,481,093.13
Standard Chartered Bank, Singapore	SGD	21,000.96	58.90	1,236,975.44	2,445.87	61.28	149,879.00
Mashreqbank, London	GBP	116,205.15	121.00	14,060,927.73	56,301.46	128.12	7,213,143.00
Standard Chartered Bank, London	GBP	110,629.95	121.00	13,386,323.52	88,515.64	128.12	11,340,309.57
Sonali Bank, London	GBP	19,794.96	121.00	2,395,207.98	19,916.93	128.12	2,551,686.37
Habib American Bank, Zurich	CHF	13,454.81	78.81	1,061,060.05	65,136.87	87.12	4,519,463.10
Standard Chartered Bank, Tokyo	JPY	21,654,615.00	0.65	14,107,981.67	49,023,850.00	0.73	36,201,009.95
UBAF, Tokyo	JPY	253,457.00	0.65	165,127.24	-	-	-
Mashreqbank, London	EUR	13,962.30	94.77	1,323,219.47	3,637.59	106.85	388,683.13
Standard Chartered Bank, Germany	EUR	28,195.47	94.77	2,672,109.52	-	-	-
Sonali Bank, London	EUR	4,708.24	94.77	446,204.05	31,930.34	106.85	3,411,815.10
ICIQI, Mumbai	EUR	5,392.96	94.77	511,095.57	-	-	-
Unicredit, Germany	EUR	8,626.22	94.77	817,514.46	-	-	-
Commerz Bank, Germany	EUR	142,323.34	94.77	13,488,108.25	-	-	-
United Bank of India, Kolkata	EUR	7,315.03	94.77	693,251.83	12,897.50	106.85	1,558,888.00
Standard Chartered Bank, Mumbai	ACU	106,809.40	77.95	8,325,728.64	-	-	-

Annexure- A

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

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at December 31, 2014

Name of the Bank	Currency	2014			2013		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Standard Chartered Bank, Kolkata	ACU	30,587.47	77.95	2,384,274.93	30,587.47	77.75	2,378,175.79
Standard Chartered Bank, Pakistan	ACU	92,205.53	77.95	7,187,365.74	-	-	-
Standard Chartered Bank, Colombo	ACU	9,362.58	77.95	729,807.49	-	-	-
Habib Metropolitan	ACU	19,961.00	77.95	1,555,947.97	-	-	-
Mashreqbank, Mumbai	ACU	33,002.49	77.95	2,572,524.29	213,698.61	77.75	16,615,066.93
AB Bank, Mumbai	ACU	103,488.62	77.95	8,066,875.84	116,626.47	77.75	9,067,708.04
ICICI, Mumbai	ACU	76,719.42	77.95	5,980,232.76	118,780.70	77.75	9,235,199.43
Himalayan Bank Limited, Kathmandu	ACU	19,800.00	77.95	1,543,398.12	19,800.00	77.75	1,539,450.00
Nepal Bangladesh Bank Limited	ACU	250.00	77.95	19,487.35	250.00	77.75	19,437.50
United Bank of India, Kolkata	ACU	61,705.04	77.95	4,809,870.84	25,826.54	77.75	2,008,013.49
HDFC Bank, Mumbai	ACU	107,012.58	77.95	8,341,566.40	62,319.29	77.75	4,845,324.80
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
		24,665,474.30		274,881,304.64	52,056,722.45		313,208,894.16

Annexure- B

Investment in Quoted Shares

As at December 31, 2014

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2014	Total Market Value of Share as at December 31, 2014	Unrealised Gain/(Loss)
1	Aamra Technologies Limited	328,021	10	12,963,389.92	39.52	36.20	11,874,360.20	(1,089,029.72)
2	Active Fine Chemical limited	3,700	10	290,747.00	78.58	73.90	273,430.00	(17,317.00)
3	Apex Tannery Limited	25,200	10	4,090,716.00	162.33	137.20	3,457,440.00	(633,276.00)
4	Bata Shoe	200	10	249,881.00	1,249.41	1,172.10	234,420.00	(15,461.00)
5	BATBC	3,450	10	9,400,870.50	2,724.89	2,650.30	9,143,535.00	(257,335.50)
6	Bengal Windsor Thermoplastics Limited	1,321,800	10	67,729,032.00	51.24	59.40	78,514,920.00	10,785,888.00
7	Bangladesh Submarine Cable Company Limited	50,000	10	9,348,500.00	186.97	116.70	5,835,000.00	(3,513,500.00)
8	Confidence Cement Limited	75,960	10	11,244,358.80	148.03	106.70	8,104,932.00	(3,139,426.80)
9	Draka Electric Supply Company Limited	47,275	10	4,412,387.75	93.33	69.50	3,285,612.50	(1,126,775.25)
10	Eastern Bank Limited	100,040	10	4,123,648.80	41.22	27.20	2,721,088.00	(1,402,560.80)
11	Envoy Textiles Limited	8,858	10	496,684.00	56.07	51.60	457,073.00	(39,611.00)
12	EXIM Bank Limited	37,740	10	496,784.00	13.16	11.10	418,914.00	(77,870.00)
13	Fist Lease Finance and Investment Limited	110,000	10	3,461,700.00	31.47	19.50	2,145,000.00	(1,316,700.00)
14	GBB Power Limited	57,701	10	1,499,648.99	25.99	23.30	1,344,433.30	(155,215.69)
15	Golden Harvest Agro Industries Limited	100,800	10	3,590,496.00	35.62	27.50	2,772,000.00	(818,496.00)
16	Global Heavy Chemicals Limited	10,000	10	614,200.00	61.42	42.00	420,000.00	(194,200.00)
17	Golden Son Limited	230,000	10	11,258,500.00	48.95	45.30	10,419,000.00	(839,500.00)
18	Heidelberg Cement (Bangladesh) Limited	10,000	10	5,561,200.00	556.12	499.40	4,994,000.00	(567,200.00)

financial information

Annexure- B

Investment in Quoted Shares

As at December 31, 2014

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2014	Total Market Value of Share as at December 31, 2014	Unrealised Gain/(Loss)
19	IDLC Finance Limited	980,000	10	68,394,200.00	69.79	74.70	73,206,000.00	4,811,800.00
20	IFIC Bank Limited	22,367	10	664,523.57	29.71	26.10	583,778.70	(80,744.87)
21	Islami Bank Bangladesh Limited	110,013	10	3,888,959.55	35.35	23.40	2,574,304.20	(1,314,655.35)
22	Jamuna Oil Company Limited	66,000	10	15,467,760.00	234.36	205.90	13,589,400.00	(1,878,360.00)
23	Khulna Power Company Limited	150,000	10	9,777,000.00	65.18	57.00	8,550,000.00	(1,227,000.00)
24	LankaBangla Finance Limited	105,000	10	7,095,900.00	67.58	44.00	4,620,000.00	(2,475,900.00)
25	Linde Bangladesh Limited	900	10	608,058.00	675.62	914.60	823,140.00	215,082.00
26	Matin Spinning Mills Limited	100,000	10	4,733,000.00	47.33	41.90	4,190,000.00	(543,000.00)
27	Mercantile Bank Limited	120,536	10	2,407,103.92	19.97	13.70	1,651,343.20	(755,760.72)
28	Meghna Petroleum Limited	32,670	10	7,510,506.30	229.89	211.00	6,893,370.00	(617,136.30)
29	National Bank Limited	166,100	10	4,464,768.00	26.88	11.40	1,893,540.00	(2,571,228.00)
30	Northern General Insurance Company Limited	27,500	10	1,174,250.00	42.70	27.70	761,750.00	(412,500.00)
31	ONE Bank Limited	126,500	10	3,194,125.00	25.25	15.80	1,998,700.00	(1,195,425.00)
32	Orion Pharma Limited	50,000	10	3,551,000.00	71.02	45.50	2,275,000.00	(1,276,000.00)
33	Phoenix Insurance Company Limited	42,750	10	2,579,107.50	60.33	35.10	1,500,525.00	(1,078,582.50)
34	Pragati Life Insurance Limited	110,000	10	25,524,400.00	232.04	100.50	11,055,000.00	(14,469,400.00)
35	Premier Cement Mills Limited	25,000	10	2,940,500.00	117.62	80.90	2,022,500.00	(918,000.00)
36	Prime Bank Limited	54,340	10	1,729,642.20	31.83	19.60	1,065,064.00	(664,578.20)

Annexure- B

Investment in Quoted Shares

As at December 31, 2014

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2014	Total Market Value of Share as at December 31, 2014	Unrealised Gain/(Loss)
37	Pubali Bank Limited	31,500	10	1,040,160.00	33.02	25.50	803,250.00	(236,910.00)
38	R. N. Spinning Mills Limited	100,000	10	3,711,000.00	37.11	29.00	2,900,000.00	(811,000.00)
39	Singer Bangladesh Limited	17,819	10	3,873,137.84	217.36	218.80	3,898,797.20	25,659.36
40	Square Pharmaceuticals Limited	127,265	10	27,400,726.00	215.30	258.50	32,898,003.00	5,497,277.00
41	Summit Power Limited	621,836	10	38,914,496.88	62.58	38.30	23,816,318.80	(15,098,178.08)
42	United Airways (Bangladesh) Limited	308,000	10	7,007,000.00	22.75	8.90	2,741,200.00	(4,265,800.00)
43	Uttara Finance & Investment Limited	5,000	10	446,550.00	89.31	74.90	374,500.00	(72,050.00)
44	Zahintex Industries Limited	126,500	10	3,313,035.00	26.19	16.50	2,087,250.00	(1,225,785.00)
45	First Bangladesh Fixed Income Fund	29,995,296	10	249,880,818.08	8.33	7.40	221,965,190.40	(27,915,627.68)
46	AB Bank 1st Mutual Fund	23,000,241	10	195,962,053.32	8.52	6.30	144,901,518.30	(51,060,535.02)
47	AIMS 1st Mutual Fund	75,000	10	2,628,000.00	35.04	28.70	2,152,500.00	(475,500.00)
48	EBL NRB Mutual Fund	14,825,987	10	125,181,412.08	8.44	4.90	72,647,336.30	(52,534,075.78)
49	Grameen MFO Scheme 2	161,000	10	2,875,460.00	17.86	12.20	1,964,200.00	(911,260.00)
50	LR Global BD Mutual Fund One	4,000,000	10	23,360,000.00	5.84	5.00	20,000,000.00	(3,360,000.00)
51	MBL First Mutual Fund	4,160,000	10	41,600,000.00	10.00	4.50	18,720,000.00	(22,880,000.00)
52	NLI First Mutual Fund	220,000	10	2,598,200.00	11.81	8.00	1,760,000.00	(838,200.00)
53	PHP First Mutual Fund	4,484,254	10	39,552,700.00	8.82	4.70	21,075,993.80	(18,476,706.20)
	Total			1,085,882,298.00			860,374,630.90	(225,507,667.10)
	Free fund available			76,607,933.33				
	Grand Total			1,162,490,231.33			860,374,630.90	(225,507,667.10)

financial information

Consolidated Fixed Asset Schedule

As at December 31, 2014

Amount in BDT

Particulars	Cost			Depreciation					Written down value as at 31.12.2014	
	Balance as at 01.01.2014	Addition during the year	Disposal during the year	Balance as at 31.12.2014	Rate	Balance as at 01.01.2014	Charged for the year	Adjustment made during the year		Balance as at 31.12.2014
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000
Immovable Property	1,041,691,830	-	-	1,041,691,830	250%	43,567,092	23,846,023	-	67,413,115	974,278,715
Furniture & Fixture	1,042,679,245	134,843,890	4,821,089	1,172,702,046	10%	267,589,047	87,534,913	1,287,633	353,836,327	818,865,719
Office Equipments	959,692,118	126,643,363	453,342	1,085,882,139	20%	479,152,820	117,767,210	279,468	596,640,562	489,241,577
Motor Vehicles	48,382,749	6,389,445	137,530	54,634,664	20%	30,757,466	4,171,591	54,715	34,874,342	19,760,322
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	-	48,455,000	20%	35,708,443	9,630,996	-	45,339,439	3,115,561
Intangible Asset	80,471,004	19,652,702	-	100,123,706	20%	10,656,710	10,089,461	-	20,746,171	79,377,535
Total 2014	3,326,048,919	287,529,400	5,411,961	3,608,166,358		867,855,552	253,040,194	1,621,816	1,119,273,930	2,488,892,429
Total 2013	3,017,152,801	330,416,713	21,520,595	3,326,048,919		632,493,993	247,123,801	11,762,242	867,855,552	2,458,193,366

Annexure-C

Fixed Asset Schedule

As at December 31, 2014

Amount in BDT

Particulars	Cost			Depreciation					Written down values at 31.12.2014	
	Balance as at 01.01.,2014	Addition during the year	Disposal during the year	Balance as at 31.12.2014	Rate	Balance as at 01.01.,2014	Charged for the year	Adjustment made during the year		Balance as at 31.12.2014
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000
Immovable Property	995,326,830	-	-	995,326,830	2.50%	41,485,753	23,846,023	-	65,331,776	929,995,054
Furniture & Fixture	968,668,888	129,174,271	4,821,089	1,093,022,070	10%	251,165,730	79,213,721	1,287,633	329,091,818	763,930,252
Office Equipments	952,518,027	123,903,914	453,342	1,075,968,599	20%	463,576,770	113,580,722	271,163	576,886,329	499,082,270
Motor Vehicles	48,382,749	6,389,445	122,530	54,649,664	20%	30,757,466	4,171,591	54,715	34,874,342	19,775,322
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	48,455,000	-	-	48,455,000	20%	35,708,443	9,630,996	-	45,339,439	3,115,561
Intangible Assets	50,714,944	19,652,702	-	70,367,646	20%	10,656,710	10,089,461	-	20,746,171	49,621,475
Total 2014	3,168,743,412	279,120,332	5,396,961	3,442,466,783		833,774,846	240,532,514	1,613,511	1,072,693,849	2,369,772,934
Total 2013	2,868,801,192	314,127,671	14,185,451	3,168,743,412		610,006,258	234,379,148	10,610,560	833,774,846	2,334,968,565

financial information

Annexure-D

List of Subordinated Debt Holders

as on December 31, 2014

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

Annexure-E

Mutual Trust Bank Limited

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

SL #	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	Mr. Rashed Ahmed Chowdhury Chairman (Representing Associated Builders Corp. Ltd.)	Chairman - ABC Building Products Ltd. - Banga Garments Ltd. Director - Associated Builders Corporation Ltd. - ABC Real Estate Ltd. - Shamsuddin Towels Ltd.
2	Mr. M.A. Rouf, JP Vice-Chairman	Chairman - Britannia Properties Ltd., Bangladesh - Britannia Holdings & Management Ltd. - Britannia Developments Ltd. - Britannia Asset & Equity Management Ltd. - Diamond Properties, (UK) Scotland - Balaka Group, UK Vice - Chairman - Sonata Shipping Lines Ltd. - Asian Light Engineering Manufacturing Co. Ltd. Director - Tiger Tours Ltd.
3	Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman - Apex Tannery Ltd. - Apex Footwear Ltd. - Apex Pharma Ltd. - Blue Ocean Footwear Ltd. - Apex Enterprise Ltd. - Apex Investments Ltd. - Central Depository Bangladesh Ltd. (CDBL) - Grey Advertising (Bangladesh) Ltd. - Quantum Market Research - Manusher Jonno Foundation - Holiday Publications - Bangladesh Freedom Foundation Director - Financial Express - Credit Rating Agency of Bangladesh Ltd. (CRAB) Member - Board of Trustees, East West University - Board of Trustees, Centre for Policy Dialogue (CPD)
4	Dr. Arif Dowla Director (Former Chairman) (Representing Advanced Chemical Industries Ltd.)	Chairman - Tetley ACI (Bangladesh) Ltd. Managing Director - Advanced Chemical Industries Ltd. - ACI Pure Flour Ltd. - ACI Foods Ltd. - ACI Motors Ltd. - ACI Logistics Ltd. - ACI Agro Chemicals Ltd. - PremiaFlex Plastics Ltd. - Stochastic Logic Ltd. Director - ACI Formulations Ltd. - ACI Salt Ltd. - ACI Edible Oils Ltd. - ACI Ghodrej Agrovet (Pvt) Ltd. - Creative Communication Ltd. - Consolidated Chemicals Ltd. - ACI HealthCare Ltd. - ACI Chemicals Ltd.
5	Mr. Hedayetullah Director	Chairman - Hedayetullah Securities Ltd. Director - Apex Tannery Ltd. - FB Footwear Ltd. (a joint venture factory with Italy)

Mutual Trust Bank Limited

Annexure-E

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

SL #	Name of Directors of the Bank	Name of Companies in which the Directors have interest
	Mr. Hedayetullah Director	Director - Apex Property Development Ltd. Managing Director - BW International Ltd. (a joint venture PU outsole factory with China) - RYT Joint Co. Ltd. (a joint venture outsole factory with Japan)
6	Mr. Md. Abdul Malek Director	Proprietor - Gardenia
7	Mr. Md. Wakiluddin Director	Chairman - Baridhara Enterprise (pvt.) Ltd. - Baridhara Corporation Ltd. Managing Director - Swadesh Properties Ltd. Director - HARDCO International School
8	Mrs. Khawaja Nargis Hossain Director	Director - SAHCO International Ltd. Managing Director - SAHCO Securities Ltd.
9	Mr. Anjan Chowdhury Director (Representing ASTRAS Ltd.)	Chairman - Maasranga Productions Ltd - Oracle Travels Ltd. President - Bangladesh Agro Processors Association Managing Director - Square Toiletries Ltd. - Square Food & Beverage Ltd. - Mediacom Ltd. - Square Securities Management Ltd. - Maasranga Communications Ltd (Maasranga Television) - Square Texcom Ltd. - Aegis Services Ltd - Square Air Ltd. Director - ASTRAS Ltd. - Square Pharmaceuticals Ltd. - Square Formulations Ltd. - Square Herbal & Nutra ceuticals Ltd. - Square Agro Development & Proc. Ltd. - Square Textiles Ltd. - Square Hospitals Ltd. - Square Fashions Ltd. - Square Fashion Yams Ltd. - Square Yams Ltd. - Square Denims Ltd. - Square Apparels Ltd. - Pharma Packages (Pvt.) Ltd. - Barnali Printers Ltd. - Square Holdings Ltd. - Square Informatix Ltd. - Sabazpur Tea Co. Ltd. - Abahani Ltd.
10	Mr. Q.A.F. M. Serajul Islam Director (Representing Pioneer Insurance Co. Ltd.)	N/A
11	Mr. Anwarul Amin Independent Director	Chairman - Kayfin Consultants Ltd. (Management Consultancy Firm)
12	Dr. Sultan Hafeez Rahman Independent Director	N/A

Annexure-F (i)

Consolidated Financial Highlights

As at December 31, 2014

BDT in Million

SLNo.	Items	2014	2013
1	Paid up Capital	3,077.63	2,797.85
2	Total Capital (Tier-I & II)	8,712.40	8,136.56
3	Surplus/(Shortage) Capital	619.40	1,101.88
4	Total Asset	116,300.96	101,463.54
5	Total Deposit	97,106.32	84,372.74
6	Total Loans and Advances	77,140.92	59,548.36
7	Total Contingent Liabilities	30,801.80	23,896.68
8	Lending-Deposit Ratio	79.44%	70.58%
9	Classified Loans as % of Total Loans and Advances	2.67%	3.62%
10	Profit After Provision and Tax	961.56	573.25
11	Total Classified loans and advances	2,060.28	2,155.77
12	Total Provision Maintained against Classified Loans	955.28	993.78
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	11.47%	13.23%
15	Earning Asset	98,025.82	85,323.09
16	Non-Interest Earning Asset	18,275.14	16,140.45
17	Return on Investments (ROI)	10.70%	10.05%
18	Return on Asset (ROA)	0.88%	0.59%
19	Income from Investment	2,492.38	2,466.23
20	Earnings per Share (BDT)	3.12	1.86
21	Operating Profit per Share (BDT)	8.46	6.58
22	Price-Earning Ratio (Times)	6.34	7.96

financial information

Annexure-F

Financial Highlights

As at December 31, 2014

BDT in Million

SLNo.	Items	2014	2013
1	Paid up Capital	3,077.63	2,797.85
2	Total Capital (Tier-I & II)	8,748.35	8,217.00
3	Surplus/(shortage) Capital	660.56	1,323.90
4	Total Assets	115,705.81	100,732.13
5	Total Deposits	97,270.63	84,640.40
6	Total Loans and Advances	75,378.01	58,010.82
7	Total Contingent Liabilities	30,801.80	23,896.68
8	Lending-Deposit Ratio	77.49%	68.54%
9	Classified Loans as % of Total Loans and Advances	2.73%	3.72%
10	Profit After Provision and Tax	963.29	578.18
11	Total Classified loans and advances	2,060.28	2,155.77
12	Total Provision Maintained against Classified Loans	955.28	993.78
13	Surplus/(deficit) in Provision against Classified Loans	-	-
14	Cost of Fund	11.22%	12.98%
15	Earning Asset	95,690.84	83,309.43
16	Non-Interest Earning Asset	20,014.97	17,422.71
17	Return on Investments (ROI)	11.33%	10.69%
18	Return on Asset (ROA)	0.89%	0.60%
19	Income from Investment	2,608.30	2,603.85
20	Earnings per Share (BDT)	3.13	1.88
21	Operating Profit per Share (BDT)	7.56	5.93
22	Price-Earning Ratio (Times)	6.33	7.96

Off Shore Banking Unit (OBU) Balance Sheet

Annexure- G

As at December 31, 2014

Property and Assets	Note	2014		2013	
		USD	BDT	USD	BDT
Cash		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions	3	-	-	-	-
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Loans and advances		7,671,721	598,006,047	3,030,342	235,609,075
Loans, cash credits, overdrafts etc.	4	5,172,547	403,196,919	806,621	62,714,758
Bills purchased and discounted	5	2,499,174	194,809,128	2,223,721	172,894,317
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	6	-	-	-	-
Non - banking assets		-	-	-	-
Total assets		<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>
Liabilities and Capital					
Liabilities					
Borrowings from other banks, financial institutions and agents	7	7,628,677	594,650,758	3,004,342	233,587,591
Deposits and other accounts	8	-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
Other liabilities	9	-	-	-	-
Total liabilities		<u>7,628,677</u>	<u>594,650,758</u>	<u>3,004,342</u>	<u>233,587,591</u>
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings	10	43,044	3,355,288	26,000	2,021,484
Total Shareholders' equity		<u>43,044</u>	<u>3,355,288</u>	<u>26,000</u>	<u>2,021,484</u>
Total Liabilities and Shareholders' equity		<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>
Off-Balance Sheet Items					
Contingent liabilities					
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other commitments					
Documentary credits and short term trade -related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Liabilities against forward purchase and sale		-	-	-	-
Other commitments		-	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Off Shore Banking Unit (OBU) Profit and Loss Account

Annexure- G

For the year ended December 31, 2014

Particulars	Note	2014		2013	
		USD	BDT	USD	BDT
Interest income	11	173,645	13,478,365	91,950	7,174,870
Less: Interest on deposits, borrowings, etc.	12	130,600	10,137,238	65,950	5,146,107
Net Interest Income		43,044	3,341,127	26,000	2,028,764
Total Operating Income (A)		43,044	3,341,127	26,000	2,028,764
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		-	-	-	-
Total operating expenses (B)		-	-	-	-
Profit / (loss) before provision (C=A-B)		43,044	3,341,127	26,000	2,028,764
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		-	-	-	-
Total profit / (loss) before taxes (C-D)		43,044	3,341,127	26,000	2,028,764
Provision for taxation		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Net profit / (loss) after taxation		43,044	3,341,127	26,000	2,028,764
Retained earnings brought forward from previous years		-	-	-	-
		43,044	3,341,127	26,000	2,028,764

Off Shore Banking Unit (OBU) Statement of Cash Flow

As at December 31, 2014

Annexure- G

	2014		2013	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest receipts in cash	173,645	13,478,365	91,950	7,174,870
Interest payments	(130,600)	(10,137,238)	(65,950)	(5,146,107)
Fees and commission receipts in cash	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payments for other operating activities	-	-	-	-
Cash generated from operating activities before changes in operating assets and liabilities	43,044	3,341,127	26,000	2,028,764
Increase / (decrease) in operating assets and liabilities				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(7,671,721)	(598,006,047)	(3,030,342)	(235,609,075)
Other assets	-	-	-	-
Deposits from other banks / borrowings	7,628,677	594,650,758	3,004,342	233,587,591
Deposits from customers	-	-	-	-
Other liabilities	-	-	-	-
	(43,044)	(3,355,289)	(26,000)	(2,021,484)
Net cash from operating activities	-	(14,162)	-	7,280
B) Cash flows from investing activities				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash used in investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from Mutual Trust Bank Limited	-	-	-	-
Net Cash from financing activities	-	-	-	-
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	-	(14,162)	-	7,280
E) Effects of exchange rate changes on cash and cash equivalents	-	14,162	-	(7,280)
F) Cash and cash equivalents at beginning of the year	-	-	-	-
G) Cash and cash equivalents at end of the year (D+E+F)	-	-	-	-
Cash and cash equivalents at end of the year				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-	-
Balance with other banks and financial institutions	-	-	-	-

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

Annexure- G

As at December 31, 2014

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and judgements

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

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

2.3 Foreign currency transaction

Foreign currencies translation

"Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". The financial statements of the Unit are presented in US Dollar (USD) and Bangladesh Taka where USD is the functional currency and Taka are the Unit's presentation currency. Entities functional currency is Bangladesh Taka. Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-bank market as determined by The Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date."

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2014.

2.5 Loans and advances / investments

- a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 14 and 19 dated September 23, 2012 and December 27, 2012 respectively.

2.6 Provision for liabilities

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

2.7 Interest income

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

2.8 Interest paid and other expenses

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

2.9 Allocation of common expenses

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

2.10 General

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

b) Assets and liabilities & income and expenses have been converted into BDT currency @ US\$1 = BDT 77.9494 (closing rate as at December 31, 2014) and BDT 77.6204 (average rate which represents at the year end)

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

3 Balance with other banks and financial institutions

The unit maintains a NOSTRO Account with Habib America, New York, where exist no balance as at December 31, 2014

4 Loans and advances

i) Loans, cash credits, overdrafts etc.

	2014		2013	
	USD	BDT	USD	BDT
Term Loan	605,711	47,214,772	806,621	62,714,758
Usance Payable at Sight (UPAS)	4,566,836	355,982,146	-	-
	<u>5,172,547</u>	<u>403,196,919</u>	<u>806,621</u>	<u>62,714,758</u>

ii) Bills purchased and discounted

Payable Inside Bangladesh

Payable Outside Bangladesh

Foreign/ Local bills purchased and discounted	2,499,174	194,809,128	2,223,721	172,894,317
	<u>2,499,174</u>	<u>194,809,128</u>	<u>2,223,721</u>	<u>172,894,317</u>
	<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>

4.01 Loans and Advances to Industries

Food	1,172,264	91,377,307	-	-
RMG & Textile FDBP	3,020,869	235,474,893	-	-
Plastic & Rubber	840,449	65,512,526	-	-
Petroleum & Edible Oil	353,878	27,584,598	-	-
Chemical & Chemical Products	188,984	14,731,189	-	-
Engineering, Metal & Metal Products	171,768	13,389,210	-	-
Service Industries	675,341	52,642,389	3,030,342	235,609,075
Others	1,248,168	97,293,933	-	-
	<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>

4.02 Classification of Loans and Advances including bill discounted

Unclassified (UC):

Standard	7,671,721	598,006,047	3,030,342	235,609,075
Special Mention Account (SMA)	-	-	-	-
Sub total	<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>

Classified:

Substandard	-	-	-	-
Doubtful	-	-	-	-
Bad & Loss	-	-	-	-
Sub total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>7,671,721</u>	<u>598,006,047</u>	<u>3,030,342</u>	<u>235,609,075</u>

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

	2014		2013	
	USD	BDT	USD	BDT
Name of the clients	Outstanding		Outstanding	
Biman Bangladesh Airlines	605,711	47,214,772	3,030,342	235,609,075
Abul Khair Tobacco Company Limited	293,202	22,854,896	-	-
Bengal Plastic Limited	840,449	65,512,526	-	-
East West Chemicals Limited	188,984	14,731,189	-	-
Fiber Optic Network Solutions Bangladesh Limited	69,630	5,427,617	-	-
Hassan Automatic Dal Mill	1,016,339	79,223,046	-	-
Hassan Oil Mills	353,878	27,584,598	-	-
South West Composite Limited	117,000	9,120,080	-	-
MPS Industries Limited	954,966	74,439,038	-	-
National Accessories Limited	68,331	5,326,360	-	-
PRAN Agro Limited	155,925	12,154,260	-	-
Rafique Tin Containers Limited	171,768	13,389,210	-	-
Sanzi Textile Mills Limited	336,363	26,219,325	-	-
Sinha Rotor Spinning Ltd	1,980,230	154,357,735	-	-
Sinha spinning Limited	518,944	40,451,393	-	-
Total	7,671,721	598,006,047	3,030,342	235,609,075

4.04 Geographical Location wise Loans and Advances

Inside Bangladesh

Urban

Dhaka Division	7,671,721	598,006,047	3,030,342	235,609,075
	7,671,721	598,006,047	3,030,342	235,609,075

Rural

	-	-	-	-
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Outside Bangladesh

	-	-	-	-
	7,671,721	598,006,047	3,030,342	235,609,075

5 Bills purchased and discounted

In Bangladesh	2,499,174	194,809,128	2,223,721	172,894,317
Outside Bangladesh	-	-	-	-
	2,499,174	194,809,128	2,223,721	172,894,317

6 Other assets

Balance with Foreign Banks	-	-	-	-
Advance Deposit	-	-	-	-
	-	-	-	-

7 Borrowings from other banks, financial institutions and agents

In Bangladesh	7,628,677	594,650,758	2,173,036	168,953,523
Outside Bangladesh	-	-	831,306	64,634,068
	7,628,677	594,650,758	3,004,342	233,587,591

In Bangladesh:

Borrowing from Bank:

Bangladesh Bank	-	-	-	-
Other Bank	7,628,677	594,650,758	2,165,438	168,362,779
Interest payable on Borrowing	-	-	7,598	590,745
	7,628,677	594,650,758	2,173,036	168,953,523

Outside Bangladesh

	-	-	831,306	64,634,068
	7,628,677	594,650,758	3,004,342	233,587,591

8 Deposits and other accounts

Bank deposits (Note 8.1)
Customer deposits and other accounts

2014		2013	
USD	BDT	USD	BDT
-	-	-	-
-	-	-	-
-	-	-	-

9 Other liabilities

Provision for Unclassified Loans and Advances
Provision for Expenses
Provision for Taxation
Due to Head Office

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

10 Retained earnings

Net Profit for the Year
Translation gain/(loss)

43,044	3,341,127	26,000	2,028,764
-	14,162	-	(7,280)
43,044	3,355,288	26,000	2,021,484

11 Interest income

Interest on term loan
Interest on UPAS
Foreign Documentary bills purchased
Other Income

37,545	2,914,258	53,715	4,191,417
47,202	3,663,800	-	-
82,628	6,413,604	38,235	2,983,453
6,270	486,703	-	-
173,645	13,478,365	91,950	7,174,870

12 Interest on deposits, borrowings, etc.

Interest paid on deposits
Interest paid on borrowings & others

114,368	8,877,278	-	-
16,232	1,259,960	65,950	5,146,107
130,600	10,137,238	65,950	5,146,107

Annexure- G

Off Shore Banking Unit (OBU) Liquidity Statement

As at December 31, 2014

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Assets:						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	-	-	-	-	-	-
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	598,006,047	-	-	598,006,047
Premises and Fixed Asset	-	-	-	-	-	-
Other Asset	-	-	-	-	-	-
Non-Banking Asset	-	-	-	-	-	-
Total Assets	-	-	598,006,047	-	-	598,006,047
Liabilities:						
Borrowing From Other Banks, Financial Institutions & Agents	-	-	594,650,758	-	-	594,650,758
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	-	-	-	-	-	-
Total Liabilities	-	-	594,650,758	-	-	594,650,758
Net Liquidity	-	-	3,355,288	-	-	3,355,288

Auditors' Report



A Chartered Member Firm of
Institute of Chartered Accountants, UK
www.aacabd.com

AUDITORS' REPORT

TO

THE SHAREHOLDERS OF MTB SECURITIES LIMITED

We have audited the accompanying Statement of Financial Position of the **MTB Securities Limited** as on December 31, 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and 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 (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at December 31, 2014 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by this report are in agreement with the books of accounts; and
- the expenditure incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
January 20, 2015


AHMAD & AKHTAR
Chartered Accountants

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MTB Securities Limited

Statement of Financial Position

As at December 31, 2014

financial information

	Note	2014 BDT	2013 BDT
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	3	1,270,000,000	1,270,000,000
Retained earnings	4	8,383,804	6,271,220
Total shareholders' equity		1,278,383,804	1,276,271,220
Loan from MTB	5	2,634,788,736	2,796,560,369
Total sources of funds		3,913,172,540	4,072,831,589
APPLICATION OF FUNDS			
Investment and advances			
Membership at cost	6	8,000,000	8,000,000
Investment in securities	7	194,901,851	181,555,582
Investment in DSE	8	28,860,424	-
		231,762,275	189,555,582
Current assets			
Advances and prepayments	9	20,653,146	21,554,094
Margin loan to clients	10	3,995,756,801	3,991,847,697
Accounts receivable	11	18,181,791	162,480,732
Advance Income Tax (AIT)	12	49,385,089	51,929,594
Cash & cash equivalents	13	346,846,776	367,976,414
		4,430,823,603	4,595,788,531
Current liabilities			
Accounts payable	14	258,012,810	418,924,014
Provision for expenses	15	83,757,491	24,466,735
Provision for income tax	16	135,011,269	125,421,246
Provision for investment	17	257,983,122	125,047,746
Investment suspense's accounts	18	28,860,424	-
Dividend payable	19	95,250,000	130,175,000
		858,875,116	824,034,741
Net current asset		3,571,948,487	3,771,753,790
Property, plant & equipment	20	109,461,778	111,522,217
Total application of funds		3,913,172,540	4,072,831,589

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



Anis A. Khan
Vice Chairman



Quamrul Islam Chowdhury
Director



Md. Nazrul Islam Mazumder
Chief Executive Officer

This is the Statement of Financial Position referred to in our report of even date.

Dated : Dhaka
January 20, 2015



AHMAD & AKHTAR
Chartered Accountants

MTB Securities Limited

Statement of Comprehensive Income

For the year ended December 31, 2014

	Note	2014 BDT	2013 BDT
Operating Income		841,267,971	823,063,908
Brokerage commission	21	261,761,484	150,500,429
Interest on margin loan	22	539,800,779	658,715,793
Margin account maintenance	23	1,996,000	2,065,500
Depository participant	24	13,079,810	11,586,859
Gain/ (loss) on sale of securities		24,629,898	195,327
Less. Operating expenses		30,060,278	25,292,319
Howla charge		1,860,182	1,944,712
Laga charge		10,747,641	7,659,207
CDBL charge	25	17,452,455	15,688,400
Net operating income		811,207,693	797,771,589
Add. Other income	26	23,652,264	25,917,020
Total income		834,859,957	823,688,609
Less. Office & administrative expenses	27	206,440,272	135,796,832
Less. Financial expenses	28	268,271,510	353,435,122
Profit before financial expenses		360,148,175	334,456,655
Less. Provision on Investment	29	136,733,730	71,500,000
Net profit/ (loss) before income tax		223,414,445	262,956,655
Less: Income tax expenses	30	126,051,861	129,338,006
Net profit after tax		97,362,584	133,618,649

financial information

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


Anis A. Khan
Vice Chairman


Quamrul Islam Chowdhury
Director


Md. Nazrul Islam Mazumder
Chief Executive Officer

This is the Statement of Comprehensive Income referred to in our report of even date.

Dated : Dhaka
January 20, 2015


AHMAD & AKHTAR
Chartered Accountants

MTB Securities Limited Statement of Cash Flows

For the year ended December 31, 2014

	2014 BDT	2013 BDT
Net profit during the year (after tax)	97,362,584	133,618,649
Add : Amount consider as non cash items :		
Increase/(decrease) in provision for expenses	59,290,756	15,249,019
Increase in provision for investment in securities	132,935,376	71,500,000
Depreciation	10,414,006	10,390,441
Loss on sale of fixed assets	-	5,891,647
Increase/(decrease) in provision for income tax	9,590,023	13,463,769
Sub total of non cash items	212,230,161	250,113,525
Changes in working capital components		
Increase/(decrease) in accounts payable	(160,911,204)	268,152,138
(Increase)/decrease in accounts receivable	144,298,941	(105,165,297)
(Increase)/decrease in advance income tax	2,544,505	(26,154,375)
(Increase)/decrease in advance & prepayment	900,948	(1,093,972)
A) Net cash flow from operating activities	296,425,935	385,852,019
B) Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	(13,346,269)	(38,636,856)
(Increase)/decrease in purchase of premises & fixed asset	(8,353,567)	(10,607,177)
(Increase)/decrease in margin loan to clients	(3,909,104)	128,512,237
Cash sale of fixed asset	-	273,550
Net cash flow from investing activities	(25,608,940)	79,541,754
C) Cash flow from financing activities :		
Decrease in loan from MTB	(161,771,633)	(163,318,240)
Dividend paid	(130,175,000)	(169,483,962)
Net cash flow from financing activities	(291,946,633)	(332,802,202)
D) Net cash increase / (decrease) (A+B+C)	(21,129,638)	132,591,571
E) Opening cash and cash equivalents	367,976,414	235,384,843
F) Closing cash and cash equivalents	346,846,776	367,976,414
Closing balance represent :		
Cash at bank and in hand	346,846,776	367,976,414
Total	346,846,776	367,976,414



Anis A. Khan
Vice Chairman



Quamrul Islam Chowdhury
Director



Md. Nazrul Islam Mazumder
Chief Executive Officer

This is the Statement of Cash Flows referred to in our report of even date.

Dated : Dhaka
January 20, 2015


AHMAD & AKHTAR
Chartered Accountants

MTB Securities Limited

Statement of Changes in Equity

For the year ended December 31, 2014

Particulars	Amount in BDT		
	Paid up capital	Retained Earnings	Total
Balance as at January 01, 2014	1,270,000,000	6,271,220	1,276,271,220
Net profit for the year after tax	-	97,362,584	97,362,584
Less: Dividend (Interim)	-	95,250,000	95,250,000
Balance as at December 31, 2014	1,270,000,000	8,383,804	1,278,383,804
Balance as at December 31, 2013	1,270,000,000	6,271,220	1,276,271,220



Anis A. Khan
Vice Chairman



Quamrul Islam Chowdhury
Director



Md. Nazrul Islam Mazumder
Chief Executive Officer

This is the Statement of Changes in Equity referred to in our report of even date.

Dated : Dhaka
January 20, 2015



AHMAD & AKHTAR
Chartered Accountants

financial information

MTB Securities Limited

Notes to the Financial Statements

For the year ended December 31, 2014

1.00 Company and its activities

1.01 Legal status of the company

MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82868/10 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting 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.

1.02 Nature of business

The main objective of MTB Securities Limited is to act as a member of the stock exchange and of the Central Depository System (CDS) companies, and to carry on business of brokers, jobbers or dealers in stocks, securities, bonds, debentures etc. The company is also authorized to buy, sell, hold and otherwise acquire or invest the capital of the company in shares, stocks, and fixed income securities.

2.00 Significant accounting policies

2.01 Basis of preparation of financial statements

The financial statements of MTB Securities Limited include 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), The Companies Act 1994, Securities and Exchange Rules, 1987 and other laws and rules applicable to the company.

2.02 Statement of cash flows

The 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 the indirect method.

2.03 Property and equipment

Depreciation of fixed assets is charged using the reducing balance method as per BAS No. 16 "Property, Plant and Equipment". The rates of depreciation used to write off the amount of assets are as follows:

Category of assets	Rate of depreciation
Furniture	10%
Office equipment	20%
Furniture and fixtures	10%

2.04 Revenue recognition

Revenue which comprises of brokerage commission, service rendered and Interest Income are recognized in accordance with BAS No. 18: "Revenue Recognition".

2.05 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984.

2.06 Provision for expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embedding economic benefits will be required to settle the present obligations and reliable estimate of the amount can be measured.

2.07 Cash and cash equivalent

Cash and cash equivalents, includes cash at bank, which are held and are available for use by the Company.

2.08 Reporting period

The financial statement covers the period from January 01, 2014 to December 31, 2014.

2.09 General

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

	2014 BDT	2013 BDT
3.00 Share capital		
3.01 Authorized capital		
20,000,000 ordinary shares of Taka 100 each.	2,000,000,000	2,000,000,000
3.02 Issued, subscribed and paid-up capital		
12,700,000 ordinary shares of Taka 100 each fully paid.	1,270,000,000	1,270,000,000
3.03 Shareholding Position of the Company		

Share Holders	Number of Share	Percentage
Mutual Trust Bank Limited	12,698,730	99.99%
Mr. Rashed Ahmed Chowdhury	1,270	0.01%
Total	12,700,000	100%

4.00 Retained earnings

Opening balance	6,271,220	389,438
Adjustment during the year	-	2,438,133
Net profit during the year	97,362,584	133,618,649
Dividend paid during the year	(95,250,000)	(130,175,000)
Closing balance	8,383,804	6,271,220

5.00 Loan from MTB

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	2,796,560,369	2,959,878,609
Addition during the year	268,228,367	353,187,900
Paid during the year	(430,000,000)	(516,506,140)
Closing balance	2,634,788,736	2,796,560,369

6.00 Membership at cost

Dhaka Stock Exchange Limited (DSE)	8,000,000	8,000,000
	8,000,000	8,000,000

Pursuant the Exchanges Demutualization Act 2013, Dhaka Stock Exchange has issued ordinary shares and Text Retrieval and Evaluation Conference (TREC) license to MTB Securities Limited. The valuation of TREC is yet to be decided. Later if the valuation of TREC is Decided, "Membership at cost" will be adjusted accordingly against "Investment Suspense Accounts" or any other manner as permitted under registrations.

7.00 Investment in securities

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

Quoted share	174,925,851	161,579,582
Unquoted share	19,976,000	19,976,000
Total	194,901,851	181,555,582

8.00 Investment in DSE

Dhaka Stock Exchange Limited (DSE)	28,860,424	-
Total	28,860,424	-

As per the provisions of the Exchanges Demutualization Act 2013 and in accordance with the BSEC approved Demutualization scheme, MTB Securities Limited received the following ordinary shares:

Shares issued by	No. of Shares	Amount (BDT)
Dhaka Stock Exchange Limited (DSE)	7,215,106	72,151,060
Total	7,215,106	72,151,060

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

Valuation of 40% shares:

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

Valuation of 60% shares:

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

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

9.00 Advances and prepayments

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

10.00 Margin loan to clients

This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan during the year 2014. The detail is as follows:

	2014 BDT	2013 BDT
Opening balance	3,991,847,697	4,120,360,234
Addition during the year	112,500,000	71,871,291
Interest during the year	539,800,779	658,715,793
Adjustment during the year	(648,391,675)	(859,099,621)
Closing balance	3,995,756,801	3,991,847,697
11.00 Accounts receivable		
Receivable from Dhaka Stock Exchange (DSE) (Note 11.1)	10,277,085	4,208,219
Other receivable	7,904,706	158,272,513
Total	18,181,791	162,480,732
11.01 Receivable from Dhaka Stock Exchange (DSE)		
This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE).		
12.00 Advance income tax		
Opening balance	51,929,594	25,775,219
Addition during the year (Note 12.01)	69,380,081	110,924,586
Adjusted during the year	(71,924,586)	(84,770,211)
Closing balance	49,385,089	51,929,594
12.01 Addition during the year		
Brokerage commission	26,721,995	19,148,017
Bank interest	2,065,650	2,278,340
Dividend income	592,436	498,229
Advance tax	40,000,000	89,000,000
Total	69,380,081	110,924,586

		2014 BDT	2013 BDT
13.00 Cash and cash equivalents			
Mutual Trust Bank Ltd	0002-0320000724	2,147,891	1,020,869
Mutual Trust Bank Ltd	0002-0320001438	712,133	622,389
Mutual Trust Bank Ltd	0002-0320001081	119,797,180	227,320,053
Mutual Trust Bank Ltd	0002-0320002080	14,473,632	3,865,115
Mutual Trust Bank Ltd	0002-0320001634	1,670,920	2,726,574
Mutual Trust Bank Ltd	0005-0320001462	-	150,000
Mutual Trust Bank Ltd	0032-0320000308	26,917	719,984
Mutual Trust Bank Ltd	0033-0320000165	-	5,257,560
Mutual Trust Bank Ltd	0023-0320000934	40,572	-
One Bank Limited	5025386029	179,960	63,103,860
One Bank Limited	0025386019	1,161	106,979
IFIC Bank Limited	1090358680041	14,072,014	398,746
Standard Chartered Bank Ltd.	01114647901	189,308,423	11,736,334
Standard Chartered Bank Ltd.	02114647901	9,028	-
Hongkong and Shanghai Banking Corp. Ltd.	001-207455-067	-	42,807,183
Cash in hand (Cheque in hand)		4,406,945	8,140,768
Total		346,846,776	367,976,414
14.00 Accounts Payable			
It represents money deposited by client for trading purpose .The detail are as follows:			
Payable to clients (Note 14.1)		226,151,272	251,428,554
Payable to Dhaka Stock Exchange (DSE) (Note 14.2)		31,394,579	357,179
Payable to Dhaka Stock Exchange (DSE) -dealer (Note 14.2)		-	2,132
Payable to foreign client		-	2,051,549
Others payable (Note 14.3)		466,959	37,584,600
Payable to client for block trade		-	127,500,000
Total		258,012,810	418,924,014
14.01 Payable to clients			
This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.			
14.02 Payable to Dhaka Stock Exchange (DSE)			
This balance has been resulted from purchase of securities through Dhaka Stock Exchange Limited.			
14.03 Others payable			
This balance represents cheques issued to various client but not yet cleared.			
15.00 Provision for expenses			
Opening balance		24,466,735	9,217,716
Addition during the year		111,450,868	23,139,828
Adjustment during the year		(52,160,112)	(7,890,809)
Closing balance		83,757,491	24,466,735
16.00 Provision for income tax			
Opening balance		125,421,246	111,957,477
Addition during the year		126,051,861	125,421,246
Payment during the year		(116,461,838)	(111,957,477)
Closing balance		135,011,269	125,421,246

	2014 BDT	2013 BDT
17.00 Provision for investment		
Opening balance	125,047,746	53,547,746
Addition during the year	136,733,730	71,500,000
Adjustment during the year	(3,798,354)	-
Closing balance	257,983,122	125,047,746
18.00 Investment Suspense Account		
Dhaka Stock Exchange Limited (DSE)	28,860,424	-
Total	28,860,424	-
19.00 Dividend payable		
This amount represent Interim dividend declared by the MTBSL from this net profit and same amount has been recommended by the board as final dividend.		
20.00 Property, plant & equipment Cost:		
Furniture	1,348,475	1,311,858
Office equipment	29,925,788	27,254,339
Fixture & fittings	68,935,179	63,304,677
Premises	46,365,000	46,365,000
Total cost value of the asset	146,574,442	138,235,874
Accumulated depreciation	37,112,664	26,713,657
Total carrying amount	109,461,778	111,522,217
The detail has shown in Annexure - A.		
21.00 Brokerage commission		
This amount is charged on daily turnover during the year as per rate decided by the company.		
22.00 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 1362 at the end of 2014.		
23.00 Margin account maintenance		
It represents service charges on margin account, which were received from the customer during the year.		
24.00 Depository participant		
This amount represents BO opening, maintenance, demate charge and CDS charges. The detail are as follows:		
BO maintenance fee	10,413,500	9,600,500
BO opening fee	1,032,000	1,000,000
Demate charge	9,619	20,195
CDS charge	1,624,691	966,164
Total	13,079,810	11,586,859
25.00 CDBL charge		
This amount represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.		
26.00 Other income		
Other Income represents interest income from various bank accounts maintained at MTB & other bank and dividend income. The Detail are as follows :		
Interest on bank deposit	20,656,509	22,783,399
Dividend income	2,962,180	2,491,146
Other Income	33,575	642,475
Total	23,652,264	25,917,020

	2014 BDT	2013 BDT
27.00 Office & administrative expenses		
Salary & remunerations	69,436,474	55,801,667
Rental expenses	29,981,506	29,942,244
Postage, telephone, telegraph	1,061,295	1,427,153
Car expenses	1,274,967	1,286,993
Securities service bill	3,061,372	3,132,221
Cleaning expenses	1,630,890	2,514,328
Utility expenses	5,368,534	5,428,948
Conveyance	292,437	280,607
Entertainment	1,473,476	1,416,091
Newspaper	71,333	63,313
Printing & stationery	960,339	1,211,557
Office maintenance	2,220,431	1,030,144
Repair & maintenance	730,131	827,250
Insurance expenses	244,020	285,574
Training expenses	475,390	66,300
Other rent	6,201,049	4,675,861
Traveling expenses	23,855	11,632
Audit fee	60,000	50,000
Marketing & Business Development Cost	69,079,518	7,806,964
Fees and Other charges	1,239,181	600,820
Fuel for generator	1,140,068	1,655,078
Loss on sale of fixed asset	-	5,873,539
Depreciation	10,414,006	10,390,440
Miscellaneous loss	-	18,108
Total	206,440,272	135,796,832
28.00 Financial expenses		
Financial expenses represents interest expense on short term borrowing from Mutual Trust Bank Limited (MTB).		
29.00 Provision for investment		
This provision is made to reduce the risk of capital market .		
30.00 Income tax expenses		
Income tax expenses calculated on the basis of taxable income. Tax rate is considered @35% on business income.		
31.00 Related party disclosure.		
31.01 Name of Directors and their shareholdings as at December 31, 2014.		
Mutual Trust Bank Limited	99.99%	
Mr. Rashed Ahmed Chowdhury	0.01%	
	100%	
31.02 Related party transactions		

Name of the party	Nature of transactions	Taka
Mutual Trust Bank Limited	Loan from MTB	2,305,554,081
	Interest Expenses	268,271,510
	Interest payable	329,223,084
	Dividend paid	130,175,000
	Interim dividend	95,250,000

32.00 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 86 persons.

Annexure-A

MTB Securities Limited

Fixed Asset Schedule

As at December 31, 2014

Particulars	Cost				Rate	Depreciation				"Written down value as at 31.12.2014"
	Balance "as at 01.01.2014"	Addition during the year	Disposal during the year	Balance "as at 31.12.2014"		Balance "as at 01.01.2014"	Charge for the year	Disposal for the year	Balance as at 31.12.2014	
Furniture	1,311,858	36,617	-	1,348,475	10%	283,797	101,510	-	385,307	963,168
Fixture & fittings	63,304,677	5,630,502	-	68,935,179	10%	12,702,141	5,044,515	-	17,746,656	51,188,523
Office equipment	27,254,339	2,686,449	15,000	29,925,788	20%	11,646,381	3,097,148	8,305	14,735,224	15,190,564
Premises	46,365,000	-	-	46,365,000	5%	2,081,339	2,164,138	-	4,245,477	42,119,523
As at 31 December 2014	138,235,874	8,353,568	15,000	146,574,442		26,713,658	10,407,311	8,305	37,112,664	109,461,778
As at 31 December 2013	132,312,118	13,258,900	7,335,144	138,235,874		17,474,899	10,390,440	1,151,682	26,713,657	111,522,217

Amount in BDT

Auditors' Report



আহমদ ও আকতার
AHMAD & AKHTAR
Chartered Accountants



A Chartered Member Firm of
Chartered Institute of Accountants, UK
www.ciaaibd.com

AUDITORS' REPORT TO THE SHAREHOLDERS OF MTB CAPITAL LIMITED

We have audited the accompanying Statement of Financial Position of the **MTB Capital Limited** as on December 31, 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereon related for the year ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the financial Statements

Management, represented by the Board of Directors, is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, Securities and Exchange Commission Rules, 1987 and Applicable Laws and Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Basis of Audit Opinion

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at December 31, 2014 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the Company's Financial Statements dealt with by this report are in agreement with the books of accounts; and
- the expenditure incurred and payments made were for the purpose of the company's business.

Dated: Dhaka
January 20, 2015


AHMAD & AKHTAR
Chartered Accountants

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MTB Capital Limited

Statement of Financial Position

As at December 31, 2014

financial information

	Note	2014 BDT	2013 BDT
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	4.00	250,000,000	250,000,000
Retained earnings	5.00	7,894,123	134,435
Total sources of funds		257,894,123	250,134,435
APPLICATION OF FUNDS			
Investment and advances		167,512,664	17,329,727
Investment in securities	6.00	166,886,532	16,418,874
Other advances	7.00	626,132	910,853
Current assets		141,883,356	287,283,458
Margin loan to clients	8.00	106,025,591	76,541,355
Accounts receivable	9.00	6,231,830	36,694,009
Advance income tax (AIT)	10.00	4,184,386	3,075,711
Cash and cash equivalents	11.00	25,441,549	170,972,383
Current liabilities		58,424,994	62,561,915
Accounts payable	12.00	11,089,822	42,083,411
Provision for investment in securities	13.00	6,087,031	1,371,720
Provision for margin loan		1,083,861	-
Provision for income tax		14,814,280	6,106,784
Provision for expenses		1,600,000	-
Dividend payable	14.00	23,750,000	13,000,000
Net current asset		83,458,362	224,721,543
Property, plant & equipment	15.00	6,923,097	8,083,165
Total application of funds		257,894,123	250,134,435

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 20, 2015



AHMAD & AKHTAR
Chartered Accountants

MTB Capital Limited

Statement of Comprehensive Income

For the year ended December 31, 2014

	No te	2014 BDT	2013 BDT
Operating income			
Interest on margin loan	16.00	18,192,875	3,950,393
Capital gain on sale of securities	17.00	24,583,204	4,514,920
Fees & commission income	18.00	5,557,192	1,669,334
Income from investment	19.00	3,075,750	1,037,200
Issue management fees	20.00	2,850,000	2,500,000
Underwriting commission	21.00	651,191	40,000
Share transfer fee		2,000	-
Portfolio management fees		2,637,667	596,190
Net income from operation		57,549,879	14,308,037
Other income	22.00	7,791,833	18,217,320
Total income		65,341,712	32,525,357
Office & administrative expenses	23.00	17,267,604	12,445,631
Interest expenses		57,752	-
Profit before Provision		48,016,356	20,079,726
Provision against margin loan		1,083,861	-
Provision against investment in securities		4,715,311	-
Total Provision		5,799,172	-
Net profit / (loss) before income tax		42,217,184	20,079,726
Income tax expenses		10,707,496	6,106,784
Net profit after tax		31,509,688	13,972,942

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 20, 2015


AHMAD & AKHTAR
Chartered Accountants

MTB Capital Limited Statement of Cash flows

For the year ended December 31, 2014

financial information

	2014 BDT	2013 BDT
A. Cash flows from operating activities		
Collection from interest, fees & commission	28,854,165	8,855,317
Payment for employees salary & allowances	(7,248,040)	(6,674,192)
Payment for other operational expenses	(6,919,275)	(6,667,839)
Other income (SND & FDR interest)	9,200,833	17,710,820
Advance income tax payment	(1,108,675)	(1,892,342)
Income tax paid during the year	(2,000,000)	-
Net cash inflows/ (outflows) from operating activities	20,779,008	11,331,764
B. Cash flows from investing activities		
Payment for purchase of shares	(151,051,173)	(71,695,276)
Capital gain on sale of shares	24,583,204	97,766,505
Dividend received	1,514,900	714,500
Accounts receivables - IPO	(7,000)	-
Payment for purchase of fixed assets	(205,500)	(4,179,480)
Advance for investment & others	284,721	292,145
Change in margin loan	(34,720,715)	(71,304,876)
Net cash outflows from investing activities	(159,601,563)	(48,406,482)
C. Cash flows from financing activities		
Share capital	-	150,000,000
Dividend paid	(10,400,000)	-
Clients accounts balance	3,691,721	7,104,759
Net cash outflows from financing activities	(6,708,279)	157,104,759
D. Net cash inflows/(outflows) for the year (A+B+C)	(145,530,834)	120,030,041
E. Add : Opening cash and cash equivalents	170,972,383	50,942,342
Closing cash and cash equivalents(D+E)	25,441,549	170,972,383

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 20, 2015



AHMAD & AKHTAR
Chartered Accountants

MTB Capital Limited

Statement of Changes in Equity

For the year ended December 31, 2014

Particulars	Paid-up capital	Retained earnings	Amount in BDT Total
Balance as at January 01, 2014	250,000,000	134,435	250,134,435
Add: Net profit for the year after tax	-	31,509,688	31,509,688
Less: Interim Dividend paid during the year	-	23,750,000	23,750,000
Balance as at December 31, 2014	250,000,000	7,894,123	257,894,123
Balance as at December 31, 2013	250,000,000	134,435	250,134,435



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 20, 2015



AHMAD & AKHTAR
Chartered Accountants

financial information

MTB Capital Limited

Notes to the Financial Statements

For the year ended December 31, 2014

1.00 Legal status of the company

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited, was incorporated in Bangladesh as a private limited company. MTBCL obtained registration certificate No. MB-55/2010 under the Bangladesh Securities and Exchange Commission Act, 1993 on December 06, 2010 as a full fledged merchant bank and obtained registration No. C-80040 from the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, Bangladesh on October 08, 2009 under the Companies Act, 1994. The company commenced its operation on April 18, 2011. The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000, Bangladesh.

2.00 Nature of business

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

3.00 Significant accounting policies

3.01 Basis of preparation of financial statements

The financial statements of the company are made up to December 31, 2014 and prepared under the historical cost convention except investment in securities as a going concern and in accordance with the Companies Act, 1994, International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Securities and Exchange Rules, 1987, Dhaka & Chittagong Stock Exchange Limited listing Regulations, Income Tax Ordinance, 1984 and other laws and rules applicable in Bangladesh.

3.02 Statement of Cash Flow

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard (BAS) 7 "Statement of Cash Flow".

3.03 Property, plant and equipment

3.03.1 Recognition and measurement:

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

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

3.03.2 Depreciation

Depreciation is charged using the straight line method as per BAS No. 16 "Property plant & equipment".

The rates of depreciation used are as follows:

<u>Category of assets</u>	<u>Rate of depreciation</u>
Furniture & fixture	10%
Office equipment	20%
Interior decoration	10%

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

3.04 Revenue recognition

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

3.04.1 Interest income

Interest on margin loan to investors is recognized as revenue on an accrual basis and interest receivable on such loan is capitalized with original loan on quarterly basis.

3.04.2 Dividend income

Dividend income on investment in securities has been recognized when the shareholders right to receive payment is established.

3.04.3 Capital gain/loss on sale of securities

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

3.04.4 Fees and commission income

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

3.05 Cash and bank balance

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

3.06 Investment in securities

Investment in securities is recognized at the end of the year at cost price of investment made by the company.

3.07 General

3.07.1 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 comparison with that of preceding financial year.

3.07.2 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.

3.07.3 These financial statements cover one year from January 01 to December 31, 2014.

	2014 BDT	2013 BDT
4.00 Authorized capital	500,000,000	500,000,000
50,00,000 Ordinary Shares of BDT 100 each.		
Issued, Subscribed and paid-up capital:	250,000,000	250,000,000
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%
Mr. Rashed Ahmed Chowdhury	100	0.01%
Total	2,500,000	100.00%

5.00 Retained earnings

Opening balance	134,435	(838,507)
Add: Net profit during the year	31,509,688	13,972,942
Less: Dividend paid during the year	23,750,000	13,000,000
Closing retained earnings	7,894,123	134,435

6.00 Investment in securities

Investment in securities has been shown as cost value of securities

166,886,532	16,418,874
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Detail is shown in **Annexure - B**

7.00 Other advances

626,132	910,853
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8.00 Margin loans to clients

Margin Loan to Investors - Non- Discretionary Account (NDA)	106,024,062	76,528,641
Margin Loan to Investors - Discretionary Account (DA)	1,529	12,714
	106,025,591	76,541,355

9.00 Accounts receivable

Receivable from FDR interest	-	1,409,000
Underwriting commission receivable (IPO)	601,660	-
Receivable from issuemanagement fee	1,950,000	-
Dividend receivable	2,044,250	483,400
Receivable from broker - SES Company Ltd	-	522,468
Receivable from broker - SSML	1,470,838	33,887,047
Receivable from broker - MTBSL	120,582	349,594
Receivable from rental income	37,500	37,500
Accounts receivable - IPO	7,000	5,000
	6,231,830	36,694,009

10.00 Advance income tax

Opening balance	3,075,711	1,183,369
Addition during the Year	1,108,675	1,892,342
Total	4,184,386	3,075,711

	2014 BDT	2013 BDT
11.00 Cash & cash equivalents		
Cash in hand	822	54
Cash at Bank (Mutual Trust Bank)		
MTB-0012-0210010492 (DA)	1,363	22,418
MTB-0012-0210010572 (CD)	328	(8,990)
MTB-0012-0210010607 (Own Portfolio)	-	88,702
MTB-0012-0210010581 (NDA)	635,708	3,782,040
MTB-0012-0320001007 (SND)	536,985	22,088,158
MTB-0012-0320001614 (GA)	10,379	-
MTB Tower 0087-0210000191 (DA)	22,951	-
MTB Tower 0087-0210000164 (CD)	408,694	-
MTB Tower 0087-0210000208 (Own Portfolio)	26,070	-
MTB Tower 0087-0210000173 (NDA)	1,654,676	-
MTB Tower 0087-0320000045 (SND)	21,479,452	-
MTB Tower 0087-0320000182 (GA)	661,696	-
MTB 0012-0320001598 (IPO)	2,425	-
FDR-105563/46478/13	-	145,000,000
	25,440,727	170,972,329
Cash and Bank balance	25,441,549	170,972,383
12.00 Accounts payable		
Mbank software	414,556	550,663
Audit fees payable	63,250	51,111
Payable to non-discretionary portfolio clients	3,076,937	39,039,742
Client deposits - NDA	3,032,163	2,338,375
Client deposits - DA	47,277	7,705
Client deposits - GC	612,281	-
Cheque in transit	-	28,000
VAT deducted at sources payable	1,243,358	51,933
Withholding tax payable	2,600,000	15,884
	11,089,822	42,083,411
13.00 Provision for investment in securities		
This amount represents provision against unrealised loss on investment in securities as per guideline of Bangladesh Security & Exchange Commission (BSEC).		
14.00 Dividend payable		
This amount was declared as interim dividend by the MTBCL board at its board meeting held on December, 2014 from the net profit of 2014.		
15.00 Property, plant & equipment		
Opening balance	8,083,165	6,474,681
Addition during the year	55,500	3,030,142
Total cost	8,138,665	9,504,823
Less: Depreciation charged during the year	1,215,568	1,421,658
Written down value	6,923,097	8,083,165
Detail is shown in Annexure - A		
16.00 Interest on margin loan		
Interest on margin loan - Non- Discretionary Account (NDA)	18,191,433	3,949,656
Interest on margin loan - Discretionary Account (DA)	1,442	738
	18,192,875	3,950,393
17.00 Capital gain on sale of securities		
Sale proceeds of securities	486,863,699	97,766,505
Less: Cost of securities sold	462,280,495	93,251,585
	24,583,204	4,514,920
18.00 Fees & commission income		
Settlement fee	5,525,192	1,580,334
Documentation charge	32,000	89,000
	5,557,192	1,669,334

	2014 BDT	2013 BDT
19.00 Income from investment (dividend income from securities)		
Padma Oil Co. Ltd.	700,000	462,600
Grameen Phone Limited	371,500	441,000
Prime Bank Limited	-	38,500
Southeast Bank Limited	-	25,500
Social Investment Bank Limited	-	8,500
BD Submarine Cable Co. Ltd	7,000	-
Orion Infusions Ltd.	30,000	-
Hwa Well Textiles BD Ltd.	37,500	-
Bengal Windsor Ltd.	23,000	-
Lafarge Surma Cement Ltd.	51,000	-
Active Fine Chemical Ltd	18,750	-
Titas Gas Transmission and Distribution Company Ltd.	760,000	-
Meghna Petroleum Ltd.	475,000	-
Primier Cement Mills Limited	-	20,800
One Bank Limited	-	21,750
Confident Cement Ltd.	-	10,000
Globel Heavy Chemicals Ltd.	-	6,000
Megna Life Insurance Co. Ltd.	-	300
Trust Bank Limited	-	2,250
United Commercial Bank Ltd.	602,000	-
	3,075,750	1,037,200
20.00 Issue management fee		
Zaheen Spinning Limited (Capital raising & IPO)	1,750,000	2,500,000
Agrani Agro Fisheries Ltd (Capital raising & IPO)	500,000	-
Roseburg Industries Ltd (Capital raising & IPO)	200,000	-
Data edge Limited (IPO)	300,000	-
Oimex Electrode Limited (Capital raising & IPO)	100,000	-
	2,850,000	2,500,000
21.00 Underwriting commission		
United Airways (BD) Ltd. - Right Share	-	40,000
Shazibazer Power Ltd - IPO	49,531	-
Zaheen Spinning Ltd - IPO	175,000	-
Shasha Denims Ltd -IPO	140,000	-
First Security Islami Bank Ltd - Right Share	166,660	-
C & A Textiles Ltd - IPO	120,000	-
	651,191	40,000
22.00 Other income		
Interest Income on FDR and SND	7,224,333	18,217,320
Rental income	567,500	-
	7,791,833	18,217,320
23.00 Office & administrative expenses		
Salary and remuneration	8,848,040	5,682,980
Rent, taxes, insurance, electricity, water etc.	2,722,817	3,103,656
Fee and Registration	347,620	231,600
Postage, telephone, fax, stamps	119,070	88,502
Printing and stationery	91,446	77,089
Repairs and maintenance	59,665	70,347
Depreciation	1,215,568	1,421,658
Auditors' fees	63,250	51,111
Directors' fee	125,000	5,000
Car expenses	681,321	686,227
CDBL charges	856,173	228,856
Rental expenditure (Dhakacom Ltd.)	38,800	52,185
Security services charges	473,205	496,570
Books and newspaper	9,680	8,960
Holiday working bill	7,600	1,250
Bank charge	10,260	7,530
Entertainment	196,189	97,790
Excise duty	74,400	67,000
VAT on fees & commission	1,229,229	37,271
Conveyance	25,590	11,700
Advertisement	27,681	10,350
Domain and hosting charge	8,000	8,000
Staff training	16,000	-
Labour cost-H/O transfer	21,000	-
	17,267,604	12,445,631

Annexure-A

MTB Capital Limited
Schedule of Fixed Assets
As at 31 December 2014

Category of Assets	Cost				Rate	Depreciation			Amount in BDT
	Opening balance	Addition during the year	Disposal during the year	Total		Opening balance	Charged during the year	Accumulated depreciation	
Furniture & Fixture	121,894	2,500	-	124,394	10%	23,657	9,448	33,105	91,289
Office Equipment	8,162,494	53,000	-	8,215,494	20%	3,084,277	928,409	4,012,686	4,202,808
Interior Decoration	3,215,850	-	-	3,215,850	10%	309,139	277,711	586,850	2,629,000
As at 31 December 2014	11,500,238	55,500	-	11,555,738		3,417,073	1,215,568	4,632,641	6,923,097
As at 31 December 2013	8,470,096	3,030,142	-	11,500,238		1,995,415	1,421,658	3,417,073	8,083,165

Annexure-B

MTB Capital Ltd

Investment in Quoted Securities

As at 31 December 2014

Amount in BDT

Name of the company	No. of shares	Cost per share	Total cost BDT	Market value BDT	Difference BDT
ACI Formulations Limited	26,865	159	4,261,035	3,427,974	(833,061)
ACI Limited	26,504	462	12,243,710	10,333,910	(1,909,800)
Beximco Limited	301,231	41	12,247,268	10,964,808	(1,282,459)
Lafarge Surma Cement Limited	30,300	125	3,792,734	3,726,900	(65,834)
Progati Life Insurance Co. Limited	66,106	217	14,322,425	6,643,653	(7,678,772)
BD Submarine Cable Co. Limited	7,200	180	1,293,277	840,240	(453,037)
Bengal Windsor Therm Limited	21,100	61	1,290,149	1,253,340	(36,809)
Beximco Pharmaceuticals Limited	7,200	60	431,521	422,640	(8,881)
C & A Textiles Limited	500	10	5,000	-	(5,000)
DESCO Limited	2,100	69	144,128	145,950	1,822
Familytex (BD) Limited	83,700	29	2,430,091	1,833,030	(597,061)
Glaxo Smithkline Limited	805	1,594	1,283,208	1,217,160	(66,048)
Grameen Phone Limited	90,201	377	34,013,054	32,643,742	(1,369,313)
Hwa Well Textiles BD Limited	25,100	52	1,306,625	948,780	(357,845)
Meghna Petroleum Limited	55,100	246	13,539,849	11,626,100	(1,913,749)
Mozaffar Hossain Spinning Mills Limited	6,000	30	177,439	168,000	(9,439)
Olympic Industries Limited	3,000	228	683,094	681,900	(1,194)
Orion Infusions Limited	20,100	63	1,260,847	854,250	(406,597)
Padma Oil Co. Limited	70,100	342	23,943,183	17,637,160	(6,306,023)
Paramount Textile Limited	203,401	41	8,258,813	4,698,563	(3,560,250)
RD Food Products Limited	122,140	24	2,959,100	2,650,438	(308,662)
Rupali Life Insurance Co. Limited	11,975	68	817,428	651,440	(165,988)
Square Pharmaceuticals Limited	20,501	276	5,661,130	5,299,509	(361,622)
Takaful Islami Insurance Co. Limited	71,451	36	2,568,836	1,829,146	(739,690)
Titas Gas T & D Co. Limited	200,160	90	17,952,599	15,952,752	(1,999,847)
Total			166,886,532	136,451,384	(30,435,156)

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MTB Exchange (UK) Limited DIRECTORS' REPORT

For The Year Ended December 31, 2014

The directors present their report and accounts for the year ended December 31, 2014

PRINCIPAL ACTIVITY

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

DIRECTORS

The Directors who served during the year and their interests in the share Capital of the Company were as follows:

	2014 No.	2013 No.
A) Syed Manzur Elahi	0	0
B) Anis A. Khan	0	0
C) Dr. Arif Dowla	0	0
D) Mohamed Abdur Rouf	0	0

DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

This report was approved by the board on 22 January 2015



Anis A. Khan
Director

MTB Exchange (Uk) Ltd

Accountants' Report To The Board Of Directors On The Financial Statements

OF MTB EXCHANGE (UK) LTD, FOR THE YEAR ENDED DECEMBER 31, 2014

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 2014 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

22 January 2015

MTB Exchange (Uk) Ltd

BALANCE SHEET AT 31 DECEMBER 2014

For the year ending December 31, 2014 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 22 January 2015 and signed on their behalf by



Anis A. Khan
Director



Md. Anisur Rahman
Chief Executive Officer & Manager

MTB Exchange (UK) Limited Profit and Loss Account

For the Year Ended December 31, 2014

	Notes	2014 £	2013 £
TURNOVER	2	51,465	66,045
GROSS PROFIT		51,465	66,045
Distribution costs		(2,790)	(3,059)
Administrative expenses		(139,542)	(139,810)
OPERATING LOSS	3	(90,867)	(76,824)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(90,867)	(76,824)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(90,867)	(76,824)
LOSS FOR THE FINANCIAL YEAR		(90,867)	(76,824)

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MTB Exchange (UK) Limited Balance Sheet

As at December 31, 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible Assets	5	22,600	28,251
CURRENT ASSETS			
Debtors(amount falling due within one year)	6	3,966	2,571
Debtors(amount falling due after more than one year)	6	8,750	8,750
Cash at bank and in hand		19,085	53,483
		31,801	64,804
Creditors: Amounts falling due within one year	7	231,885	177,159
NET CURRENT LIABILITIES		(200,084)	(112,355)
TOTAL ASSETS LESS CURRENT LIABILITIES		(177,484)	(84,104)
CAPITAL AND RESERVES			
Called up share capital	8	230,000	230,000
Other reserve	9	-	2,513
Profit and loss account	10	(407,484)	(316,617)
SHAREHOLDERS' FUNDS		(177,484)	(84,104)

MTB Exchange (UK) Limited

Notes to the Accounts

For the year ended December 31, 2014

1. Accounting Policies

1a. Basis of Accounting

The accounts have been 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 of value added tax and trade discounts.

2. Turnover

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

	2014	2013
	£	£
Remittances, Commissions	40,444	47,597
Bureau DE Change Commission	9,713	7,329
Translation Gain	-	1,304
Exchange Gains	1,308	6,907
Cash Surplus	-	2,908
	51,465	66,045

3. Operating Profit

Operating Profit is started after charging:

Depreciation	5,652	7,063
	5,652	7,063

4. Tax on Ordinary Activities

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5. Tangible Fixed Assets

	Plant and Machinery	Fixtures and Fittings	TOTAL
	£	£	£
Cost			
At 1 January 2014	13,300	45,423	58,723
At 31 December 2014	13,300	45,423	58,723
Depreciation			
At 1 January 2014	6,652	23,820	30,472
For the year	1,330	4,321	5,651
At 31 December 2014	7,982	28,141	36,123
Net Book Amounts			
At 31 December 2014	5,318	17,282	22,600
At 31 December 2013	6,648	21,603	28,251

MTB Exchange (UK) Limited Notes to the Accounts

For the year ended December 31, 2014

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	2014 £	2013 £
6. Debtors		
Amount falling due within one year:		
Trade debtors	1,973	-
Other debtors	1,993	2,571
	3,966	2,571
Amount falling due after more than one year:		
Rent Deposit	8,750	8,750
Total Debtors	8,750	8,750
7. Creditors: Amounts falling due within one year		
TT payable	229,981	172,859
Other Creditors	1,904	4,300
	231,885	177,159
8. Share Capital		
Allotted, issued and fully paid:		
230000 Ordinary shares of £ 1 each	230,000	230,000
	230,000	230,000
9. Other Reserves		
Translation reserve	-	1,308
Cash Surplus/Shortage	-	1,205
	-	2,513
10. Profit and Loss Reserve:		
Opening balance	(316,617)	(237,280)
Loss for the year	(90,867)	(76,824)
Transfer from reserve	-	(2,513)
	(407,484)	(316,617)
11. Controlling Party		
The company being 100% Subsidiary of Mutual Trust Bank Ltd, Bangladesh is under common control from the parent company.		