মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2017

Auditor's Report to The Shareholders of Mutual Trust Bank Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mutual Trust Bank Limited and its subsidiaries (together referred to as the "Group") which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 and Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group and its subsidiaries as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;

(b) 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 Group and its related entities;

(iii) financial statements of two subsidiaries namely, MTB Securities Limited, MTB Capital Limited have been audited by Khan Wahab Shafique Rahman & Co., Chartered Accountants and MTB Exchange (UK) Limited have been audited by Jahan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;

(iv) in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred and payments made were for the purpose of the Group's business for the year;

(viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;

(x) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(xi) the information and explanations required by us have been received and found satisfactory;

(xii) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,500 person hours; and

(xiii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka
17 April 2018

A. Qasem & Co.
Chartered Accountants

Consolidated Balance Sheet
As at 31 December 2017

Property and Assets	Notes	31 December 2017 BDT	31 December 2016 BDT
Cash	3.00	**13,077,123,517**	**11,263,046,577**
In Hand (Including Foreign Currency)		2,191,164,252	1,987,478,022
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)		10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions	4.00	**2,798,256,664**	**8,148,416,411**
In Bangladesh		1,030,004,295	7,286,894,739
Outside Bangladesh		1,768,252,369	861,521,672
Money at Call and Short Notice	5.a	**4,690,000,000**	**990,000,000**
Investments	6.00	**25,105,802,134**	**21,942,058,933**
Government		22,703,494,533	19,627,418,568
Others		2,402,307,601	2,314,640,365
Loans and Advances	7.00	**145,606,993,782**	**114,355,762,842**
Loans, Cash Credits, Overdrafts, etc.		143,429,214,788	112,071,881,968
Bills Purchased and Discounted		2,177,778,994	2,283,880,874
Fixed Assets including Premises, Furniture & Fixtures	8.00	**3,211,265,364**	**3,140,971,243**
Other Assets	9.00	**7,264,492,733**	**5,530,430,863**
Non-Banking Assets		-	-
Total Property and Assets		**201,753,934,194**	**165,370,686,869**
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.00	**16,417,678,099**	**8,706,459,450**
Deposits and Other Accounts	11.00	**151,776,065,501**	**131,272,330,273**
Current Deposits & Other Accounts		14,652,100,509	12,301,476,077
Bills Payable		2,100,804,374	1,751,051,731
Savings Bank Deposits		27,479,479,774	23,710,184,165
Special Notice Deposits		11,721,963,726	11,645,986,993
Fixed Deposits		67,113,942,085	55,803,465,444
Deposit Products		28,707,775,033	26,060,165,863
Other Liabilities	12.00	**13,798,103,840**	**11,323,514,980**
Subordinated Debts	13.a	**8,000,000,000**	**4,250,000,000**
Total Liabilities		**189,991,847,439**	**155,552,304,703**
Capital/Shareholders' Equity			
Paid-up Capital	14.a	5,096,560,340	4,431,791,600
Statutory Reserve	15.00	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities		696,384,694	731,782,030
Foreign Currency Translation gain/(loss)		7,667,134	8,903,014
General Reserve	16.a	616,777,324	616,777,324
Retained Earnings	17.00	1,722,348,545	841,239,233
Total Shareholders' Equity		**11,761,962,068**	**9,818,260,027**
Minority Interest	17.01	**124,686**	**122,139**
Total Liabilities and Shareholders' Equity		**201,753,934,194**	**165,370,686,869**
Net Asset Value (NAV) per share		**23.08**	**19.26**
Off-Balance Sheet Items			
Contingent Liabilities	18.a		
Letters of guarantee		11,602,039,974	9,302,425,309
Irrevocable letters of credit		16,740,167,351	14,291,274,015
Bills for collection		2,442,346,145	3,296,481,413
Acceptances and endorsements		30,020,544,096	18,244,133,884
Other contingent liabilities		-	-
Total Off Balance Sheet items		**60,805,097,566**	**45,134,314,620**
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		**60,805,097,566**	**45,134,314,620**

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

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

Signed as per our annexed report of the same date

Dated, Dhaka
17 April 2018

A. Qasem & Co.
Chartered Accountants

Consolidated Profit and Loss Account
For the year ended 31 December 2017

Particulars	Notes	2017 BDT	2016 BDT
Interest Income	20.00	12,160,542,962	11,381,372,890
Less: Interest Paid on Deposits and Borrowings, etc.	21.00	7,852,867,671	7,503,094,801
Net Interest Income		**4,307,675,291**	**3,878,278,089**
Investment Income	22.00	2,127,213,334	2,010,544,355
Commission, Exchange and Brokerage	23.00	1,578,009,117	1,228,154,940
Other Operating Income	24.00	466,395,805	397,902,578
		4,171,618,256	**3,636,601,873**
Total Operating Income		**8,479,293,547**	**7,514,879,962**
Less: Operating Expenses:			
Salary and Allowances	25.00	2,402,684,185	2,256,194,529
Rent, Tax, Insurance and Electricity etc.	26.00	664,468,164	601,537,153
Legal Expenses	27.00	3,568,913	3,385,938
Postage, Stamps and Telecommunication etc.	28.00	7,076,154	9,647,331
Stationery, Printing and Advertisements etc.	29.00	101,173,252	83,175,269
Managing Director's Remuneration	25.a.1	18,275,334	17,315,333
Directors' Fees	30.00	3,441,200	3,031,033
Auditors' Fees	31.00	1,776,066	2,580,355
Depreciation and Repair of Bank's Properties	32.00	429,753,440	390,901,907
Other Expenses	33.00	931,357,187	738,998,678
Total Operating Expenses		**4,563,573,895**	**4,106,767,526**
Profit Before Provision		**3,915,719,652**	**3,408,112,436**
Less: Provision for Loans,Investment & Other	34.00		
Specific Provision		444,645,646	721,919,363
General Provision		908,809,835	42,615,165
Off Balance Sheet Items		137,300,000	100,000,000
Margin Loan & Investment in Shares		155,492,999	71,100,000
Other Asset		10,000,000	11,000,000
Total Provision		**1,656,248,480**	**946,634,528**
Profit Before Tax		**2,259,471,172**	**2,461,477,908**
Less: Income Tax Expenses		**279,133,367**	**997,884,480**
Current Tax Expenses	35.00	1,180,006,962	961,277,823
Deferred Tax Expenses/(Income)	35.01	(900,873,595)	36,606,657
Net Profit After Tax		**1,980,337,805**	**1,463,593,428**
Shareholders' of the Bank		1,980,335,258	1,463,590,967
Minority Interest		2,547	2,461
		1,980,337,805	**1,463,593,428**
Retained Surplus Brought Forward		841,239,233	752,903,276
		2,821,574,491	**2,216,494,243**
Appropriations:			
Bonus Share Issued during the year		664,768,740	738,631,930
Transferred to Statutory Reserve		434,457,206	466,623,080
Transferred to General Reserve		-	170,000,000
		1,099,225,946	**1,375,255,010**
Retained Surplus, Carried Forward		**1,722,348,545**	**841,239,233**
Earnings Per Share (EPS)	36.00	3.89	2.87

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

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

Signed as per our annexed report of the same date

Dated, Dhaka
17 April 2018

A. Qasem & Co.
Chartered Accountants

Consolidated Statement of Cash Flow
For the Year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
A) Cash Flows from Operating Activities:			
Interest Received		13,897,831,077	13,302,673,011
Interest Paid on Deposits, Borrowings, etc.		(7,757,573,822)	(7,896,093,791)
Dividend Income		172,759,484	66,092,791
Fees & Commission Income		1,578,009,117	1,228,154,940
Recoveries of Loans previously written off		1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances		(2,420,959,519)	(2,273,509,862)
Cash Paid to Suppliers		(101,173,252)	(83,175,269)
Advance Income Tax Paid		(1,056,691,254)	(731,203,379)
Cash Received from Other Operational Income	37.00	515,097,313	443,892,270
Cash Paid for Other Operational Expenses	38.00	(1,697,753,189)	(1,411,952,975)
Cash Flows from Operating Activities before Changes in Net		**3,130,784,654**	**2,645,777,734**
Changes in Net Current Assets :			
Loans & Advances		(31,224,446,230)	(16,756,679,343)
Other Assets		(535,691,098)	(187,328,178)
Bank Deposit		10,149,625,000	-
Customers' Deposits		10,371,673,913	13,311,346,537
Borrowing from Other Banks, Financial Institutions & Agents		7,711,218,649	3,624,640,657
Other Liabilities		425,110,779	559,812,119
		(3,102,508,988)	**551,791,792**
Net Cash Flows from Operating Activities		**28,275,666**	**3,197,569,526**
B) Cash Flows from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(3,111,093,401)	3,334,098,710
Investments in Shares & Bonds		(87,667,236)	369,838,523
Purchase of Premises & Fixed Asset (net)		(413,982,057)	(297,270,816)
Net Cash Flows from Investing Activities		**(3,612,742,693)**	**3,406,666,418**
C) Cash Flows from Financing Activities:			
Subordinated debt		3,750,000,000	(625,000,000)
Dividend Paid		-	-
Net Cash Flows from Financing Activities		**3,750,000,000**	**(625,000,000)**
D) Net Increase in Cash and Cash Equivalents		**165,532,973**	**5,979,235,944**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		**(1,235,880)**	**5,536,428**
F) Opening Cash and Cash Equivalents		20,402,859,288	14,418,086,916
Closing Cash and Cash Equivalents (D+E+F)		**20,567,156,381**	**20,402,859,288**
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,191,164,252	1,987,478,022
Balance with Bangladesh Bank and its Agent Bank		10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions		2,798,256,664	8,148,416,411
Money at Call and Short Notice		4,690,000,000	990,000,000
Prize Bond		1,776,200	1,396,300
		20,567,156,381	**20,402,859,288**
Net Operating Cash Flows Per Share		0.06	6.27

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

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

Consolidated Statement of Changes in Equity
For the Year ended 31 December 2017

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2017	4,431,791,600	3,187,766,825	731,782,030	8,903,014	616,777,324	841,239,233	9,818,260,027	122,139	9,818,382,166
Bonus Share Issued	664,768,740	-	-	-	-	(664,768,740)	-	-	-
Currency Translation differences	-	-	-	(1,235,880)	-	-	(1,235,880)	-	(1,235,880)
Revaluation Reserve transferred during the period	-	-	(35,397,336)	-	-	-	(35,397,336)	-	(35,397,336)
Net Profit for the period after Tax	-	-	-	-	-	1,980,335,258	1,980,335,258	2,547	1,980,337,805
Appropriation made during the period	-	434,457,206	-	-	-	(434,457,206)	-	-	-
Balance as at December 31, 2017	5,096,560,340	3,622,224,031	696,384,694	7,667,134	616,777,324	1,722,348,545	11,761,962,068	124,686	11,762,086,755
Balance as at December 31, 2016	4,431,791,600	3,187,766,825	731,782,030	8,903,014	616,777,324	841,239,233	9,818,260,027	122,139	9,818,382,166

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

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

Consolidated Liquidity Statement
As at 31 Dcember 2017

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	3,695,443,517	-	-	-	9,381,680,000	13,077,123,517
Balance with other Banks and Financial Institutions	1,187,309,749	888,388,916	714,325,904	8,232,095	-	2,798,256,664
Money at Call & Short notice	4,690,000,000	-	-	-	-	4,690,000,000
Investments	1,524,578,279	1,324,823,090	4,497,950,359	7,720,604,208	10,037,846,198	25,105,802,134
Loans and Advances	15,281,244,353	35,656,989,191	48,606,866,548	36,900,160,812	9,161,732,878	145,606,993,782
Premises and Fixed Assets	-	-	-	-	3,211,265,364	3,211,265,364
Other Assets	857,724,636	73,154,889	1,135,493,038	5,187,529,810	10,590,161	7,264,492,733
Non-Banking Assets	-	-	-	-	-	-
Total Assets	**27,236,300,733**	**37,943,356,085**	**54,954,635,849**	**49,816,526,925**	**31,803,114,602**	**201,753,934,195**
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,187,104,634	1,002,565,000	5,465,315,712	1,500,026,825	6,262,665,928	16,417,678,099
Deposit and Other Account	21,855,708,947	35,573,026,339	46,758,271,589	41,820,944,230	5,768,114,396	151,776,065,501
Provision & Other Liabilities	52,850,330	330,521,357	2,445,539,566	6,089,230,529	4,879,962,058	13,798,103,840
Subordinated Debts	-	-	600,000,000	5,400,000,000	2,000,000,000	8,000,000,000
Total Liabilities	**24,095,663,910**	**36,906,112,696**	**55,269,126,867**	**54,810,201,584**	**18,910,742,382**	**189,991,847,439**
Net Liquidities	**3,140,636,823**	**1,037,243,389**	**(314,491,018)**	**(4,993,674,659)**	**12,892,372,220**	**11,762,086,755**

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

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

Balance Sheet
As at 31 December 2017

Property and Assets	Notes	31 December 2017 BDT	31 December 2016 BDT
Cash	3.a	**13,065,276,389**	**11,247,541,472**
In Hand (Including Foreign Currency)		2,179,317,124	1,971,972,917
With Bangladesh Bank and its agent Bank (s) (including foreign currency)		10,885,959,265	9,275,568,555
Balance with other Banks & Financial Institutions	4.a	**2,355,053,788**	**8,019,623,030**
In Bangladesh		586,801,419	7,158,101,358
Outside Bangladesh		1,768,252,369	861,521,672
Money at Call and Short Notice	5.a	**4,690,000,000**	**990,000,000**
Investments	6.a	**24,578,379,684**	**21,422,839,835**
Government		22,703,494,533	19,627,418,568
Others		1,874,885,151	1,795,421,268
Loans and Advances	7.a	**142,819,502,800**	**110,834,548,494**
Loans, Cash Credits, Overdrafts, etc.		140,641,723,806	108,550,667,620
Bills Purchased and Discounted		2,177,778,994	2,283,880,874
Fixed Asset including Premises, Furniture & Fixtures	8.a	**3,127,669,387**	**3,042,051,609**
Other Assets	9.a	**10,641,640,357**	**8,923,815,634**
Non-Banking Assets		-	-
Total Property and Assets		**201,277,522,404**	**164,480,420,074**
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.a	**16,417,678,099**	**8,631,459,450**
Deposits and Other Accounts	11.a	**152,237,160,560**	**131,593,607,611**
Current Deposits & Other Accounts		14,652,101,282	12,302,356,822
Bills Payable		2,100,804,374	1,751,051,731
Savings Bank Deposits		27,479,479,774	23,710,184,165
Special Notice Deposits		12,183,058,012	11,966,383,586
Fixed Deposits		67,113,942,085	55,803,465,444
Deposit Products		28,707,775,033	26,060,165,863
Other Liabilities	12.a	**12,955,143,626**	**10,221,646,119**
Subordinated Debts	13.a	**8,000,000,000**	**4,250,000,000**
Total Liabilities		**189,609,982,285**	**154,696,713,181**
Capital/Shareholders' Equity			
Paid-up Capital	14.a	5,096,560,340	4,431,791,600
Statutory Reserve	15.a	3,622,224,031	3,187,766,825
Revaluation Reserve on Investment in Securities		696,384,694	731,782,030
Foreign Currency Translation gain/(loss)		3,111,876	104,902
General Reserve	16.a	616,777,324	616,777,324
Retained Earnings	17.a	1,632,481,854	815,484,211
Total Shareholders' Equity		**11,667,540,119**	**9,783,706,892**
Total Liabilities and Shareholders' Equity		**201,277,522,404**	**164,480,420,074**
Net Asset Value (NAV) per share		**22.89**	**19.20**
Contingent Liabilities	18.a		
Letter of guarantee		11,602,039,974	9,302,425,309
Irrevocable letters of credit		16,740,167,351	14,291,274,015
Bills for collection		2,442,346,145	3,296,481,413
Acceptances and endorsements		30,020,544,096	18,244,133,884
Other contingent liabilities		-	-
Total Off- Balance Sheet Items		**60,805,097,566**	**45,134,314,620**
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		**60,805,097,566**	**45,134,314,620**

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

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

Signed as per our annexed report of the same date

Dated, Dhaka
17 April 2018

A. Qasem & Co.
Chartered Accountants

Profit and Loss Account
For the year Ended 31 December 2017

Particulars	Notes	2017 BDT	2016 BDT
Interest Income	20.a	12,102,826,598	11,250,560,341
Less: Interest Paid on Deposits and Borrowings, etc.	21.a	7,856,055,015	7,506,266,934
Net Interest Income		**4,246,771,583**	**3,744,293,407**
Investment Income	22.a	2,056,350,696	1,974,265,630
Commission, Exchange and Brokerage	23.a	1,342,690,897	1,066,776,213
Other Operating Income	24.a	418,909,573	360,578,643
		3,817,951,166	**3,401,620,486**
Total Operating Income		**8,064,722,749**	**7,145,913,893**
Less: Operating Expenses:			
Salary and Allowances	25.a	2,314,039,862	2,168,780,701
Rent, Taxes, Insurance and Electricity etc.	26.a	624,713,881	559,033,357
Legal Expenses	27.a	3,535,580	3,077,953
Postage, Stamps and Telecommunication etc.	28.a	6,028,356	8,610,456
Stationery, Printing and Advertisements etc.	29.a	99,318,114	81,849,885
Managing Director's Remuneration	25.a.1	18,275,334	17,315,333
Directors' Fees	30.a	1,876,800	1,775,600
Auditors' Fees	31.a	1,341,500	1,889,500
Depreciation and Repair of Bank's Properties	32.a	420,129,234	379,031,532
Other Expenses	33.a	902,422,578	715,899,651
Total Operating Expenses		**4,391,681,239**	**3,937,263,968**
Profit Before Provision		**3,673,041,510**	**3,208,649,925**
Less: Provision for Loans,Investment & Other	34.a		
Specific Provision		444,645,646	721,919,363
General Provision		908,809,835	42,615,165
Off Balance Sheet Items		137,300,000	100,000,000
Margin Loan & Investment in Shares		-	-
Other Asset		10,000,000	11,000,000
Total Provision		**1,500,755,481**	**875,534,528**
Profit Before Tax		**2,172,286,029**	**2,333,115,397**
Less: Income Tax Expenses		**256,062,440**	**929,329,695**
Current Tax Expenses	35.a	1,157,322,844	897,030,119
Deferred Tax Expenses/(Income)	35.a.1	(901,260,404)	32,299,576
Net Profit After Tax		**1,916,223,589**	**1,403,785,702**
Retained Surplus Brought Forward		815,484,211	786,953,518
		2,731,707,800	**2,190,739,220**
Appropriations:			
Bonus Shares Issued during the year		664,768,740	738,631,930
Transferred to Statutory Reserve		434,457,206	466,623,080
Transferred to General Reserve		-	170,000,000
		1,099,225,946	**1,375,255,010**
Retained Surplus, Carried Forward		**1,632,481,854**	**815,484,211**
Earnings Per Share (EPS)	36.a	3.76	2.75

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

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

Signed as per our annexed report of the same date

Dated, Dhaka
17 April 2018

A. Qasem & Co.
Chartered Accountants

Statement of Cash Flow
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
A) Cash Flows From Operating Activities:			
Interest Received		13,840,114,713	13,171,860,462
Interest Paid on Deposits, Borrowings, etc.		(7,751,879,794)	(7,899,265,924)
Dividend Income		155,943,572	54,132,093
Fees & Commission Income		1,342,690,897	1,066,776,213
Recoveries of Loans previously written off		1,238,700	900,000
Cash Paid to Employees as Salaries and Allowances		(2,332,315,196)	(2,186,096,034)
Cash Paid to Suppliers		(99,318,114)	(81,849,885)
Advance Income Tax Paid		(983,243,898)	(688,616,696)
Cash Received from Other Operational Income	37.a	413,564,354	382,250,308
Cash Paid for Other Operational Expenses	38.a	(1,627,312,532)	(1,342,310,026)
Cash Flow from Operating Activities before Changes in Net Current Assets		**2,959,482,703**	**2,477,780,509**
Changes in Net Current Assets:			
Loans & Advances		(31,958,169,596)	(14,607,516,613)
Other Assets		128,425,385	(2,180,656,687)
Bank Deposits		10,149,625,000	-
Customers' Deposits		10,511,491,632	13,350,622,954
Borrowing from Other Banks, Financial Institutions & Agents		7,786,218,649	3,549,640,657
Other Liabilities		132,375,288	406,692,927
		(3,250,033,643)	**518,783,239**
Net Cash Flows from Operating Activities		**(290,550,940)**	**2,996,563,748**
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(3,111,093,401)	3,334,098,711
Investments in Shares & Bonds		(79,463,883)	455,230,513
Purchase of Fixed Assets (Net)		(418,353,175)	(298,536,361)
Net Cash Flow from Investing Activities		**(3,608,910,459)**	**3,490,792,863**
C) Cash Flow from Financing Activities:			
Subordinated debts		3,750,000,000	(625,000,000)
Dividend Paid		-	-
Net Cash Flow from Financing Activities		**3,750,000,000**	**(625,000,000)**
D) Net Increase in Cash and Cash Equivalents		**(149,461,400)**	**5,862,356,611**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		**3,006,974**	**104,902**
F) Opening Cash and Cash Equivalents		**20,258,560,803**	**14,396,099,290**
Closing Cash and Cash Equivalents (D+E+F)		**20,112,106,377**	**20,258,560,803**
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,179,317,124	1,971,972,917
Balance with Bangladesh Bank and its Agent Bank		10,885,959,265	9,275,568,555
Balance with Other Banks & Financial Institutions		2,355,053,788	8,019,623,030
Money at Call and Short Notice		4,690,000,000	990,000,000
Prize Bond		1,776,200	1,396,300
		20,112,106,377	**20,258,560,803**
Net Operating Cash Flows Per Share		**(0.57)**	**5.88**

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

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

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Mutual Trust Bank Ltd.

you can bank on us

Financial Statements 2017

Statement of Changes in Equity
For the year ended 31 December 2017

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total
Balance as at January 01, 2017	4,431,791,680	3,187,766,826	731,782,030	104,902	616,777,324	815,484,211	9,783,706,892
Bonus Share Issued during the year	664,768,740			-		(664,768,740)	-
Currency Translation Differences	-	-	-	3,006,974	-	-	3,006,974
Revaluation Reserve transferred during the year		-	(35,397,336)	-	-	-	(35,397,336)
Net Profit for the year after tax	-	-	-	-	-	1,916,223,589	1,916,223,589
Appropriation made during the year		434,457,206		-	-	(434,457,206)	-
Balance as at December 31, 2017	5,096,560,340	3,622,224,031	696,384,694	3,111,876	616,777,324	1,632,481,854	11,667,540,119
Balance as at December 31, 2016	4,431,791,680	3,187,766,826	731,782,030	104,902	616,777,324	815,484,211	9,783,706,892

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

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

Liquidity Statement
As at 31 December 2017

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	2,662,145,335	-	-	-	6,301,060,000	10,963,205,335
Balance with other Banks and Financial Institutions	1,187,555,745	859,550,510	271,125,228	8,202,000	-	2,326,433,483
Money at Call & Short notice	4,690,000,000	-	-	-	-	4,690,000,000
Investments	1,124,979,011	307,400,355	4,497,969,955	4,721,124,208	12,837,845,106	24,508,319,634
Loans and Advances	15,127,244,553	35,656,589,157	48,606,946,546	36,590,746,012	5,274,047,906	140,956,492,174
Investment in Fixed Assets	-	-	-	-	3,727,466,367	3,727,466,367
Other Assets	867,774,639	79,154,522	984,744,861	6,783,579,210	5,336,999,991	15,641,640,267
Non Banking Assets	-	-	-	-	-	-
Total Assets	27,224,453,636	37,415,653,635	54,360,184,790	49,818,626,925	32,480,423,447	201,277,522,435
LIABILITIES						
Borrowing from Other Banks, Financial Institutions & Agents	2,187,104,934	1,003,965,000	5,466,316,717	5,500,026,045	6,262,065,928	18,417,678,624
Deposit and Other Accounts	22,346,653,263	35,573,025,536	48,158,270,367	41,820,344,757	5,768,114,986	153,666,408,909
Provision & Other Liabilities	67,446,033	269,872,257	1,043,258,460	6,689,933,527	4,479,562,355	13,550,145,632
Subordinated Debts	-	-	600,000,000	5,400,000,000	2,000,000,000	8,000,000,000
Total Liabilities	24,558,758,196	36,846,862,793	54,468,845,544	54,410,304,284	18,510,742,283	189,634,213,165
Net Liquidities	2,665,695,409	570,790,842	(108,661,754)	(4,591,677,359)	13,969,681,164	11,643,309,270

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

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

Notes to the Financial Statements
For the year ended 31 December 2017

Corporate Profile and Significant Accounting Policies

1.00 The bank and its activities

1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 111 (One hundred eleven) Branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 50 (Fifty) Agent Banking Centre, 01(One)Air Lounge and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

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

The principal activities of the bank are to provide all kinds of commercial banking and related services such as accepting deposits, lending loans to customers, issuing debit and credit cards, smsbanking, internet banking, call centre, trade and services, treasury functions, cash management, securities and custody services, remittance services, privilege banking services, dealing in government securities 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. This 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. Separate Financial Statements of Off-shore Banking Unit has been drawn up in **Annexure G.**

1.04 Subsidiaries

1.4.1 MTB Securities Limited (MTBSL)

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

1.4.2 MTB Exchange (UK) Limited (MTB UK)

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

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

1.4.3 MTB Capital Limited (MTBCL)

The Bank obtained permission to embark upon Merchant Banking from the Bangladesh Securities and Exchange Commission (BSEC) vides 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 December 31, 2017 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 by the BRPD Circular no. 14, dated June 25, 2003, other Bangladesh Bank circulars, the Companies Act, 1994, the Bangladesh Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh. Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail.

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

2.01.01 Investment in shares and securities

BFRSs: As per requirements of "BAS 39: Financial Instruments: Recognition and Measurement" investments in shares and securities generally falls either under "at fair value through profit and loss accounts" or under"available for sale" where any change in the fair value at the period 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, June 25, 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 May 26, 2008 and subsequent clarification in DOS Circular no. 05, dated January 28, 2009 of Bangladesh Bank, loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through Income accounts, but any gain on such revaluation should be recorded under revaluation reserve accounts. However, at the year-end if there is any revaluation gain for any particular held for trading T-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 (BAS) 39, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular no. 14, dated September 23, 2012, BRPD Circular no. 19, dated December 27, 2012, BRPD Circular no. 05, dated May 29, 2013, BRPD Circular no. 16, dated November 18, 2014, BRPD Circular no. 08, dated August 02, 2015, BRPD Circular no. 15, dated September 27, 2017 and BRPD Circular no. 01, dated February 20, 2018 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 September 18, 2007 and BRPD Circular no. 01, dated January 03, 2018, a general provision at 1% should be provided for all off-balance sheet exposures except general provision against the LC for First Track Power Supply Projects.Such provision policies are not specifically in line with those prescribed by BAS39.

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 BAS39. As such some disclosure and presentation requirements of "BFRS7: Financial Instrument- Disclosures" and "BAS32: Financial Instruments-Presentation" cannot be made in the accounts.

2.01.05 REPO transactions

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

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

2.01.06 Financial guarantees

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

Bangladesh Bank: As per BRPD circular # 14, dated June 25, 2003 a 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.

2.01.08 Non-banking assets

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

Bangladesh Bank: As per BRPD circular # 14, dated June 25, 2003, there should exist a face item named non-banking assets.

2.01.09 Cash flow statement

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

Bangladesh Bank: As per BRPD circular # 14, dated June 25, 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 # 14, dated June 25, 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

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

2.02 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiary, as mentioned in note No.1.03 has been consolidated in accordance with Bangladesh Accounting Standard (BAS) 27 "Separate Financial Statements" and Bangladesh Financial Reporting Standard (BFRS) 10 "Consolidated Financial Statements". The Consolidation of the Financial Statement has been made after eliminating all material 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 December 31, 2017.

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	110.9917	82.7000
For income & expenses	Average price	104.6053	80.6263

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:

a) 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.
b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
c) 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 (BASs) and Bangladesh Financial Reporting Standards (BFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

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

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

2.07 Materiality, aggregation and off setting

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

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

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 (BAS) 7: Statement of Cash Flows** and under the guideline of Bangladesh Bank BRPD Circular No. 14, dated June 25, 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the financial period.

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 (BAS) 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 period 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 accredited, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

a) Held to maturity (HTM)

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

b) Held for trading (HFT)

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

c) Revaluation

As per the DOS Circular letter no. 05, dated May 26, 2008 & subsequent amendment DOS circular no.05, dated January 28, 2009 and DOS circular no. 21, dated October 27, 2009. 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 (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bonds (HTM)	Cost	Amortized cost	Amortized gain / loss transferred to revaluation reserve.
Zero coupon bond	Cost	Amortized cost	None
Prize bond	Cost	None	None
Debentures	Cost	At cost price	None
Unquoted shares and debenture	Cost	None	Loss transferred to profit and loss account but no unrealized gain recorded.
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, 16, 8, 15 & 01 dated September 23, 2012, December 27, 2012, May 29, 2013, November 18, 2014,August 02, 2015, September 27, 2017 & February 20, 2018.

Interest on loans and advances

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

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

Provision for loans and advances

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

Rate of provision

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

Presentation of loans and advances

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

Security against Loans:

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

Bills Purchased and Discounted

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

Written off loans and advances

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

2.14.04 Property, plant and equipments

a) Recognition

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

Property, plant and equipments have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per BAS-16: Property, plant and 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

Category of Fixed Assets	Method of Depreciation	Rates of Depreciation
Land	N/A	Nil
Immovable Property	Reducing balance method	2.50%
Furniture & Fixtures	Reducing balance method	10%
Office Equipment	Reducing balance method	20%
Motor Vehicles	Straight line method	20%
Books & Periodicals	Reducing balance method	10%
Leasehold Assets	Straight line method	20%
Intangible Assets	Reducing balance method	20%

c)Disposal of fixed assets

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

d) Capital Work-in-Progress

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

e)Borrowing costs

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

f) Impairment

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

2.14.05 Other assets

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

Provision for other assets

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

2.14.06 Receivables

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

2.14.07 Leases

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

The Bank as Lessor

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

The Bank as Lessee

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

2.14.08 Non-Banking Assets

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

2.14.09 Reconciliation of inter-bank/inter-branch account

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

2.15 Liabilities and provision

2.15.01 Borrowings from other banks, financial institutions and agents

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

2.15.02 Deposits and other accounts
Depositsand 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 liability
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 bank. Provisions and accrued expenses are recognized in the financial statements when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.15.04 Employee benefit scheme
The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with provisions of Bangladesh Accounting Standard (BAS) 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 approved by the National Board of Revenue. The Gratuity Fund is managed separately by "MTBL Employees Gratuity Fund" and any investment decision out of this fund is also made by this trust.

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

Completed years of Service	Payment of Gratuity
8 years& above	2.00 basic for each year of service in MTB
7 years	1.70 basic for each year of service in MTB
6 years	1.35 basic for each year of service in MTB
5 years	1.00 basic for each year of service in MTB

c) MTB Employees' Welfare Fund
The welfare fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund from time to time. The fund has been established to provide a token of appreciation or financial assistance to the employees and their family members for education, funeral function, etc. The fund is governed and administered by the Board of trustees consisting of four (04) 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 (04) 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 four (04) 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 four (04) members.

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

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

b. Deferred tax
The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh and as per BAS-12 (Income Taxes). Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred Tax liabilities are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized.

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

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

2.16.02 Paid-up capital
Paid-up 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. 14 of September 23, 2012 and 01 of January 03, 2018.

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

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

2.19.01 Interest income
In terms of the provisions of the **BAS-18 "Revenue"**, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.
a) Interest on unclassified loans and advances (except SMA) has been accounted for as income on accrual basis and calculated on daily product basis but charged and accounted for quarterly and in some cases yearly;
b) Interest on classified loans and advances has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per Instruction of Bangladesh Bank;
c) No interest is changed 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 period 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 recognizedas income or expense for the period 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 period.

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

2.21 Reporting period
These financial statements of the bank and its subsidiary cover the period from January 01 to December 31, 2017.

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

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). Mutual Trust Bank Limited has applied all the applicable of BAS and BFRS as adopted by ICAB while preparing the financial statements. Details are given below:

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
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
Financial Instruments	9	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	N/A

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

2.23 Regulatory & legal compliance
The bank has complied with the requirements of following regulatory & legal authority:
a) The Bank Companies Act, 1991(as amended up to 2013)
b) The Companies Act, 1994
c) Rules & regulations issued by Bangladesh Bank
d) The Securities & Exchange Rules, 1987
e) The Securities & Exchange Ordinance, 1969
f) The Securities & Exchange Act, 1993
g) IPO Rules, 1998
h) The Income-tax Ordinance, 1984
i) VAT Act, 1991
j) Dhaka Stock Exchange (listing) regulation 2015

2.24 Proposed dividend
Proposed dividend has not been recognized as a liability in the statement of financial position in accordance with Bangladesh Accounting Standards **(BAS) 10: Events after the Reporting Period**.

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

2.26 Operating segment
The bank has only one reportable business segment and the bank is operating with the geographical territory of Bangladesh. Hence segment reporting in accordance with **BFRS-8: Operating Segments** is applicable.

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

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

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

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

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

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

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

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

(b) Market Risk
Marketrisk 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 in housed in a separate department i.e. **Treasury.**

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

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

ii. Interest Rate Risk

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

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

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

iii. Equity Risk

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

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

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

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

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

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

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

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

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

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

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

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

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Anwarul Amin	Independent Director	Chairman	Graduated from Westminster Bank Institute of Banking, Oaken Holt, Oxford shire, UK
02.	Mr. Rashed Ahmed Chowdhury	Director (Former Chairman)	Member	Higher National Diploma in Business Studies from West London College, UK and Post Graduate Degree in Business Management from Kingston University, UK and also member of the Chartered Management Institute, UK
03.	Khwaja Nargis Hossain	Director	Member	MA in Islamic History from University of Dhaka
04.	Dr. Sultan Hafeez Rahman	Independent Director	Member	Ph.D. and M.A from Stanford University, USA and M.A in Economics from Vanderbilt University, USA

During the period, 04 (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.

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

2.32 Approval of Financial Statements

The financial statements were approved by the Board of Directors on April 17, 2018.

2.33 General

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

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

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

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

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Mutual Trust Bank Ltd.

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Financial Statements 2017

	December 31, 2017 BDT	December 31, 2016 BDT
3.00 Consolidated cash		
i. Cash in hand (including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.1)	2,179,317,124	1,971,972,917
MTB Securities Limited	6,368,104	13,299,362
MTB Capital Limited	4,414	257
MTB Exchange (UK) Limited	5,474,610	2,205,486
	2,191,164,252	**1,987,478,022**
ii. Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currency)		
Mutual Trust Bank Limited (Note-3.a.2)	10,885,959,265	9,275,568,555
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	10,885,959,265	**9,275,568,555**
	13,077,123,517	**11,263,046,577**
3.a Cash		
In Hand (including foreign currency) (Note 3.a.1)	2,179,317,124	1,971,972,917
With Bangladesh Bank and its agent Bank (s) (including foreign currency) (Note 3.a.2)	10,885,959,265	9,275,568,555
	13,065,276,389	**11,247,541,472**
3.a.1 In Hand (Including foreign currency)		
Local Currency	2,163,641,045	1,962,890,380
Foreign Currency	15,676,079	9,082,537
	2,179,317,124	**1,971,972,917**
3.a.2 Balance with Bangladesh Bank and its agent Bank (s)		
With Bangladesh Bank		
Local Currency	10,484,435,034	8,943,165,787
Foreign Currency	251,477,799	181,434,787
With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	150,046,432	150,967,981
	10,885,959,265	**9,275,568,555**

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, 2017 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	61	3	69,567,302	11,465,687
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	**61**	**3**	**69,567,302**	**11,465,687**

All unadjusted entries are subsequently adjusted on regular basis.

3.a.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of The Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank DOS circular no.01 dated 19 January 2014 and MPD circular no. 01 dated June 23, 2014.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS circular no. 01 dated January 19, 2014 and MPD circular no. 01 dated June 23, 2014; bank has to maintain CRR 6.00% on daily basis and 6.50% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at December 31, 2017 are as follows:

i. Daily Bank's CRR Maintenance

	2017		2016	
	Ratio in %	BDT Million	Ratio in %	BDT Million
Required Reserve (6.00% of ATDTL)	6.00%	8,660.01	6.00%	8,007.01
Actual Reserve Maintained	7.22%	10,426.33	6.61%	8,826.80
Surplus	**1.22%**	**1,766.32**	**0.61%**	**819.78**

ii. Bi-weekly Bank's CRR Maintenance

Required Reserve (6.50% of ATDTL)	6.50%	9,381.68	6.50%	8,674.27
Actual Reserve Maintained (Average)*	6.72%	9,696.38	6.59%	8,790.62
Surplus	**0.22%**	**314.70**	**0.09%**	**116.35**

* Last bi-weely average of December, 2017

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the bank as at December 31, 2017 are as follows:

	2017		2016	
	Ratio in %	BDT Million	Ratio in %	BDT Million
Required Reserve (13% of ATDTL)	13.00%	18,763.36	13.00%	17,348.53
Actual Reserve Maintained	18.07%	26,077.51	16.41%	21,902.89
Surplus	**5.07%**	**7,314.15**	**3.41%**	**4,554.36**

i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)		
Cash in Hand	2,179.32	1,971.97
Excess Cash Reserve	1,044.65	152.53
Balance with Agent Bank (Sonali Bank Ltd)	150.05	150.97
Held to Maturity (HTM) Securities	16,263.41	13,888.85
Held for Trading (HFT) Securities	6,438.30	5,737.17
Other eligible securities	1.78	1.40
	26,077.51	**21,902.89**

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

4.00 Consolidated Balance with other Banks and Financial Institutions		
In Bangladesh		
Mutual Trust Bank Limited (Note-4.a.1)	586,801,419	7,158,101,358
MTB Securities Limited	887,806,759	427,220,120
MTB Capital Limited	16,491,176	22,850,599
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(461,095,059)	(321,277,338)
	1,030,004,295	**7,286,894,739**
Outside Bangladesh		
Mutual Trust Bank Limited (Note-4.a.2)	1,768,252,369	861,521,672
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,768,252,369	**861,521,672**
	2,798,256,664	**8,148,416,411**
4.a Balance with other Banks and Financial Institutions		
In Bangladesh (Note-4.a.1)	586,801,419	7,158,101,358
Outside Bangladesh (Note- 4.a.2)	1,768,252,369	861,521,672
	2,355,053,788	**8,019,623,030**
4.a.1 In Bangladesh		
Fixed Deposits Receipt (FDR)		
Meridian Finance & Investment Limited	50,000,000	-
International Leasing & Financial Services Limited	200,000,000	300,000,000
BD Finance & Investment Company Limited	100,000,000	100,000,000
Lanka Bangla Finance Limited	-	250,000,000
IDLC Finance Limited	-	500,000,000
Union Capital Limited	-	200,000,000
MIDAS Financing Limited	-	100,000,000
Fareast Finance Limited	-	100,000,000
Premier Leasing & Finance Limited	-	100,000,000
Prime Finance & Investment Limited	-	200,000,000
One Bank Limited	-	1,000,000,000
FAS Finance Ltd	-	50,000,000
GSP Finance Company (Bangladesh) Limited	-	100,000,000
Bay Leasing & Investment Limited	-	100,000,000
Bank Alfalah Limited	-	300,000,000
Industrial & Infrastructure Development Finance Company Limited	-	300,000,000
Delta Brac Housing Limited	-	200,000,000
Standard Bank Limited	-	400,000,000
IPDC Limited	-	150,000,000
NRB Global Bank Limited	-	200,000,000
Premier Bank Limited	-	400,000,000
SBAC Bank Limited	-	200,000,000
National Bank Limited	-	1,000,000,000
Mercantile Bank Limited	-	500,000,000
Midland Bank Limited	-	200,000,000
Bangladesh Industrial Finance Company Limited	-	50,000,000
Special Notice Deposit (SND)		
Dutch Bangla Bank Limited	66,132	65,052
BASIC Bank Limited	14,099,907	78,330
Sonali Bank Limited	8,976	6,036,307
Agrani Bank Limited	14,463,105	21,468,604
Janata Bank Limited	6,543,571	10,256,999
Standard Chartered Bank	58,939,662	21,868,301
State Bank of India	-	6,573
Current Deposits (CD)		
Sonali Bank Limited	-	-
Bkash Limited	24,168	-
Arab Bangladesh Bank Limited	200,000	200,000
Southeast Bank Limited	511,637	783,567
Islami Bank Bangladesh Limited	9,432	298,288
Janata Bank Limited	112,021	17,927
Agrani Bank Limited	141,822,809	95,287,560
Brac Bank Limited	-	1,733,851
Sub total	**586,801,419**	**7,158,101,358**
4.a.2 Outside Bangladesh (NOSTRO Accounts)		
In current account		
Mashreq Bank Psc, New York	52,345,475	28,518,682
Standard Chartered Bank, New York	426,412,919	119,853,479
Habib American Bank, New York	110,048,836	82,391,715
Mashreq Bank Psc, London	-	7,083,628
ICICI Bank Ltd., Hong Kong	19,410,576	16,715,010
Sonali Bank (UK) Ltd., London	-	38,030,741
Commerz Bank AG, Germany	10,573,988	10,404,369
KB Kookmin Bnak, South Koria	6,298,714	10,675,868
Standard Chartered Bank, Singapore	950,745	2,231,309
Standard Chartered Bank, Colombo	5,792,242	4,886,884
Mashreq Bank Psc, London	3,593,850	2,508,704
Standard Chartered Bank, London	2,786,077	6,377,540
Sonali Bank (UK) Ltd., London	654,799	43,846
Habib American Bank, Zurich	2,329,581	1,590,578
Standard Chartered Bank, Tokyo	2,552,407	1,613,361
UBAF, Tokyo	1,045,114	462,030
Mashreq Bank Psc., London	266,274	1,143,902
Standard Chartered Bank, Germany	746,587	3,267,281
Sonali Bank (UK) Ltd., London	-	23,267
Sonali Bank Ltd., Kolkata	12,805,414	6,337,199
ICICI Bank Ltd., Mumbai	607,168	515,978
Unicredit Bank AG, Germany	1,811,388	1,803,889
Commerze Bank AG, Germany	33,657,782	39,342,287
Standard Chartered Bank, Mumbai	575,960	21,699,178
Standard Chartered Bank, Kolkata	41,389,900	39,389,071
Standard Chartered Bank, Karachi	5,242,484	3,909,800
United Bank of India, Kolkata	10,803,342	25,407,392
United Bank of India, Kolkata	416,199	347,725
Mashreq Bank Psc, Mumbai	7,136,944	18,133,856
AB Bank Ltd., Mumbai	52,535,622	45,818,747
ICICI Bank Ltd., Mumbai	31,408,674	30,288,502
HDFC Bank Ltd., Mumbai	23,651,275	19,169,222
Himalayan Bank Ltd., Kathmundu	9,054,823	8,617,104
Nepal Bangladesh Bank Ltd.	10,914,258	10,386,652
Habib Bank Ltd., Pakistan	-	15,739,512
Habib Metropoliton Bank Ltd., Karachi	15,036,887	4,610,513
Axis Bank Ltd., Mumbai	4,439,023	18,778,685
Mashreq Bank Psc, UAE	106,110,127	145,788,056
	1,013,405,453	**793,905,560**
ICICI Bank Ltd., Mumbai - **Term Deposit**	28,032,607	28,032,607
	1,041,438,060	**821,938,166**
Offshore Banking Unit	726,814,309	39,583,506
Sub total	**1,768,252,369**	**861,521,672**
Total	**2,355,053,788**	**8,019,623,030**

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

4.a.3 Maturity grouping of Balance with other Banks and Financial Institutions		
On Demand	1,187,309,749	4,043,124,899
Less than three months	888,388,916	3,025,215,069
More than three months but less than one year	271,123,028	923,250,455
More than one year but less than five years	8,232,095	28,032,607
More than five years	-	-
	2,355,053,788	**8,019,623,030**

5.a Money at Call and Short Notice:		
Call Money		
With Banking Companies (Note 5.a.1)	3,760,000,000	100,000,000
With Non-Banking Financial Institutions (Note 5.a.2)	930,000,000	890,000,000
	4,690,000,000	**990,000,000**
5.a.1 Call Money-With Banking Companies		
The Premier Bank Limited	490,000,000	-
The City Bank Limited	600,000,000	-
Bank Al- Falah Limited	300,000,000	-
AB Bank Limited	600,000,000	-
Habib Bank Limited	200,000,000	-
Standard Bank Limited	400,000,000	-
National Credit & Commerce Bank Limited	550,000,000	-
Dhaka Bank Limited	300,000,000	-
Pubali Bank Limited	200,000,000	-
Commercial Bank Of Ceylon	120,000,000	-
Modhumoti Bank Limited	-	40,000,000
The Farmers Bank Limited	-	60,000,000
	3,760,000,000	**100,000,000**
5.a.2 Call Money-With Non-Banking Financial Institutions		
Bangladesh Finance and Investment Company Limited	100,000,000	100,000,000
Fareast Finance and Investment Limited	140,000,000	90,000,000
International Leasing and Financial Services Limited	200,000,000	120,000,000
Phoenix Finance and Investments Limited	150,000,000	90,000,000
Industrial and Infrastructure Development Finance Company Limited	100,000,000	140,000,000
Lanka Bangla Finance Limited	240,000,000	-
Lanka Bangla Finance Limited	-	70,000,000
MIDAS Financing Limited	-	100,000,000
Premier Leasing and Finance Limited	-	100,000,000
Prime Finance and Investment Limited	-	80,000,000
	930,000,000	**890,000,000**
6.00 Consolidated Investments		
Government Investment		
Mutual Trust Bank Limited (Note-6.a.1)	22,703,494,533	19,627,418,568
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	22,703,494,533	**19,627,418,568**
Other Investments		
Mutual Trust Bank Limited (Note-6.a.2)	1,874,885,151	1,795,421,268
MTB Securities Limited	419,261,304	345,705,846
MTB Capital Limited	108,161,146	173,513,252
MTB Exchange (UK) Limited	-	-
	2,402,307,601	**2,314,640,365**
	25,105,802,134	**21,942,058,933**
6.a Investments		
Government (Note 6.a.1)	22,703,494,533	19,627,418,568
Others (Note 6.a.2)	1,874,885,151	1,795,421,268
	24,578,379,684	**21,422,839,836**
6.a.1 Government (Investment in Govt. securities)		
Treasury Bills (Note 6.a.1.1)	1,955,044,655	673,360,525
Treasury Bonds (Note 6.a.1.2)	20,746,673,678	18,952,661,743
Bangladesh Bank Bills	-	-
Prize Bonds	1,776,200	1,396,300
	22,703,494,533	**19,627,418,568**
6.a.1.1 Treasury Bills (at present value)		
Un-encumbered		
28 days	-	-
91 days	596,025,705	-
182 days	1,359,018,950	-
364 days	-	673,360,525
Sub-total	**1,955,044,655**	**673,360,525**
Encumbered		
91 days	-	-
182 days	-	-
364 days	-	-
Sub-total	**-**	**-**
Total Treasury Bill	**1,955,044,655**	**673,360,525**
6.a.1.2 Treasury Bonds		
Un-encumbered		
2 Years	2,241,764,351	1,445,834,096
5 Years	1,801,253,418	1,828,047,015
10 Years	9,657,244,065	9,775,463,982
15 Years	4,799,493,532	3,854,291,490
20 Years	2,246,918,311	2,049,025,158
Sub-total	**20,746,673,678**	**18,952,661,743**
Encumbered		
2 Years	-	-
5 Years	-	-
10 Years	-	-
15 Years	-	-
20 Years	-	-
Sub-total	**-**	**-**
Total Treasury Bond	**20,746,673,678**	**18,952,661,743**
6.a.2 Other (Investment in other securities)		
Shares and Mutual Fund in quoted companies		
Shares in Quated companies	136,840,327	274,230,408
Mutual Fund in Quated companies	403,381,073	655,527,110
(Details are shown in Annexure-B)	**540,221,401**	**929,757,518**
Shares in unquoted companies (at face value) :		
Industrial & Infrastructure Development Finance Company Limited	42,453,820	42,453,820
Central Depository (BD) Limited	15,694,430	15,694,430
Energypac Power Generation Limited	50,000,000	50,000,000
The Bangladesh Rating Agency Limited	4,915,500	4,915,500
BD Venture Limited	20,000,000	20,000,000
LIC Bangladesh Limited	30,000,000	30,000,000
	163,063,750	**163,063,750**
Funds:		
MTB Unit Fund	217,600,000	217,600,000
MTB First Mutual Fund	-	100,000,000
	217,600,000	**317,600,000**
Bonds :		
Prime Bank Bond (Note 6.a.2.1)	-	45,000,000
Uttara Finance & Investment Limited -Zero Coupon Bond (Note 6.a.2.2)	40,000,000	60,000,000
AB Bank Subordinated Bond (Note 6.a.2.3)	64,000,000	80,000,000
One Bank Subordinated Bond	100,000,000	100,000,000
Trust Bank Subordinated Bond	100,000,000	100,000,000
UCB Subordinated Bond	250,000,000	-
Jamuna Bank Subordinated Bond	150,000,000	-
NBL Subordinated Bond	250,000,000	-
	954,000,000	**385,000,000**
Total other investments	**1,874,885,151**	**1,795,421,268**
6.a.2.1 Prime Bank Bond		
Opening Balance	45,000,000	90,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.17	(45,000,000)	(45,000,000)
Closing Balance	**-**	**45,000,000**
6.a.2.2 Uttara Finance & Investment Limited- Zero Coupon Bond		
Principal	60,000,000	80,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.17	(20,000,000)	(20,000,000)
Redeemable Value	**40,000,000**	**60,000,000**
6.a.2.3 AB Bank Subordinated Bond		
Principal	80,000,000	80,000,000
Add: New investment	-	-
Less: Redeemed upto 31.12.17	(16,000,000)	-
Redeemable Value	**64,000,000**	**80,000,000**

6.a.3 There is no Assets pledged as security for liabilities as at December 31, 2017 of Treasury Bill and Bond against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at December 31, 2017

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Bangladesh Bank (Liquidity Support)	-	-	-
B. Bangladesh Bank (Repo)	-	-	-
Total			**-**

ii. There was no Reverse Repo as at December 31, 2017.

(b) Disclosure regarding overall transaction of Repo for the year 2017

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	148,885,200	4,072,732,441	887,556,364
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	10,297,736	1,005,494,911	8,421,653

6.a.4 Maturity grouping of Investment as follows:		
On Demand	1,524,578,279	1,796,817,567
Less than three months	797,400,639	406,890,801
More than three months but less than one year	4,497,950,359	1,458,243,864
More than one year but less than five years	7,720,604,208	8,390,555,955
More than five years	10,037,846,198	9,370,331,647
	24,578,379,684	**21,422,839,835**
7.00 Consolidated loans, advances and lease		
Mutual Trust Bank Limited (Note-7.a)	140,641,723,806	108,550,667,620
MTB Securities Limited	2,766,452,177	3,654,054,026
MTB Capital Limited	221,038,805	212,160,322
MTB Exchange (UK) Limited	-	-
	143,629,214,788	**112,416,881,968**
Less: Inter-company loan (MTB Securities Limited)	**(200,000,000)**	**(345,000,000)**
	143,429,214,788	**112,071,881,968**
Consolidated bills purchased and discounted:		
Mutual Trust Bank Limited (Note-7.a)	2,177,778,994	2,283,880,874
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,177,778,994	**2,283,880,874**
	145,606,993,782	**114,355,762,842**
7.a Loans and Advances		
In Bangladesh		
Loans (Note-7.a.1)	100,138,685,309	70,998,424,853
Cash Credits	26,045,442,610	23,543,911,762
Packing Credits	435,280,155	194,674,356
Overdrafts	14,022,315,733	13,813,656,649
	140,641,723,806	**108,550,667,620**
Bills Purchased and Discounted (Note-7.a.1.2)	2,177,778,994	2,283,880,874
	142,819,502,800	**110,834,548,493**
Outside Bangladesh	**-**	**-**
	142,819,502,800	**110,834,548,493**
7.a.1 Loans		
Term Loan	38,044,472,369	30,595,569,285
Small and Medium Enterprise Financing	18,019,404,459	10,451,837,733
Consumer Financing	213,394,897	294,062,208
Retail Financing	5,337,753,758	3,440,412,435
General Loans	4,200,638,761	3,372,091,336
Demand Loan	3,509,299,124	2,297,416,347
Payment Against Documents (PAD)	459,938,418	234,343,467
Trust Receipts	9,563,977,177	8,705,312,462
Lease Finance (Note-7.a.3)	433,457,049	452,952,776
Export Development Fund Loan	5,925,194,797	3,443,955,602
House Building Loan	4,562,343,472	3,742,097,634
Staff/Employee Loan	632,707,007	667,505,850
Loan to MTB Securities Limited	200,000,000	345,000,000
Loan to MTB Capital Limited	-	-
Loan to MTB Exchange (UK) Limited	-	-
	91,102,581,288	**68,042,557,136**
Offshore Banking Unit	9,036,104,020	2,955,867,717
	100,138,685,309	**70,998,424,853**
7.a.2 Bill Purchased and Discounted		
Payable in Bangladesh	1,829,861,118	1,987,680,277
Payable outside Bangladesh	146,261,810	126,386,035
	1,976,122,929	**2,114,066,312**
Offshore Banking Unit	201,656,065	169,814,562
	2,177,778,994	**2,283,880,874**
7.a.3 Net Loans & Advances		
Gross Loans & Advances (Note- 7.a)	**142,819,502,800**	**110,834,548,493**
Less:		
Interest Suspense (Note- 12.a.5)	1,062,187,946	905,633,141
Provision for Loans & Advances (Note -12.a.1)	4,414,765,000	3,158,534,528
Net Loans & Advances	**137,342,549,854**	**106,770,380,825**
7.a.4 Gross Lease Rent Receivable		
within 1 year	96,149,980	101,057,859
within 5 years	441,933,362	464,491,404
after 5 years	-	-
	538,083,342	**565,549,263**
Less: Unearned Lease Rent	104,626,293	112,596,487
	433,457,049	**452,952,776**
7.a.5 Residual Maturity grouping of Loans and Advances		
On Demand	15,281,244,353	13,799,069,111
Not more than three months	35,656,989,191	28,331,114,340
More than three months but less than one year	48,606,866,548	37,255,551,757
More than one year but less than five years	36,900,160,812	21,845,828,493
More than five years	6,374,241,896	9,602,984,793
	142,819,502,800	**110,834,548,494**

7.a.6 Significant concentration wise grouping of Loans & advances:		
a) Directors	-	-
b) Chief Executive & other Senior Executives	**632,707,007**	**667,505,850**
i) Managing Director	-	-
ii) Other Senior Executives	632,707,007	667,505,850
c) Advances to Industries		
Agriculture	3,545,368,157	3,069,895,369
RMG	19,016,650,232	11,901,638,990
Textile	13,446,170,835	9,781,370,446
Ship Building	2,106,337,996	1,254,822,262
Ship Breaking	3,673,620,349	1,790,274,575
Other Manufacturing industry	22,918,180,821	24,250,084,620
SME loans	19,576,939,152	15,260,841,835
Construction	1,242,960,734	1,156,184,500
Power, Gas	2,216,057,968	1,870,790,000
Transport, Storage and Communication	1,270,278,523	418,359,000
Trade Service	33,143,233,198	15,228,568,023
Commercial real estate financing	4,561,338,770	7,364,841,229
Residential real estate financing	685,504,287	869,250,138
Consumer credit	7,448,218,289	2,180,839,432
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	200,000,000	345,000,000
NBFIs	4,027,289,725	4,985,274,312
Others	3,108,646,758	8,439,007,914
	142,186,795,793	**110,167,042,644**
	142,819,502,800	**110,834,548,494**
7.01 Significant concentration wise grouping of Consolidated Loans & advances:		
a) Directors	-	-
b) Chief Executive & other Senior Executives	**632,707,007**	**667,505,850**
i) Managing Director	-	-
ii) Other Senior Executives	632,707,007	667,505,850
c) Advances to Industries		
Agriculture	3,545,368,157	3,069,895,369
RMG	19,016,650,232	11,901,638,990
Textile	13,446,170,835	9,781,370,446
Ship Building	2,106,337,996	1,254,822,262
Ship Breaking	3,673,620,349	1,790,274,575
Other Manufacturing industry	22,918,180,821	24,250,084,620
SME loans	19,576,939,152	15,260,841,835
Construction	1,242,960,734	1,156,184,500
Power, Gas	2,216,057,968	1,870,790,000
Transport, Storage and Communication	1,270,278,523	418,359,000
Trade Service	33,143,233,198	15,228,568,023
Commercial real estate financing	4,561,338,770	7,364,841,229
Residential real estate financing	685,504,287	869,250,138
Consumer credit	7,448,218,289	2,180,839,432
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	2,987,490,982	3,866,214,348
NBFIs	4,027,289,724	4,985,274,312
Others	3,108,646,758	8,439,007,914
	144,974,286,775	**113,688,256,992**
	145,606,993,782	**114,355,762,842**

7.a.7 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 18,846.47 million as at December 31, 2017 (BDT 13,699.25 million in 2016)

Number of Clients	43	48
Outstanding Advances (BDT Million)	71,301	54,899

Client wise details are given below:

BDT Million

Name of the clients	Sanction limit	Outstanding		Total	Classification Status
		Funded	Non - Funded		
MSA Group	3,530.00	1,654.20	1,091.60	2,745.80	UC
City Group	5,900.00	1,499.90	2,097.70	3,597.60	UC
City Seed Crushing Industries Ltd. & its allied concerns	4,560.00	1,505.00	1,483.80	2,988.80	UC
Ctg. Denim & its allied concerns	2,235.90	85.40	665.50	750.90	UC
Bengal Group	2,635.50	893.10	222.50	1,115.60	UC
Walton	2,200.00	928.30	34.70	963.00	UC
Meghna Group	4,100.00	0.10	3,544.20	3,544.30	UC
Dynasty Group	1,752.70	721.90	170.80	892.70	UC
Lankabangla Finance Limited	1,950.00	610.60	-	610.60	UC
Karnafuly Ship Builders Ltd & its allied concerns	4,100.00	1,216.70	1,697.10	2,913.80	UC
Energypac Engineering Ltd.	3,250.00	1,031.50	1,794.00	2,825.50	UC
Confidence Group	1,900.00	485.00	632.20	1,117.20	UC
BBS Cables Ltd. & its allied concerns	2,100.00	928.00	146.90	1,074.90	UC
BSRM	2,900.00	259.50	490.70	750.20	UC
Purbani Group	1,940.00	459.30	82.20	541.50	UC
ASR Group	1,945.20	1,260.00	102.40	1,362.40	UC
Rahmat Group	2,435.90	1,522.10	197.80	1,719.90	UC
Dekko Group	2,619.00	902.30	67.90	970.20	UC
AJI Group	2,913.20	1,084.60	889.10	1,973.70	UC
Sajeeb	1,800.00	528.00	86.20	614.20	UC
Ahsan Composite Ltd & its allied concerns	1,860.00	260.60	1,216.10	1,476.70	UC
EON Group	2,165.00	1,423.90	551.30	1,975.20	UC
Oxford Shirt Limited & its allied concerns	2,080.00	1,532.90	481.80	2,014.70	UC
Summit Holding ltd its allied concerns	6,162.00	928.70	1,882.40	2,811.10	UC
Pran-RFL	3,850.00	813.10	1,805.60	2,618.70	UC
Bashundhara Food & Beverage induatries ltd its allied concerns	4,750.00	1,415.90	2,441.60	3,857.50	UC
Epyllion Fabrics Limited & its allied concerns	2,645.00	1,333.80	174.90	1,508.70	UC
BRAC	1,850.00	12.30	-	12.30	UC
SQ Celsius Limited & its allied concerns	3,210.00	1,828.60	894.00	2,722.60	UC
Pride Group	2,080.00	398.10	536.70	934.80	UC
Northern Tosrifa Group	1,889.70	283.60	167.90	451.50	UC
Arkay Knit Dyeing Mills Ltd	3,029.00	107.30	424.70	532.00	UC
Mahdeen Group	2,010.00	972.00	202.70	1,174.70	UC
ROBI Axiata Ltd.	2,050.00	-	597.70	597.70	UC
Abul Khair Group	3,610.00	1,587.80	1,350.90	2,938.70	UC
Kabir Steel	2,150.00	354.50	360.00	714.50	UC
Saad Musa Group	2,800.00	2,353.60	111.30	2,464.90	UC
Sitalpur Auto Steel Mills Ltd & its allied concerns	2,200.00	1,450.00	426.60	1,876.60	UC
Modern Poly industries Ltd & its allied concerns	1,760.00	-	601.40	601.40	UC
Asadi Group	2,200.00	-	1,303.00	1,303.00	UC
BSM	1,950.00	537.60	1,359.30	1,896.90	UC
Sheema Automatic Re-Rolling Mills Ltd & its allied concerns	2,346.60	706.90	1,630.80	2,337.70	UC
KDS Group	3,150.00	727.60	678.90	1,406.50	UC
Total	**118,564.70**	**36,604.30**	**34,696.90**	**71,301.20**	

7.a.7.1 Large Loan Restructuring

i) The Term Loan (Non-Industrial) liabilities for BDT 93.24 Million against Jamuna Denims Ltd. and BDT 817.91 Million against Jamuna Builders Ltd. both the companies are sister concern of Jamuna Group, have been restructured vide Bangladesh Bank approval dated September 02, 2015 for a period of 12 years (including 12 months moratorium period) as per BRPD Circular no. 04 dated January 29, 2015 on "Large Loan Restructuring".

ii) The Term Loan (Industrial) liabilities for BDT 404.41 Million against Abdul Monem Ltd. and BDT 762.45 Million against Abdul Monem Sugar Refinery Ltd. have been restructured vide Bangladesh Bank approval dated August 31, 2015 for a period of 12 years (including 09 months moratorium period) as per BRPD Circular no. 04 dated January 29, 2015 on "Large Loan Restructuring".

7.a.8 Classification of Loans and Advances:		
Unclassified (UC):		
Standard	133,113,561,800	102,626,596,813
Special Mention Account (SMA)	3,437,584,000	3,224,863,681
Sub total	**136,551,145,800**	**105,851,460,494**
Classified:		
Substandard	166,108,000	846

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7.a.12 Sector-wise Loans (including Bill Purchased and Discounted)

Public sector	-	15,975,287
Co-Operative sector	-	-
Private sector	142,819,502,800	110,818,573,207
	142,819,502,800	**110,834,548,494**

7.a.13 Particulars of Loans and Advances:

I) Debts considered good in respect of which the bank company is fully secured.	111,928,071,080	90,904,582,309
II) Debts considered good for which the bank holds no other security than the debtor's personal security.	1,052,521,606	760,565,810
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	23,570,553,114	14,186,312,376
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	632,707,007	667,505,850
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.	632,707,007	667,505,850
VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as member.	-	-
IX) Due from banking companies;	-	-
X) Amount of classified loan on which interest has not been charged, should be mentioned as		
a. i) (Decrease)/Increase in provision,	1,490,755,481	864,534,528
ii) amount of loan written off	116,190,000	-
iii) amount realized against loan previously written off;	1,238,700	1,260,000
b. Amount of provision kept against loan classified as ' bad/loss' on the date of preparing the balance sheet	2,339,774,193	1,930,952,158
c. Interest creditable to the interest Suspense A/c;	501,528,857	905,633,141
XI) Cumulative amount of loans written off		
Opening Balance	1,479,660,000	1,479,660,000
Amount Written off during the year	116,190,000	-
Balance of Written off Loans & Advance	**1,595,850,000**	**1,479,660,000**
XII) The amount of written off loan for which law suit has been filed	1,595,850,000	1,479,660,000

7.a.14 Maturity grouping of Bill Purchased and Discounted

Payable within one month	603,703,516	633,116,086
More than one month but less than three months	1,169,265,574	1,226,232,454
More than three months but less than six months	404,809,904	424,532,333
More than or equal to six months	-	-
	2,177,778,994	**2,283,880,873**

7.03 Consolidated list of Asset pledged as collaterals:

Collateral of movable/immovable assets	85,124,049,125	13,851,978,636
Export documents	14,330,952,146	6,070,872,792
Fixed deposit receipts	7,527,115,338	3,178,773,573
Other securities	26,968,545,853	72,221,151,803
Personal guarantee	11,656,331,320	19,032,986,038
	145,606,993,782	**114,355,762,842**

7.04 Maturity grouping of Consolidated Loans and Advances

On Demand	15,281,244,353	13,799,069,111
Not more than three months	35,656,989,191	28,331,114,340
More than three months but less than one year	48,606,866,548	37,255,551,757
More than one year but less than five years	36,900,160,812	21,845,828,493
More than five years	9,161,732,878	13,124,199,141
	145,606,993,782	**114,355,762,842**

8.00 Consolidated fixed assets including premises, furniture and fixtures

Mutual Trust Bank Limited (Note-8.a)	3,127,669,387	3,042,051,609
MTB Securities Limited	75,782,247	89,710,140
MTB Capital Limited	5,670,802	6,575,609
MTB Exchange (UK) Limited	2,142,929	2,633,885
Consolidated net book value at the end of the year	**3,211,265,364**	**3,140,971,243**

Details are shown in Annexure-C

8.a Fixed Asset including Premises, Furniture & Fixture

Cost		
Land	104,253,000	104,253,000
Immovable Property	1,455,740,795	1,455,740,795
Furniture & Fixtures	1,346,987,053	1,277,414,563
Office Equipments	1,725,443,429	1,531,068,277
Motor Vehicles	141,320,597	101,542,673
Books & Periodicals	423,974	423,974
Leased Asset	30,410,000	37,955,000
Intangible Assets	199,696,090	112,208,736
Total Cost	**5,004,274,938**	**4,620,607,018**
Less: Accumulated Depreciation	1,876,605,551	1,578,555,409
Book value at the end of the year	**3,127,669,387**	**3,042,051,609**

Details are shown in Annexure-C (i)

9.00 Consolidated other assets

Mutual Trust Bank Limited (Note-9,a)	10,641,640,357	8,923,815,634
Less: Investment in subsidiary	(3,528,395,800)	(3,528,395,800)
	7,113,244,557	**5,395,419,834**
MTB Securities Limited	145,182,788	134,848,770
MTB Capital Limited	45,699,342	40,094,419
MTB Exchange (UK) Limited	1,045,153	844,072
Less: Intragroup receivable & payable	(40,679,107)	(40,776,230)
	151,248,176	**135,011,030**
	7,264,492,733	**5,530,430,863**

9.a Other Asset

Classification of Other Asset		
A) Income generating Other Asset		
i) Investment in Shares of Subsidiary Companies (Note-9.a.1)	3,528,395,800	3,528,395,800
B) Non-Income generating Other Assset :		
i) Stationery, Stamps, Printing materials in stock etc.	22,686,331	21,474,393
ii) Advance Rent and Advertisement	245,011,577	317,582,871
iii) Interest Accrued on Investment but not collected & other income receivable	24,171,624	26,416,646
iv) Security Deposit	10,590,161	10,695,057
v) Branch Adjustment	-	-
vi) Suspense Account (Note- 9.a.2)	218,501,990	193,253,088
vii) Others (Note- 9.a.3)	6,592,282,873	4,825,997,779
	10,641,640,357	**8,923,815,634**

9.a.1 Investment in Shares of Subsidiary Companies

MTB Securities Limited	3,250,000,000	3,250,000,000
MTB Capital Limited	250,000,000	250,000,000
MTB Exchange (UK) Limited	28,395,800	28,395,800
	3,528,395,800	**3,528,395,800**

9.a.2 Suspense Account

Sundry Debtors	31,548,171	19,701,579
Advance against TA/DA	19,000	-
Legal Expenses	8,551,087	5,415,689
Sanchay Patra	174,414,235	164,234,611
Others	3,969,497	3,901,209
	218,501,990	**193,253,088**

9.a.3 Others

Advance Income Tax (Note-9.a.3.1)	5,146,850,703	4,163,606,805
Stock of Commemorative Coins	218,320	218,320
Clearing House Adjustment	-	1,500,000
Deferred Tax Assets (Note-9.a.3.2)	721,326,693	-
Advance Against Interior Decoration	4,600,000	43,627,000
Advance to Employee	5,644,025	13,101,530
Advance to Suppliers/Parties	68,554,889	120,589,888
Placement to Off-Shore Banking Unit	1,616,516,543	193,422,813
Receivables from Off-Shore Banking Unit	124,102,942	34,894,959
Receivables from MTBUK	40,679,107	40,776,230
Interest Receivable on Treasury Bond	574,868,100	402,111,800
Interest Receivable on Call Money	2,136,111	365,417
Interest Receivable on Balance with Other Bank	9,498,333	40,100,789
	8,314,995,767	**5,054,315,552**
Add: Offshore Banking Unit	17,906,592	-
Less: Inter transaction with Offshore Banking Unit	(1,740,619,486)	(228,317,773)
Total	**6,592,282,873**	**4,825,997,779**

9.a.3.1 Advance Income Tax

Opening Balance	4,163,606,805	3,474,990,108
Add: Payment during the year	983,243,898	688,616,697
Closing Balance	**5,146,850,703**	**4,163,606,805**

9.01 Consolidated Advance Income Tax

Mutual Trust Bank Limited (Note-9.a.3.1)	5,146,850,703	4,163,606,805
MTB Securities Limited	58,771,987	35,681,960
MTB Capital Limited	24,745,303	11,242,320
MTB Exchange (UK) Limited	-	-
	5,230,367,992	**4,210,531,085**

9.a.3.2 Deferred Tax Assets/ (Liabilities)

Opening Balance	(179,933,711)	(147,634,135)
Add: Deferred Tax Income/(Expense) during the year (Note-9.a.3.2.2)	901,260,404	(32,299,576)
Closing Balance	**721,326,693**	**(179,933,711)**

9.02 Consolidated Deferred Tax Assets/ (Liabilities)

Mutual Trust Bank limited (Note-9.a.3.2)	721,326,693	(179,933,711)
MTB Securities Limited	(4,514,310)	(4,100,994)
MTB Capital Limited	(179,580)	(206,087)
MTB Exchange (UK) Limited	-	-
	716,632,803	**(184,240,792)**

9.a.3.2.2 Computation of deferred tax

Fixed Assets		
Accounting written down value	3,069,836,937	3,006,497,083
Tax base written down value	2,533,379,475	2,556,662,803
Deductable/(Taxable) temporary difference	**(536,457,462)**	**(449,834,280)**
Effective Tax Rate	40.00%	40.00%
Deferred Tax Assets/(Liabilities)	**(214,582,985)**	**(179,933,712)**
Loan Loss Provision		
Provision made against Bad & Loss Loans	2,339,774,193	-
Less: Tax Base	-	-
Deductable/(Taxable) temporary difference	**2,339,774,193**	**-**
Effective Tax Rate	40.00%	40.00%
Deferred Tax Assets/(Liabilities) *	**935,909,677**	**-**
Closing Deferred Tax Assets/(Libilities)	721,326,693	(179,933,711)
Opening Deferred Tax Assets/(Libilities)	(179,933,711)	(147,634,135)
Deferred Tax Income/(Expense)	**901,260,404**	**(32,299,576)**

***Profit for the year includes Tax income of Taka 935,909,677 which has been created with the provision of bad & loss loan is not distributable as dividend as per Bangladesh Bank BRPD circular No. 11 dated December 12, 2011.**

9.a.4 Classification of Other Asset

Unclassified	10,641,640,357	8,923,815,634
Substanderd	-	-
Doubtful	-	-
Bad/Loss	-	-
	10,641,640,357	**8,923,815,634**

10.00 Consolidated borrowing from other banks, financial institutions and agents

Mutual Trust Bank Limited (Note-10.a)	16,417,678,099	8,631,459,450
MTB Securities Limited	200,000,000	345,000,000
MTB Capital Limited	-	75,000,000
MTB Exchange (UK) Limited	-	-
Less: Intragroup Borrowings	(200,000,000)	(345,000,000)
	16,417,678,099	**8,706,459,450**

10.a Borrowing From Other Banks, Financial Institutions & Agents

In Bangladesh		
Mutual Trust Bank Limited (Note 10.a.1)	8,240,467,272	5,694,532,805
Offshore Banking Unit	2,648,676,566	585,818,996
	10,889,143,838	**6,280,351,802**
Outside Bangladesh		
Mutual Trust Bank Limited	-	-
Offshore Banking Unit	7,145,050,804	2,544,530,462
	7,145,050,804	**2,544,530,462**
	18,034,194,642	**8,824,882,264**
Less: Inter transaction with Offshore Banking Unit	(1,616,516,543)	(193,422,814)
	16,417,678,099	**8,631,459,450**

10.a.1 In Bangladesh:

Borrowing from Bank:	**246,900,000**	**196,750,000**
Foreign Currency Borrowing	**246,900,000**	**196,750,000**
Agrani Bank Limited	246,900,000	118,050,000
Southeast Bank Limited	-	78,700,000
Borrowing from Bangladesh Bank:	**7,940,751,155**	**5,431,483,976**
SME Refinance	460,869,882	778,556,493
Investment Promotion and Financing Facility (IPFF)	1,162,193,184	1,210,411,855
Long Term Financing Facility (LTFF) under FSSP	405,194,044	-
Export Development Fund	5,912,494,045	3,442,515,628
Borrowing from Other Institutes:	**52,816,117**	**66,298,829**
SME Foundation	52,816,117	66,298,829
Total	**8,240,467,272**	**5,694,532,805**

10.a.2 Security against Borrowing From Other Banks, Financial Institutions and Agents

Secured (Treasury Bill)	-	-
Unsecured	16,417,678,099	8,631,459,450
	16,417,678,099	**8,631,459,450**

10.a.3 Maturity Grouping of Borrowing From Other Banks, Financial Institutions &

On Demand	2,187,104,634	1,677,904,332
Repayable within one month	1,002,565,000	-
More than one month but within six months	4,462,650,653	3,131,676,450
More than six months but within one year	1,002,665,059	527,445,233
More than one year but within five years	1,500,026,825	-
More than five year but within ten years	6,262,665,928	3,294,433,436
	16,417,678,099	**8,631,459,451**

11.00 Consolidated deposits and other accounts

Current deposits and other accounts		
Mutual Trust Bank limited (Note-11.a.1)	14,652,101,282	12,302,356,822
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(773)	(880,745)
	14,652,100,509	**12,301,476,077**
Bills payable		
Mutual Trust Bank limited (Note-11.a.1)	2,100,804,374	1,751,051,731
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	2,100,804,374	**1,751,051,731**
Saving deposit		
Mutual Trust Bank limited (Note-11.a.1)	27,479,479,774	23,710,184,165
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	27,479,479,774	**23,710,184,165**
Special Noticed Deposits		
Mutual Trust Bank limited (Note-11.a.1)	12,183,058,012	11,966,383,586
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(461,094,286)	(320,396,593)
	11,721,963,726	**11,645,986,993**
Fixed deposit		
Mutual Trust Bank limited (Note-11.a.1)	67,113,942,085	55,803,465,444
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	-	-
	67,113,942,085	**55,803,465,444**
Deposit Products		
Mutual Trust Bank limited (Note-11.a.1)	28,707,775,033	26,060,165,863
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	28,707,775,033	**26,060,165,863**
	151,776,065,501	**131,272,330,273**

11.a Deposit and Other Accounts

From Customers (Note 11.a.1)	142,087,535,560	131,593,607,611
From Banks (Note 11.a.1)	10,149,625,000	-
	152,237,160,560	**131,593,607,611**

11.a.1 Deposit and Other Accounts:

Current Deposit & Other Accounts :		
Current Deposit	10,027,340,123	8,345,457,419
Foreign Currency Deposit	1,634,616,293	1,805,360,585
Non-Resident Taka account	49,720,618	28,422,736
Sundry Deposit	2,940,424,248	2,123,116,081
	14,652,101,282	**12,302,356,822**
Bills Payable :		
Payment Order Issued	2,095,092,071	1,745,919,098
Pay Slip Issued	574,677	530,528
Demand Draft Payable	5,137,626	4,602,105
	2,100,804,374	**1,751,051,731**
Savings Deposit	**27,479,479,774**	**23,710,184,165**
Special Noticed Deposits	**12,183,058,012**	**11,966,383,586**
Fixed Deposits:	**67,113,942,085**	**55,803,465,444**
From Customers	**56,964,317,085**	**55,803,465,444**
From Banks (Note 11.a):		
Sonali Bank Limited	1,799,975,000	-
Dutch Bangla Bank Limited	999,950,000	-
Pubali Bank Limited	799,925,000	-
Agrani Bank Limited	2,549,925,000	-
Eastern Bank Limited	299,975,000	-
Southeast Bank Limited	399,975,000	-
Rupali Bank Limited	1,499,975,000	-
United Commercial Bank Limited	799,950,000	-
Bank Alfalah Limited	399,975,000	-
Trust Bank Limited	600,000,000	-
	10,149,625,000	**-**
Deposit-Products :		
Brick by Brick	10,767,910,811	9,237,253,792
MTB Double Saver Plan	7,336,344,863	7,244,757,073
MTB Monthly Benefit Plan	4,101,145,064	4,540,408,753
MTB Millionaire Plan	3,668,919,988	2,884,691,551
MTB Kotipati	2,176,584,527	1,432,987,050
MTB Education Plan	248,138,955	204,230,256
MTB Triple Saver Plan	233,687,160	344,915,195
NRB Deposit Pension Scheme	155,238,263	157,936,750
Children Education Deposit Scheme	8,830,042	2,761,037
MTB Gift Cheque	8,250,285	7,461,407
Festival Savings Plan	1,492,240	1,531,038
Best invest Deposit	689,352	688,653
Save Everyday Deposit	521,545	521,371
MTB Quarterly Benefit Plan	16,268	16,268
Unique Savings Plan	5,670	5,670
	28,707,775,033	**26,060,165,863**
Total	**152,237,160,560**	**131,593,607,611**

11.a.2 Maturity grouping of Deposit and Other Accounts:

On Demand	5,723,168,156	4,947,099,262
Repayable within one month	16,593,635,077	14,343,517,017
More than one month but within six months	35,573,026,339	30,749,278,641
More than six months but within one year	46,758,272,362	40,417,791,052
More than one year but within five years	41,820,944,230	36,149,970,905
More than five year but within ten years	4,899,345,278	4,234,987,816
More than ten years	868,769,118	750,962,918
	152,237,160,560	**131,593,607,611**

11.a.3 Demand & Time Deposit

a) Demand Deposit	**19,226,058,836**	**16,187,325,127**
Current Deposit	10,027,340,123	8,345,457,419
Savings Deposit (9%)	2,473,153,180	2,133,916,575
Foreign Currency Deposit non interest bearing	1,634,616,293	1,805,360,585
Non Resident Taka Deposit	49,720,618	28,422,736
Sundry Deposit	2,940,424,248	2,123,116,081
Bills Payable	2,100,804,374	1,751,051,731
b) Time Deposits	**133,011,101,725**	**115,406,282,484**
Saving Deposit (91%)	25,006,326,595	21,576,267,590
Fixed Deposit	56,964,317,085	55,803,465,444
Deposit from Banks	10,149,625,000	-
Short Term Deposit	12,183,058,012	11,966,383,586
Deposit Under Scheme	28,707,775,033	26,060,165,863
Total Demand & Time Deposits	**152,237,160,560**	**131,593,607,611**

11.a.4 Sectorwise Deposit

Government	502,266,000	437,125,000
Autonomus & Semi-Autonomous Bodies	361,671,000	483,671,000
Public Non- Financial Organisation	2,378,162,000	2,230,227,000
Other Public	601,498,000	590,216,000
Foreign Currency	1,634,616,293	1,805,360,585
Private	136,609,322,267	126,047,008,026
Deposit from Banks	10,149,625,000	-
	152,237,160,560	**131,593,607,611**

12.00 Consolidated other liabilities

Mutual Trust Bank limited (Note-12.a)	12,955,143,626	10,221,646,119
MTB Securities Limited	768,781,867	1,013,511,004
MTB Capital Limited	76,463,316	97,526,266
MTB Exchange (UK) Limited	38,394,138	31,607,821
Interim Dividend Paid by MTB Securities Limited	-	-
Less: Intragroup receivable & payable	(40,679,107)	(40,776,230)
	13,798,103,840	**11,323,514,980**

12.a Other Liabilities

Provision for Loans and Advances (Note-12.a.1)	4,414,765,000	3,158,534,528
Provision for Off Balance Sheet Items (Note-12.a.2)	589,300,000	452,000,000
Provision against Shares in quoted companies (Note- 12.a.3)	55,267,667	55,267,667
Provision for Other Asset (Note-12.a.4)	31,000,000	21,000,000
Interest Suspense (Note- 12.a.5)	1,062,187,946	905,633,141
Provision for Income Tax (Note-12.a.6)	6,138,366,743	4,981,043,898
Provision for Good Borrower	14,301,000	23,240,000
Provision for Bonus	234,574,583	221,817,656
Contribution to MTB Foundation	15,000,000	17,000,000
Contribution to MTB Employees Welfare Fund	5,675	6,055
Contribution to MTB Employees Medical Assistance Fund	10,000,000	10,000,000
Provision for Expenses	27,850,330	20,012,992
Deferred Tax Liability (Note-9.a.3.2)	-	179,933,711
Interest Payable on Subordinated debt	283,350,555	170,493,021
Interest Payable on Borrowing	13,831,444	4,950,073
Liabilities Under Finance Lease	692,009	692,009
	12,890,492,952	**10,221,624,752**
Offshore Banking Unit	**188,753,617**	**34,916,327**
Less: Inter transaction with Offshore Banking Unit	(124,102,942)	(34,894,959)
	12,955,143,626	**10,221,646,119**

12.a.1 Provision for Loans and Advances

For Unclassified		
Opening Balance	1,107,615,165	1,065,000,000
Add: Provision made during the year	908,809,835	42,615,165
Closing Balance	**2,016,425,000**	**1,107,615,165**
For Classified		
Opening Balance	2,050,919,363	1,182,000,000
Add: Provision made during the year	444,645,646	721,919,363
Add: Recoveries of amounts previously written off	1,238,700	-
Add: Provision transferred from Shares in quoted companies	-	147,000,000
Less: Adjustment for Loan written off during the year	(98,463,709)	-
Closing Balance	**2,398,340,000**	**2,050,919,363**
	4,414,765,000	**3,158,534,528**

12.a.2 Provision for Off Balance Sheet Items

Opening Balance	452,000,000	352,000,000
Add: Provision made during the year	137,300,000	100,000,000
Less: Provision transferred to Classified Loans and Advances	-	-
Closing Balance	**589,300,000**	**452,000,000**

12.a.3 Provision against Shares in quoted companies

Opening Balance	55,267,667	225,507,667
Less: Provision transferred to Classified Loans and Advances	-	(147,000,000)
Less: Provision transferred to Good Borrower	-	(23,240,000)
Closing Balance	**55,267,667**	**55,267,667**

12.a.4 Provision for Other Assets

Opening Balance	21,000,000	10,000,000
Add: Provision made during the year	10,000,000	11,000,000
Closing Balance	**31,000,000**	**21,000,000**

12.a.5 Interest suspense account

Opening Balance	905,633,141	536,807,002
Add: Addition during the year	501,528,857	590,037,375
Less. Adjustment made during the year	(344,974,052)	(221,211,236)
Closing Balance	**1,062,187,946**	**905,633,141**

12.a.6 Provision for Income Tax*

Opening Balance	4,981,043,899	4,084,013,779
Add: Provision made during the year	1,157,322,844	897,030,119
	6,138,366,743	**4,981,043,898**

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

12.01 Consolidated Provision for Income Tax*

Mutual Trust Bank limited (Note-12.a.6)	6,138,366,743	4,981,043,898
MTB Securities Limited	44,378,833	72,818,847
MTB Capital Limited	37,277,243	31,679,544
MTB Exchange (UK) Limited	-	-
	6,220,022,819	**5,085,542,289**

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

13.a Subordinated Debts

12% Partially Convertible Subordinated Debt		
Opening Balance	1,250,000,000	1,875,000,000
Less: Payment during the year	(1,250,000,000)	(625,000,000)
	-	**1,250,000,000**
MTB 2nd Subordinated Debt	3,000,000,000	3,000,000,000
MTB 3rd Subordinated Debt	5,000,000,000	-
	8,000,000,000	**4,250,000,000**

The Bank floated 12% partially Convertible Subordinated Debt through private placement for BDT 2,500 million, date of issue October 10, 2010. 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. However, 50% (BDT 1,250 million) of the remaining principal amount of the bond was fully redeemed on September 30, 2017.

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue October 20, 2015. Interest on the 10.50% to 13.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. April and October of each year.

The Bank floated MTB 3rd Non convertible Subordinated Debt through private placement for BDT 5,000 million, date of issue February 16, 2017. Interest on the 7.00% to 10.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. February and August of each year.

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

14.a Capital

14.a.1 Authorized Capital:

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

14.a.1.1 Issued, subscribed and Paid-up Capital:

443,179,160 ordinary shares @ BDT 10 each	4,431,791,600	3,693,159,670
66,476,874 ordinary shares @ BDT 10 each issued as bonus	664,768,740	738,631,930
	5,096,560,340	**4,431,791,600**

14.a.1.2 Raising of Share Capital

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

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20%	12,000,000	120,000,000	720,000,000
2004-Bonus	20%	14,400,000	144,000,000	864,000,000
2005-Bonus	10%	8,640,000	86,400,000	950,400,000
2006-Bonus	5%	4,752,000	47,520,000	997,920,000
2007-Bonus	25%	24,948,000	249,480,000	1,247,400,000
2008-Right	20%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10%	27,978,482	279,784,820	3,077,633,060
2014-Bonus	20%	61,552,661	615,526,610	3,693,159,670
2015-Bonus	20%	73,863,193	738,631,930	4,431,791,600
2016-Bonus	15%	66,476,874	664,768,740	5,096,560,340
Total		**509,656,034**	**5,096,560,340**	

14.a.1.3 Percentage of shareholdings at the closing date:

	No. of shares	Value of shares BDT	December 31, 2017 % of holding
Sponsors / Directors	186,651,665	1,866,516,650	36.62%
Institutions	113,496,829	1,134,968,290	22.27%
General	209,507,540	2,095,075,400	41.11%
Total	**509,656,034**	**5,096,560,340**	**100%**

14.a.1.4 Classification of Shareholders by holdings as at December 31, 2017

Holdings	No. of Shareholders	No. of Shares	Value of shares in BDT	Total Holdings %
Less than 499 shares	2,776	463,269	4,632,690	0.09%
500 to 5,000 shares	3,219	6,133,343	61,333,430	1.20%
5,001 to 10,000 shares	482	3,367,394	33,673,940	0.66%
10,001 to 20,000 shares	341	4,610,036	46,100,360	0.90%
20,001 to 30,000 shares	125	2,985,020	29,850,200	0.59%
30,001 to 40,000 shares	68	2,380,724	23,807,240	0.47%
40,001 to 50,000 shares	45	2,004,517	20,045,170	0.39%
50,001 to 100,000 shares	101	7,416,956	74,169,560	1.46%
100,001 to 1,000,000 shares	133	37,045,814	370,458,140	7.27%
Over 1,000,000 shares	71	443,248,961	4,432,489,610	86.97%
Total	**7,361**	**509,656,034**	**5,096,560,340**	**100.00%**

14.a.1.5 Name of Directors and their shareholdings as at December 31, 2017

Name	Designation	December 2017		
		No. of Shares held	BDT	Holding %
Mr. M. A. Rouf, JP	Chairman	10,212,163	102,121,630	2.00%
Mr. Md. Hedayetullah	Vice Chairman	10,198,976	101,989,760	2.00%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	18,793,233	187,932,330	3.69%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	16,988,498	169,884,980	3.33%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	25,482,776	254,827,760	5.00%
Mr. Md. Abdul Malek	Director	10,290,519	102,905,190	2.02%
Mr. Md. Wakiluddin	Director	10,202,422	102,024,220	2.00%
Mrs. Khwaja Nargis Hossain	Director	10,193,426	101,934,260	2.00%
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	12,741,347	127,413,470	2.50%
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	33,092,421	330,924,210	6.49%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
		158,195,781	**1,581,957,810**	**31.04%**

14.a.1.6 Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

	31 December 2017 BDT	31 December 2016 BDT
Common Equity Tier-1 (Going-Concern Capital) :		
Paid-up Capital	5,096,560,340	4,431,791,600
Statutory Reserve	3,622,224,031	3,187,766,825
General Reserve	616,777,324	616,777,324
Minority Interest	-	-
Retained Earnings	1,632,481,854	815,484,211
	10,968,043,549	**9,051,819,959**
Regulatory Adjustments:		
Goodwill and all other Intangible Assets	101,344,815	65,805,338
Deferred Tax Assets (95% of DTA as per BB Guideline)	889,114,193	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	98,048	2,462,968
	990,557,056	**68,268,306**
Total Common Equity Tier -1 (Going-Concern Capital)	**9,977,486,493**	**8,983,551,653**
Additional Tier-1 Capital	-	-
Total Tier-1 Capital	**9,977,486,493**	**8,983,551,653**
Tier-2 Capital (Gone-Concern Capital) :		
General Provision including Off Balance Sheet items (Maximum 1.25% of CRWA)	2,605,725,000	1,559,615,165
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	6,159,207,491	3,000,000,000
	9,025,070,624	**4,819,753,298**
Regulatory Adjustments:		
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	156,082,880	104,055,253
Total Tier-2 Capital (Gone-Concern Capital)	**8,868,987,744**	**4,715,698,045**
A. Total Regulatory Capital (Tier-1+Tier-2)	**18,846,474,237**	**13,699,249,698**
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	104,533,265,967	94,057,106,198
Off Balance Sheet Exposure	18,490,970,895	12,883,138,418

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14.a.1.7 Consolidated Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital) :		
Paid-up Capital	5,096,560,340	4,431,791,600
Statutory Reserve	3,622,224,031	3,187,766,825
General Reserve	616,777,324	616,777,324
Minority Interest	124,686	122,139
Retained Earnings	1,722,348,545	841,239,233
	11,058,034,927	**9,077,697,121**
Regulatory Adjustments:		
Goodwill and all other Intangible Assets	101,344,815	65,805,338
Deferred Tax Assets (95% of DTA as per BB Guideline)	889,114,193	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	98,048	2,462,968
	990,557,056	**68,268,306**
Total Common Equity Tier -1 (Going-Concern Capital)	**10,067,477,870**	**9,009,428,815**
Additional Tier-1 Capital	-	-
Total Tier-1 Capital	**10,067,477,870**	**9,009,428,815**
Tier-2 Capital (Gone-Concern Capital) :		
General Provision including Off Balance Sheet items (Maximum 1.25% of CRWA)	2,605,725,000	1,559,615,165
Revaluation Reserve on Investment in Securities	260,138,133	260,138,133
Subordinated debt	6,239,200,826	3,000,000,000
	9,105,063,959	**4,819,753,298**
Regulatory Adjustments:		
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	156,082,880	104,055,253
Total Tier-2 Capital (Gone-Concern Capital)	**8,948,981,080**	**4,715,698,045**
A. Total Regulatory Capital (Tier-1+Tier-2)	**19,016,458,950**	**13,725,126,860**
B. Risk Weighted Assets		
Credit Risk on		
Balance Sheet Exposure	104,821,694,921	95,341,608,521
Off Balance Sheet Exposure	18,490,970,895	12,883,138,418
	123,312,665,816	**108,224,746,939**
Market Risk	4,495,137,086	4,399,847,002
Operational Risk	10,416,690,392	8,930,949,882
Total Risk Weighted Assets	**138,224,493,293**	**121,555,543,823**
C. Required Capital on Risk Weighted Assets	**13,822,449,329**	**12,155,554,382**
D. Capital Surplus/(Shortfall) (A-C)	**5,194,009,621**	**1,569,572,478**

E. Capital Requirement

	2017		2016	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	**10%**	**13.76%**	**10%**	**11.29%**
Common Equity Tier-1	4.50%	7.28%	4.50%	7.41%
Tier- 1 Capital	5.50%	**7.28%**	5.50%	**7.41%**
Tier- 2 Capital	-	6.47%	-	3.88%

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

15.00 Consolidated Statutory Reserve

Opening Balance	3,187,766,826	2,721,143,745
Add: Transferred during the year (20% of pretax profit)	434,457,206	466,623,080
Closing Balance	**3,622,224,032**	**3,187,766,826**

15.a Statutory Reserve

Opening Balance	3,187,766,826	2,721,143,745
Add: Transferred during the year (20% of pretax profit)	434,457,206	466,623,080
Closing Balance	**3,622,224,032**	**3,187,766,826**

16.a General Reserve

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

17.00 Consolidated Retained Earnings

Opening Balance	841,239,233	752,903,276
Add: Consolidated Profit made during the year	1,980,335,258	1,463,590,967
Less: Bonus Share Issued during the year	(664,768,740)	(738,631,930)
Less: Bonus Share Issued by MTB Capital Limited	(15,899,364)	(14,999,400)
Less: Transferred to Statutory Reserve	(434,457,206)	(466,623,080)
Less: Transferred to General Reserve	-	(170,000,000)
	1,706,449,181	**826,239,833**
Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	15,899,364	**14,999,400**
Closing Balance	**1,722,348,545**	**841,239,233**

17.a Retained Earnings

Opening Balance	815,484,209	786,953,519
Add: Profit made during the year *	1,916,223,589	1,403,785,701
Less: Bonus Share Issued during the year	(664,768,740)	(738,631,930)
Less: Transferred to Statutory Reserve	(434,457,206)	(466,623,080)
Less: Transferred to General Reserve	-	(170,000,000)
Closing Balance	**1,632,481,853**	**815,484,209**

***Profit for the year includes Tax income of Taka 935,909,677 which has been created with the provision of bad & loss loan is not distributable as dividend as per Bangladesh Bank BRPD circular No. 11 dated December 2011.**

17.01 Minority Interest

Opening balance	122,139	119,678
Add: Profit made during the year	2,547	2,461
Closing balance	**124,686**	**122,139**

18.a Contingent Liabilities & Commitments

Letter of Guarantee (Note 18.a.1)	**11,597,904,974**	**9,302,425,309**
Letter of Credit :		
Letter of Credit (Cash)	4,226,884,309	3,515,503,120
Letter of Credit (Back to Back)	2,580,254,591	2,270,892,766
Letter of Credit (EDF)	299,350,966	261,380,257
Letter of Credit (Deferred)	8,822,272,760	7,527,009,947
Letter of Credit (Inland)	811,404,725	716,487,925
	16,740,167,351	**14,291,274,015**
Bills for collection :		
Inland	1,318,541,928	1,906,040,601
Foreign	1,123,804,217	1,390,440,812
	2,442,346,145	**3,296,481,413**
Other Contingent Liabilities :		
IFDBC (Back to Back)	1,109,000	554,500
Foreign Contract	62,947	-
Accepted Bill (Inland)	3,294,386,560	3,372,514,679
Accepted Bill (Foreign)	26,724,985,589	14,871,064,705
	30,020,544,096	**18,244,133,884**
Other Commitments		
Undrawn formal standby facilities, credit lines and other commitments	-	-
	60,800,962,566	**45,134,314,620**
Letter of Guarantee (Off-Shore Banking Unit)	4,135,000	-
	60,805,097,566	**45,134,314,620**

18.a.1 Letter of Guarantee

i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the bank is contingently liable in respect of guarantees given favoring :		
Directors	-	-
Government	-	-
Bank and other Financial Institutions	49,616,688	96,346,387
Others	11,552,423,286	9,206,078,922
	11,602,039,974	**9,302,425,309**
Less: Margin	(1,212,841,544)	(695,969,085)
	10,389,198,430	**8,606,456,224**
iii) Liability on Account of Bills Re-Discounted	-	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
	10,389,198,430	**8,606,456,224**

18.a.1.1 Segregation of Commitment by Type

Documentary Credit and Short Term Business Related Transaction	16,740,167,351	14,291,274,015
Forward Asset Purchased and Forward Deposit	-	-
Endorsed formal standby facilities, Credit facilities and other commitments:		
Less than one year	41,622,584,070	27,546,559,193
One year and above	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Spot and Forward Foreign Exchange Rate Contract	-	-
Other Exchange Contract	-	-
Others	2,442,346,145	3,296,481,412
	60,805,097,566	**45,134,314,620**

19.00 Income Statement

Income:		
Interest, Discount and Similar Income	14,008,578,941	13,181,696,620
Dividend income	155,943,572	54,132,093
Fee, Commission and Brokerage	721,380,636	608,003,652
Exchange Gain	621,310,261	458,772,561
Other Operating Income	413,564,354	349,575,901
	15,920,777,764	**14,652,180,827**
Expenses		
Interest, Fee and Commission	7,856,055,015	7,506,266,934
Administrative expenses	3,069,129,427	2,842,332,785
Other operating expenses	994,179,798	786,011,805
Depreciation on Banking Assets	328,372,014	308,919,377
	12,247,736,254	**11,443,530,901**
Operating profit	**3,673,041,510**	**3,208,649,926**

20.00 Consolidated Interest Income

Mutual Trust Bank Limited (Note-20.a)	12,102,826,598	11,250,560,341
MTB Securities Limited	126,853,097	109,948,362
MTB Capital Limited	40,924,378	27,630,841
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Income (Loans)	(100,000,000)	-
Less: Intragroup Interest Income (Bank balance)	(10,061,111)	(6,766,654)
	12,160,542,962	**11,381,372,890**

20.a Interest Income

Loans and Advances (Note-20.a.1)	11,743,866,029	10,938,134,404
Money at Call and Short Notice	62,548,028	95,627,031
Balance with Other Banks and Financial Institutions (Note-20.a.2)	287,356,016	242,298,554
Foreign Currency Lending	16,540,767	17,318,978
	12,110,310,840	**11,293,378,967**
Less: Inter transaction with Offshore Banking Unit	(7,484,242)	(17,063,626)
Less: Rebate for the good borrower	-	(25,755,000)
	12,102,826,598	**11,250,560,341**

20.a.1 Interest on Loans and Advances

Term Loan	2,902,297,886	2,661,678,046
Small and Medium Enterprise Financing	1,633,529,996	1,231,212,991
Retail/Consumer Financing	572,538,809	453,628,428
General Loans	336,767,846	346,856,633
Demand Loan	294,465,503	259,289,977
Payment Against Documents (PAD)	52,864,592	33,616,166
Trust Receipts	962,262,774	1,103,978,968
Lease Finance	40,020,062	44,306,325
Export Development Fund	57,957,350	32,649,466
House Building Loan	458,290,265	438,160,322
Cash Credit	2,288,467,350	2,582,132,921
Packing Credit	18,553,357	7,614,274
Secured Overdraft	1,416,611,505	1,375,390,642
Bills Purchased and Discounted	228,791,639	274,655,459
Interest on Loans from Subsidiaries	100,000,000	-
	11,363,418,934	**10,845,170,618**
Offshore Banking Unit	380,447,095	92,963,786
	11,743,866,029	**10,938,134,404**

20.a.2 Interest on Balance with other Bank and Financial Institution

Interest on Balance with other Bank in Bangladesh	287,356,016	242,298,554
Interest on Balance held with outside Bangladesh	-	-
	287,356,016	**242,298,554**

21.00 Consolidated Interest Paid on Deposits & Borrowings, etc.

Mutual Trust Bank Limited (Note-21.a)	7,856,055,015	7,506,266,934
MTB Securities Limited	100,000,000	-
MTB Capital Limited	6,873,767	3,594,521
MTB Exchange (UK) Limited	-	-
Less: Intragroup Interest Expense (Borrowings)	(100,000,000)	-
Less: Intragroup Interest Expense (Deposits)	(10,061,111)	(6,766,654)
	7,852,867,671	**7,503,094,801**

21.a Interest on Deposit & Borrowing, etc.

Interest on Deposit and Other Accounts (Note-21.a.1)	7,468,056,369	7,377,375,042
Interest on Borrowing from other Banks and Financial Institutions	126,607,105	87,214,823
	7,594,663,474	**7,464,589,865**
Offshore Banking Unit	268,875,783	58,740,695
Less: Inter transaction with Offshore Banking Unit	(7,484,242)	(17,063,626)
	7,856,055,015	**7,506,266,934**

21.a.1 Interest on Deposits and Other Accounts

Savings Deposits	683,848,521	686,012,437
Short Term Deposits	333,149,318	413,085,559
Fixed Deposits	2,963,195,204	3,367,699,343
Deposit-Products	2,716,316,993	2,388,310,578
Interest on Subordinated Debt	771,546,333	522,267,125
	7,468,056,369	**7,377,375,042**

22.00 Consolidated Income From Investments

Mutual Trust Bank Limited (Note-22.a)	2,056,350,696	1,974,265,630
MTB Securities Limited	51,390,151	30,063,602
MTB Capital Limited	19,472,487	6,215,123
MTB Exchange (UK) Limited	-	-
Dividend paid by MTB Securities & Capital	-	-
Interim Dividend paid by MTB Securities Limited	-	-
	2,127,213,334	**2,010,544,355**

22.a Investment Income

Interest on Treasury Bond	1,858,875,310	1,862,845,446
Interest on reverse REPO	879,127	6,302,042
Interest on Commercial Paper	-	9,239,661
Interest on other Investment	45,997,906	19,174,723
Discount on Treasury Bill	38,388,510	33,565,157
Capital Gain from Trading in Govt. Securities	225,045,738	749,993,399
Capital Gain/(Loss) on Investment in shares of quoted companies	49,150,813	166,963
Dividend on Investment in Shares	30,910,540	28,279,786
Dividend from Mutual and Unit Fund	125,033,032	25,852,307
Prize Bond	-	9,250
	2,374,280,976	**2,735,428,734**
Loss from Government Securities	(52,234,556)	(52,333,218)
Loss on revaluation of Government Securities	(265,695,724)	(708,829,886)
	2,056,350,696	**1,974,265,630**

23.00 Consolidated Commission, Exchange and Brokerage

Mutual Trust Bank Limited (Note-23.a)	1,342,690,897	1,066,776,213
MTB Securities Limited	222,335,661	150,165,334
MTB Capital Limited	175,000	331,250
MTB Exchange (UK) Limited	12,807,559	10,882,143
	1,578,009,117	**1,228,154,940**

23.a Commission, Exchange and Brokerage

Commission (Note-23.a.1)	721,380,636	608,003,652
Exchange	621,310,261	458,772,561
Brokerage	-	-
	1,342,690,897	**1,066,776,213**

23.a.1 Commission

Commission on Letter of Guarantee	104,768,942	84,187,394
Commission on Letter of Credit	261,414,416	223,743,666
Commission on Acceptance of Bills	269,871,843	214,632,680
Commission on LC Advising	12,200,566	11,362,050
Commission on PO, DD & TT	4,394,548	4,736,480
Exchange houses commission	23,112,492	13,086,029
On-line service commission	14,323,953	12,792,431
Commission on IBC	433,701	625,284
Underwriting Commission regarding Treasury Bill/Bond	17,805,371	31,309,695
Commission on IPO collection	44,591	68,728
Commission on POS	12,210,121	11,451,973
Commission on RTGS	779,935	7,242
	721,360,479	**608,003,652**
Offshore Banking Unit	20,157	-
	721,380,636	**608,003,652**

24.00 Consolidated other operating income

Mutual Trust Bank Limited (Note-24.a)	418,909,573	360,578,643
MTB Securities Limited	12,747,982	13,002,150
MTB Capital Limited	31,600,091	21,735,197
MTB Exchange (UK) Limited	3,138,159	2,586,588
Less: Intragroup other operating income	-	-
	466,395,805	**397,902,578**

24.a Other Operating Income

Handling Charges	3,925,344	3,217,178
VISA Card	16,128,692	6,945,242
Service Charges	116,625,595	102,469,550
SWIFT Charge Recoveries	29,126,832	28,493,361
SME Fees and Charges	766,996	11,608,822
Management fees	16,711,800	11,847,588
Early Settlement Fee	4,912,375	4,395,299
Loan Processing Fee	28,647,758	24,430,048
Partial Payment Fee	259,263	288,272
Charges against cards	101,462,726	84,806,862
NPSB Acquirer Income	4,472,604	3,661,561
Locker Rent	4,051,361	3,578,835
Miscellaneous Earnings	79,389,683	69,674,558
	406,481,029	**355,417,176**
Offshore Banking Unit	12,428,544	5,161,467
	418,909,573	**360,578,643**

25.00 Consolidated salaries and allowances

Mutual Trust Bank Limited (Note-25.a)	2,314,039,862	2,168,780,701
MTB Securities Limited	74,454,836	71,895,379
MTB Capital Limited	9,656,626	10,840,421
MTB Exchange (UK) Limited	4,532,861	4,678,028
	2,402,684,185	**2,256,194,529**

25.a Salary & Allowances

Basic Pay	986,461,643	903,888,480
Allowances	720,255,608	665,492,008
Bonus	372,303,969	321,294,587
Gratuity	62,700,000	120,000,000
Leave Fare Assistance	84,177,889	78,436,516
Provident Fund	88,140,753	79,669,110
	2,314,039,862	**2,168,780,701**

25.a.1 Managing Director's Remuneration

Basic	8,226,667	7,626,667
House Rent	1,980,000	1,980,000
House Maintenance	1,320,000	1,320,000
Entertainment	216,000	216,000
Festival Bonus	2,100,000	1,950,000
Incentive Bonus	1,000,000	1,000,000
Leave Fare Assistance	1,950,000	1,800,000
Security and personal wages	660,000	660,000
Provident Fund	822,667	762,666
	18,275,334	**17,315,333**

26.00 Consolidated rent, taxes, insurance, electricity, etc.

Mutual Trust Bank Limited (Note-26.a)	624,713,881	559,033,357
MTB Securities Limited	30,457,378	33,421,640
MTB Capital Limited	3,624,578	3,140,184
MTB Exchange (UK) Limited	5,672,327	5,941,972
	664,468,164	**601,537,153**

26.a Rent, Tax, Insurance, Utilities, etc.

Rent	427,540,986	367,425,834
Rates & taxes	3,841,406	7,538,413
Insurance	95,852,033	86,651,779
Electricity & Utilities	97,479,456	97,169,557
Lease Rent	-	247,774
	624,713,881	**559,033,357**

27.00 Consolidated Legal Expense

Mutual Trust Bank Limited (Note-27.a)	3,535,580	3,077,953
MTB Securities Limited	-	3,300
MTB Capital Limited	33,333	55,000
MTB Exchange (UK) Limited	-	249,685
	3,568,913	**3,385,938**

27.a Legal Expense

Legal Expense	3,535,580	3,077,953
	3,535,580	**3,077,953**

28.00 Consolidated Postage, Stamp & Telephone, etc.

Mutual Trust Bank Limited (Note-28.a)	6,028,356	8,610,456
MTB Securities Limited	809,236	797,448
MTB Capital Limited	89,604	81,487
MTB Exchange (UK) Limited	148,958	157,940
	7,076,154	**9,647,331**

28.a Postage, Stamps & Telephone, etc

Postage/Courier Service	1,311,075	663,090
Telephone	4,717,281	7,947,366
	6,028,356	**8,610,456**

29.00 Consolidated Printing, Stationery, Advertisements etc.

Mutual Trust Bank Limited (Note-29.a)	99,318,114	81,849,885
MTB Securities Limited	1,325,433	870,568
MTB Capital Limited	254,488	96,917
MTB Exchange (UK) Limited	275,217	357,899
	101,173,252	**83,175,269**

29.a Printing, Stationery, Advertisement etc.

Printing & Security Stationery	36,679,140	33,249,336
Computer Stationery	15,978,162	16,576,241
Petty & Table Stationery	14,755,719	12,805,602
Publicity & Advertisement	31,905,093	19,218,706
	99,318,114	**81,849,885**

30.00 Consolidated Directors' Fees

Mutual Trust Bank Limited (Note-30.a)	1,876,800	1,775,600
MTB Securities Limited	823,400	692,683
MTB Capital Limited	741,000	562,750
MTB Exchange (UK) Limited	-	-
	3,441,200	**3,031,033**

30.a Directors' Fees

Meeting fee	1,876,800	1,775,600
	1,876,800	**1,775,600**

Bank has paid BDT 8,000 as Honarioum according to the BRPD circular letter no. 11 dated 04 October 2015

31.00 Consolidated Audit Fee

Mutual Trust Bank Limited (Note-31.a)	1,341,500	1,889,500
MTB Securities Limited	57,500	57,500
MTB Capital Limited	63,250	63,250
MTB Exchange (UK) Limited	313,816	570,105
	1,776,066	**2,580,355**

31.a Audit Fee

Annual Account	1,169,000	1,759,500
NOSTRO Account	57,500	50,000
IPFF Account	57,500	30,000
Corporate Governance	57,500	50,000
	1,341,500	**1,889,500**

32.00 Consolidated depreciation and repair of assets

Mutual Trust Bank Limited (Note-32.a)	420,129,234	379,031,532
MTB Securities Limited	7,795,608	9,781,984
MTB Capital Limited	1,216,867	1,336,169
MTB Exchange (UK) Limited	611,732	752,222
	429,753,440	**390,901,907**

32.01 Consolidated depreciation of assets

Mutual Trust Bank Limited (Note-32.a)	328,372,014	308,919,377
MTB Securities Limited	7,323,979	9,273,484
MTB Capital Limited	955,615	1,124,480
MTB Exchange (UK) Limited	508,382	637,145
	337,159,990	**319,954,486**

32.01.1 Consolidated Repair & Maintenance of assets

Mutual Trust Bank Limited (Note-32.a)	91,757,220	70,112,155
MTB Securities Limited	471,629	508,500
MTB Capital Limited	261,252	211,689
MTB Exchange (UK) Limited	103,350	115,077
	92,593,451	**70,947,421**

32.a Depreciation on & Repairs to Bank's property

Depreciation :		
Immovable Property	33,129,429	34,074,406
Furniture & Fixture	79,606,330	81,795,138
Office Equipments	198,060,868	180,832,146
Motor Vehicles	17,575,387	12,217,687
Books & Periodicals	-	-
Leasehold Property	-	-
	328,372,014	**308,919,377**
Repairs on Bank's property	91,757,220	70,112,155
	420,129,234	**379,031,532**

33.00 Consolidated other expenses

Mutual Trust Bank Limited (Note-33.a)	902,422,578	715,899,651
MTB Securities Limited	21,445,932	17,193,992
MTB Capital Limited	3,612,527	2,375,029
MTB Exchange (UK) Limited	3,876,149	3,530,006
	931,357,187	**738,998,678**

33.a Other Expenditure

Security & Auxiliary Service	172,901,674	167,943,299
Office Cleaning	43,805,915	40,363,513
Office Maintenance	33,275,347	31,702,589
Car Expense	193,482,212	158,223,887
Entertainment	33,229,179	31,415,952
Newspaper & Periodicals	1,461,173	1,736,766
Clearing House Expense	452,816	860,870
Traveling & Conveyance	48,644,654	46,040,682
Bank Charge	6,003,674	4,199,320
Training Expense	8,533,027	10,182,796
Professional Fee	38,733,912	12,599,670
AGM Expense	282,052	499,700
Subscription & Donation	158,287,163	36,162,039
Reuters Charge	2,308,171	1,949,475
CDBL Charges	54,500	310,288
Fees & Registration	7,463,748	14,870,510
Business Development Expense	52,692,374	50,780,590
Contribution to MTB Foundation	15,000,000	15,000,000
Employees Medical Assistance Fund	10,000,000	10,000,000
Honorarium	1,138,332	984,115
Cash Carrying Expense	23,522,603	15,798,372
Contact Point Verification (CPV) Charges	2,741,556	148,031
Site Maintenance & Support Service	3,066,578	3,017,171
On-line and connectivity charges	37,002,041	38,288,184
NID Verification Charge	947,546	138,684
Loss on Sale of Fixed Assets	4,363,383	18,088,645
	899,393,630	**711,305,148**
Offshore Banking Unit	3,028,948	4,594,503
	902,422,578	**715,899,651**

34.00 Consolidated Provision for Loans,Investment & Other

Provision for Classified Loans & Advances	444,645,646	721,919,363
Provision for Unclassified Loans and Advances	908,809,835	42,615,165
Provision for Off Balance Sheet Items	137,300,000	100,000,000
Provision for Margin Loan & Investment in Shares	155,492,999	71,100,000
Provision for Other Asset	10,000,000	11,000,000
	1,656,248,480	**946,634,528**

34.a Provision for Loans,Investment & Other

Provision for Classified Loans & Advances	444,645,646	721,919,363
Provision for Unclassified Loans and Advances	908,809,835	42,615,165
Provision for Off Balance Sheet Items	137,300,000	100,000,000
Provision for Margin Loan & Investment in Shares	-	-
Provision for Other Asset	10,000,000	11,000,000
	1,500,755,481	**875,534,528**

35.00 Consolidated Provision for Current Tax

Mutual Trust Bank Limited (Note-35.a)	1,157,322,844	897,030,119
MTB Securities Limited	-	52,528,830
MTB Capital Limited	22,605,246	11,718,874
MTB Exchange (UK) Limited	78,872	-
	1,180,006,962	**961,277,823**

35.01 Consolidated Deferred Tax (Income)/Expenses

Mutual Trust Bank limited (Note-35.a.1)	(901,260,404)	32,299,576
MTB Securities Limited	413,316	4,100,994
MTB Capital Limited	(26,507)	206,087
MTB Exchange (UK) Limited	-	-
	(900,873,595)	**36,606,657**

35.a Provision for Current Tax

Current tax	1,157,322,844	897,030,119
Total	**1,157,322,844**	**897,030,119**

35.a.1 Provision for Deferred Tax

Deferred Tax (Note-9.a.3.2.2)	(901,260,404)	32,299,576
Total	**(901,260,404)**	**32,299,576**

* Deferred tax has been calculated as per "BAS:12 Income Taxes" and it is the timing differences arising from the carrying value of fixed assets.

36.00 Consolidated Earning Per Share (EPS):*

Consolidated Net Profit After Tax	1,980,335,258	1,463,590,967
Number of Ordinary Shares outstanding	**509,656,034**	**509,656,034**
Earning Per Share (EPS)	**3.89**	**2.87**

*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).

36.a Earning Per Share (EPS):*

Net Profit After Tax	1,916,223,589	1,403,785,702
Number of Ordinary Shares outstanding	**509,656,034**	**509,656,034**
Earning Per Share (EPS)	**3.76**	**2.75**

*Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS).

37.00 Consolidated Received from Other Operational Income

Mutual Trust Bank Limited (Note-37.a)	413,564,354	382,250,308
MTB Securities Limited	51,477,533	35,850,646
MTB Capital Limited	46,917,266	23,204,728
MTB Exchange (UK) Limited	3,138,159	2,586,588
Less: Intragroup other operating income	-	-
	515,097,313	**443,892,270**

37.a Received from Other Operational Income

Handling charge	3,925,344	3,217,178
VISA	16,128,692	6,945,242
Service charge	116,625,595	102,469,550
SWIFT charge recovery	29,126,832	28,493,361
SME Fees and Charges	766,996	11,608,822
Management fees	16,711,800	11,847,588
Early settlement and Loan processing fees	33,819,397	29,113,618
Charges against cards	101,462,726	84,806,862
NPSB Acquirer Income	4,472,604	3,661,561
Locker rent	4,051,361	3,578,835
Discount on Treasury Bill	38,388,510	33,565,157
Gain(net off loss) from Trading in Govt. Securities	172,811,182	697,660,181
Loss on revaluation of treasury securities	(265,695,724)	(708,829,886)
Gain/(Loss) on Investment in shares of quoted companies	49,150,813	166,963
Prize Bond	-	9,250
Miscellaneous income	79,389,683	68,774,558
Offshore Banking Unit	12,428,544	5,161,467
	413,564,354	**382,250,308**

38.00 Consolidated Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity	664,468,164	601,537,153
Legal Expense	3,568,913	3,385,938
Postage, Stamps, Telegram & Telephone	7,076,154	9,647,331
Directors' Fee	3,441,200	3,031,033
Audit fee	1,776,066	2,580,355
Repair & Maintenance	92,593,451	70,947,420
Other Expenditure	924,829,242	720,823,745
	1,697,753,189	**1,411,952,975**

38.a Payment for Other Operational Expenses

Rent, Tax, Insurance, Electricity	624,713,881	559,033,357
Legal Expense	3,535,580	3,077,953
Postage, Stamps, Telegram & Telephone	6,028,356	8,610,455
Directors' Fee	1,876,800	1,775,600
Audit fee	1,341,500	1,889,500
Repair & Maintenance	91,757,219	70,112,155
Other Expenditure	898,059,195	697,811,006
	1,627,312,532	**1,342,310,026**

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 2,004.

40.00 Number of Branch	111	110
41.00 Number of Meeting		
Board Meeting	15	13
Executive Committee Meeting	8	9
Audit Committee Meeting	4	5
Risk Management Committee Meeting	4	5

42.00 Auditors Work Hour

The external auditors of the bank, A.Qasem & Co., Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 1,500 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).

43.00 Related Party Disclosures of the Bank

i) Name of he Directors together with a list of entities in which they have interest **Annexure-E**

ii) Significant contracts where Bank is a party and wherein Directors have Interest during the year 2017

Name of Directors	Relationship with the Bank	Nature of transaction	Approve limit	Outstanding amount BDT	USD
Mr. M. A. Rouf, JP	Chairman	Credit Card	500,000	148,325	-
Mr. Md. Hedayetullah	Vice Chairman	Credit Card	500,000	230	-
Mr. Syed Manzur Elahi	Director (Founding Chairman)	Credit Card	1,575,000	-	2,358
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	Credit Card	500,000	-	-
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	Credit Card	592,800	11,500	1,140
Mr. Md. Abdul Malek	Director	Credit Card	1,000,000	90,847	-
Mr. Md. Wakiluddin	Director	Credit Card	500,000	-	187
Mrs. Khwaja Nargis Hossain	Director	Credit Card	500,000	230	-
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	490,000	-	-
Mr. Q.A.F.M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	Credit Card	700,000	184,318	11,169
Mr. Anwarul Amin	Independent

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Financial Statements 2017

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

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at 31 December 2017

Name of the Bank	Currency	2017 Foreign Currency Amount	2017 Exchange Rate	2017 BDT	2016 Foreign Currency Amount	2016 Exchange Rate	2016 BDT
Mashreq Bank PSC, New York	US$	632,956	82.70	52,345,475	362,362	78.70	28,518,682
Standard Chartered Bank, New York	US$	5,156,142	82.70	426,412,919	1,522,873	78.70	119,853,479
Habib American Bank, New York	US$	1,330,699	82.70	110,048,836	1,046,879	78.70	82,391,715
Commerz Bank AG, Germany	US$	127,860	82.70	10,573,988	132,199	78.70	10,404,369
Mashreq Bank PSC, London	US$	-	82.70	-	90,005	78.70	7,083,628
ICICI Bank Ltd., Hong Kong	US$	234,711	82.70	19,410,576	212,383	78.70	16,715,010
Sonali Bank (UK) Ltd., London	US$	-	82.70	-	483,223	78.70	38,030,741
KB Kookmin Bank, South Korla	US$	76,163	82.70	6,298,714	135,649	78.70	10,675,868
Standard Chartered Bank, Singapore	SGD	15,399	61.74	950,745	41,084	54.31	2,231,309
Mashreq Bank PSC, London	GBP	32,379	110.99	3,593,850	26,006	96.47	2,508,704
Standard Chartered Bank, London	GBP	25,102	110.99	2,786,077	66,112	96.47	6,377,540
Sonali Bank (UK) Ltd., London	GBP	5,900	110.99	654,799	455	96.47	43,846
Habib American Bank, Zurich	CHF	27,744	83.97	2,329,581	20,699	76.84	1,590,578
Standard Chartered Bank, Tokyo	JPY	3,492,507	0.73	2,552,407	2,390,352	0.67	1,613,361
UBAF, Tokyo	JPY	1,430,049	0.73	1,045,114	684,543	0.67	462,030
Mashreq Bank PSC, London	EUR	2,703	98.50	266,274	13,901	82.29	1,143,902
Standard Chartered Bank, Germany	EUR	7,580	98.50	746,587	39,704	82.29	3,267,281
Sonali Bank (UK) Ltd., London	EUR	-	98.50	-	283	82.29	23,267
ICICI Bank Ltd., Mumbai	EUR	6,164	98.50	607,168	6,164	82.29	507,276
Unicredit Bank, Germany	EUR	18,391	98.50	1,811,388	21,921	82.29	1,803,889
Commerz Bank AG, Germany	EUR	341,718	98.50	33,657,782	478,087	82.29	39,342,287
United Bank of India, Kolkata	EUR	4,226	98.50	416,199	4,226	82.29	347,725
Standard Chartered Bank, Mumbai	ACU	6,964	82.70	575,960	275,712	78.70	21,699,178
Standard Chartered Bank, Kolkata	ACU	500,482	82.70	41,389,900	500,482	78.70	39,389,071
Standard Chartered Bank, Karachi Pakistan	ACU	63,392	82.70	5,242,484	49,678	78.70	3,909,800
Standard Chartered Bank, Colombo	ACU	70,039	82.70	5,792,242	62,093	78.70	4,886,884
Habib Metropolitan Bank Ltd., Karachi	ACU	181,825	82.70	15,036,887	58,582	78.70	4,610,513
Mashreq Bank PSC, Mumbai	ACU	86,299	82.70	7,136,944	230,411	78.70	18,133,856
AB Bank Ltd., Mumbai	ACU	635,255	82.70	52,535,622	582,179	78.70	45,818,747
ICICI Bank Ltd., Mumbai	ACU	379,791	82.70	31,408,674	384,960	78.70	30,297,204
Himalayan Bank Ltd., Kathmundu	ACU	109,490	82.70	9,054,823	109,490	78.70	8,617,104
Nepal Bangladesh Bank Limited	ACU	131,974	82.70	10,914,258	131,974	78.70	10,386,652
United Bank of India, Kolkata	ACU	130,633	82.70	10,803,342	322,830	78.70	25,407,392
HDFC Bank Ltd., Mumbai	ACU	285,989	82.70	23,651,275	243,567	78.70	19,169,222
Habib Bank Ltd., Pakistan	ACU	-	82.70	-	199,988	78.70	15,739,512
Axis Bank Ltd., Mumbai	ACU	53,676	82.70	4,439,023	238,604	78.70	18,778,685
Sonali Bank Ltd., Kolkata	ACU	154,842	82.70	12,805,414	80,521	78.70	6,337,199
Mashreq Bank PSC, UAE	AED	4,712,727	22.52	106,110,126	6,804,611	21.42	145,788,056
ICICI, Mumbai	ACU	-	-	28,032,607	-	-	28,032,607
		20,471,771		**1,041,438,060**	**18,054,794**		**821,938,166**

Investment in Shares
As at December 31, 2017 — Annexure-B

Amount in BDT

Sl. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share Dec 31, 2017	Total Market Value as at Dec 31, 2017	Unrealised Gain/Loss
A.	**Quoted Share**							
1	ACI Limited	10	950.40	444,837	468.05	459.80	436,964	(7,843)
2	BRAC Bank Ltd.	10	3,821	351,279	89.59	108.40	425,036	73,757
3	Bangladesh Submarine Cable Company Limited	10	85,000	9,348,350	165.97	133.10	5,670,500	(3,677,850)
4	The City Bank Ltd.	10	1,843	86,645	43.79	53.20	98,048	17,403
5	Dhaka Electric Supply Company Ltd.	10	26,638	2,907,903	101.54	45.40	1,300,165	(1,607,737)
6	First Finance Limited	10	121,275	3,481,189	28.54	11.60	1,406,790	(2,074,399)
7	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	38.70	387,000	(217,200)
8	Grameenphone Ltd.	10	1,270	463,116	364.66	470.80	597,916	134,800
9	Jamuna Oil Company Limited	10	66,000	15,487,760	234.36	189.70	12,520,200	(2,967,560)
10	Matin Spinning Mills Ltd.	10	100,000	4,733,000	47.33	38.60	3,860,000	(873,000)
11	Meghna Petroleum Limited	10	32,870	7,510,506	228.69	188.90	8,171,383	(1,339,123)
12	National Bank Ltd.	10	252,139	4,469,382	17.71	13.00	3,277,807	(1,187,575)
13	Northern General Insurance Company Ltd.	10	30,719	967,998	31.51	23.80	731,112	(236,843)
14	Orion Pharma Ltd.	10	50,000	3,551,000	71.02	48.70	2,435,000	(1,116,000)
15	Phoenix Insurance Company Ltd.	10	42,750	2,578,108	60.33	29.50	1,261,125	(1,317,983)
16	Pragati Life Insurance Ltd.	10	135,135	25,524,299	188.88	113.60	15,351,336	(10,172,963)
17	Premier Cement Mills Limited	10	25,000	2,946,500	117.62	87.70	2,192,500	(746,000)
18	RAK Ceramics (Bangladesh) Limited	10	15,750	1,114,470	70.76	59.90	943,425	(171,045)
19	R.N. Spinning Mills Limited	10	144,000	3,712,320	25.78	16.50	2,376,000	(1,336,320)
20	Square Pharmaceuticals Ltd.	10	2,338	494,877	211.67	301.80	705,608	210,731
21	Summit Power Limited	10	892,100	38,918,895	36.23	26.90	24,848,462	(14,070,434)
22	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	5.80	1,897,280	(5,109,104)
	Free Fund available			184,353			184,353	-
	Sub-Total		**3,150,300**	**136,840,327**			**88,088,020**	**(47,754,307)**
B.	**Mutual Fund (Quoted)**		**No. of Share Held**	**Cost Holding**	**Average Cost**	**Quoted Rate Per Share Dec 31, 2017** / **95% NAV**	**Total Market Value as at Dec 31, 2017**	**Provision Req. as per BB Guideline**
1	CBH First Mutual Fund	10	33,000	238,432	7.05	9.40 / 10.79	317,720	-
2	Green Delta Mutual Fund	10	10,241	73,328	7.16	9.20 / 10.85	94,217	-
3	First Bangladesh Fixed Income Fund	10	32,226,096	219,806,142	6.82	5.70 / 10.30	183,683,047	-
4	EBL NRB Mutual Fund	10	15,357,989	108,995,083	7.10	6.60 / 10.29	101,362,727	-
5	MBL 1st Mutual Fund	10	4,160,000	41,600,000	10.00	9.10 / 10.87	37,856,000	-
6	PHP First Mutual Fund	10	4,551,746	32,818,089	7.21	6.40 / 10.26	29,131,174	-
	Sub-Total		**96,336,872**	**403,391,073**			**352,444,885**	**-**
C	**Unquoted Share**	**Face Value**	**No. of Share Held**	**Cost Holding**	**Net Assets**	**Total No. of Shares of Issuers** / **NAV**	**Impairment Value at December 31, 2017**	**Unrealised Gain/Loss**
1	SD Venture Limited	10	2,000,000	20,000,000	203,287,005	20,000,000 / 10.16	20,326,701	326,701
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,602,331,131	200,000,000 / 33.01	188,506,107	172,861,677
3	Energypack Power Generation Limited	10	1,192,800	50,000,000	5,590,321,919	149,869,650 / 37.30	44,462,902	(5,537,098)
4	Industrial & Infrastructure Development Finance Company Limited	10	7,329,110	42,453,820	1,648,605,625	100,000,000 / 16.49	120,828,120	78,374,300
5	UC Bangladesh	10	3,000,000	30,000,000	576,588,464	60,000,000 / 9.64	28,929,423	(1,070,577)
6	The Bangladesh Rating Agency Limited	100	46,158	4,915,500	3,273,548	1,067,175 / 3.07	150,782	(4,764,718)
	Sub-Total			**163,063,750**	**14,626,407,390**		**403,206,034**	**240,222,284**
D	**Fund (Unquoted)**							-
2	MTB Unit Fund	10	21,760,000	217,600,000			217,600,000	-
	Sub-Total			**217,600,000**			**217,600,000**	-
E	**Bonds:**							
1	Uttara Finance & Investment Limited-Zero Coupon Bond			40,000,000			40,000,000	-
2	One Bank Subordinated Bond			100,000,000			100,000,000	-
3	Trust Bank Subordinated Bond			100,000,000			100,000,000	-
4	UCB 3rd Subordinated Bond			250,000,000			250,000,000	
5	Jamuna Bank Subordinated Bond			150,000,000			150,000,000	
6	NBL Subordinated Bond			250,000,000			250,000,000	
7	AB Bank Subordinate Bond			54,000,000			54,000,000	-
	Sub-Total			**954,000,000**			**954,000,000**	-
	Total			**1,874,885,150.58**		-	**2,016,416,940**	**47,754,307**

Particular	Provision Required	Provision Maintained	Excess/(Shortfall)
Quoted Shares	47,754,307		
Un-quoted Shares	-	55,267,667	7,513,360
Mutual Funds	-		
	47,754,307	55,267,667	7,513,360

Consolidated Fixed Asset Schedule
As at December 31, 2017 — Annexure-C

Particulars	Cost: Balance as at 01.01.2017	Cost: Addition during the year	Cost: Disposal during the year	Cost: Balance as at 31.12.2017	Depreciation: Rate	Depreciation: Balance as at 01.01.2017	Depreciation: Charged for the year	Depreciation: Adjustment made during the year	Depreciation: Balance as at 31.12.2017	Written down value as at 31.12.2017
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.50%	138,915,718	35,030,073	-	173,945,791	1,328,160,004
Furniture & Fixture	1,319,933,861	115,082,169	29,943,527	1,405,072,503	10%	480,347,825	91,540,131	16,553,166	555,334,791	849,737,712
Office Equipments	1,600,595,436	181,773,981	17,309,108	1,765,060,309	20%	880,328,201	171,338,334	13,912,406	1,037,754,129	727,306,180
Motor Vehicles	101,542,673	39,777,924	-	141,320,597	20%	53,553,370	17,575,387	-	71,128,757	70,191,840
Books & Periodicals	423,974	-	-	423,974	10%	423,974	-	-	423,974	-
Leasehold Asset	37,955,000	-	7,545,000	30,410,000	20%	37,954,999	-	7,545,000	30,409,999	1
Intangible Asset	112,088,989	87,607,101	-	199,696,090	20%	46,403,398	21,676,065	-	68,079,463	131,616,627
Total 2017	**4,778,898,729**	**424,241,175**	**54,797,635**	**5,148,342,269**		**1,637,927,486**	**337,159,990**	**38,010,572**	**1,937,076,904**	**3,211,265,365**
				-						
Total 2016	**4,571,079,721**	**310,624,589**	**102,805,581**	**4,778,898,729**		**1,389,249,874**	**319,954,486**	**71,276,875**	**1,637,927,486**	**3,140,971,243**

Fixed Asset Schedule
As at December 31, 2017 — Annexure-C (i)

Particulars	Cost: Balance as at 01.01.2017	Cost: Addition during the year	Cost: Disposal during the year	Cost: Balance as at 31.12.2017	Depreciation: Rate	Depreciation: Balance as at 01.01.2017	Depreciation: Charged for the year	Depreciation: Adjustment made during the year	Depreciation: Balance as at 31.12.2017	Written down value as at 31.12.2017
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,455,740,795	-	-	1,455,740,795	2.50%	130,563,588	33,129,429		163,693,017	1,292,047,778
Furniture & Fixture	1,248,294,325	114,700,681	16,007,953	1,346,987,053	10%	456,077,677	87,297,379	10,124,188	533,250,868	813,736,185
Office Equipments	1,560,308,262	180,798,968	15,663,831	1,725,443,429	20%	853,578,403	168,693,754	12,652,684	1,009,619,473	715,823,956
Motor Vehicles	101,542,673	39,777,924		141,320,597	20%	53,553,370	17,575,387		71,128,757	70,191,840
Books & Periodicals	423,974			423,974	10%	423,974			423,974	-
Leasehold Asset	37,955,000		7,545,000	30,410,000	20%	37,954,999		7,545,000	30,409,999	1
Intangible Asset	112,088,989	87,607,101		199,696,090	20%	46,403,398	21,676,065		68,079,463	131,616,627
Total 2017	**4,620,607,018**	**422,884,704**	**39,216,784**	**5,004,274,938**		**1,578,555,409**	**328,372,014**	**30,321,872**	**1,876,605,551**	**3,127,669,387**
Total 2016	**4,408,692,360**	**307,004,349**	**95,089,691**	**4,620,607,018**		**1,338,169,090**	**308,919,377**	**68,533,058**	**1,578,555,409**	**3,042,051,609**

Annexure-D

List of Subordinated Debt Holders as at December 31, 2017

A. 12% Partially Convertible Subordinate Bond

SL	Name of party	2017 Investment Amount	2016 Investment Amount
1	Ak Khan & Co. Limited	-	180,000,000
2	Agrani Bank Limited	-	150,000,000
3	Sonali Bank Limited	-	125,000,000
4	Rupali Bank Limited	-	100,000,000
5	Dhaka Bank Limited	-	95,000,000
6	IPDC of Bangladesh Limited	-	75,000,000
7	Dutch Bangla Bank Limited	-	75,000,000
8	Bank Asia Limited	-	75,000,000
9	Trust Bank Limited	-	55,000,000
10	Janata Bank Limited	-	50,000,000
11	BASIC Bank Limited	-	35,000,000
12	National Life Insurance Co. Limited	-	35,000,000
13	Central Depository Bangladesh Limited	-	35,000,000
14	Investment Corporation of Bangladesh (ICB)	-	25,000,000
15	NCC Bank Limited	-	20,000,000
16	Pubali Bank Limited	-	20,000,000
17	Prime Bank Employees Provident Fund	-	20,000,000
18	Popular Life Insurance Co. Limited	-	20,000,000
19	Delta Life Insurance Co. Limited	-	20,000,000
20	Grameen Mutual Fund One-Scheme Two	-	20,000,000
21	Pragati Life Insurance Limited	-	10,000,000
22	Pacific Jeans Limited	-	10,000,000
	Sub-Total (A)	**-**	**1,250,000,000**

B MTB 2nd Subordinate Bond

Sl.	Name of Party	Investment Amount	Investment Amount
1	Sonali Bank Limited	1,000,000,000	1,000,000,000
2	BRAC Provident Fund	500,000,000	500,000,000
3	Bank Asia Limited	400,000,000	400,000,000
4	Uttara Bank Limited	300,000,000	300,000,000
5	BRAC	250,000,000	250,000,000
6	BRAC Bank Limited	250,000,000	250,000,000
7	NRB Commercial Bank Limited	200,000,000	200,000,000
8	United Finance Limited	100,000,000	100,000,000
	Sub-Total (B)	**3,000,000,000**	**3,000,000,000**

C MTB 3nd Subordinate Bond

SL	Name of Party	Investment Amount	Investment Amount
1	Pubali Bank Limited	950,000,000	-
2	Dhaka Bank Limited	900,000,000	-
3	Sonali Bank Limited	750,000,000	-
4	Southeast Bank Limited	650,000,000	-
5	Janata Bank Limited	500,000,000	-
6	Agrani Bank Limited	300,000,000	-
7	Eastern Bank Limited	300,000,000	-
8	Rupali Bank Limited	200,000,000	-
9	Delta Life Insurance Company Limited	200,000,000	-
10	Standard Bank Limited	150,000,000	-
11	United Finance Limited	100,000,000	-
	Sub-Total (C)	**5,000,000,000**	**-**
	Total (A+B+C)	**8,000,000,000**	**4,250,000,000**

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
1	**Mr. M A Rouf, JP** Chairman	**Chairman** - Britannia Properties Ltd. Bangladesh - Britannia Holdings & Management Ltd. - Britannia Developments Ltd. - Britannia Asset & Equity Management Ltd. - Diamond Properties (BD) - Diamond Properties (UK) St. Andrews - MTB Securities Limited (MTBSL) - MTB Capital Limited (MTBCL) - MTB Exchange (UK) Ltd. **Director** - Tiger Tours Ltd.
2	**Mr. Md. Hedayetullah** Vice Chairman	**Chairman** - Hedayetullah Securities Ltd. **Director** - Apex Tannery Ltd. - Apex Property Development Ltd. - MTB Securities Limited (MTBSL) **Managing Director** - Footbed Footwear Ltd. - FB Footwear Ltd.
3	**Mr. Syed Manzur Elahi** Director (Founding Chairman)	**Chairman** - Apex Tannery Ltd. - Apex Footwear Ltd. - Apex Pharma Ltd. - Blue Ocean Footwear Ltd. - Apex Enterprises Ltd. - Apex Investments Ltd. - Grey Advertising (Bangladesh) Ltd. - Quantum Market Research - Manusher Jonno Foundation **Director** - International Publications Limited - Credit Rating Agency of 14.Bangladesh Limited (CRAB) - Central Depository Bangladesh Ltd. (CDBL) - MTB Exchange (UK) **Member of the Board of Trustees** - East West University - Centre for Policy Dialogue (CPD) - Diabetic Association of Bangladesh
4	**Mr. Rashed Ahmed Chowdhury** Director (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. - MTB Exchange (UK)
5	**Dr. Arif Dowla** Director (Representing Advanced Chemical Industries Ltd.)	**Chairman** - Tetley ACI (Bangladesh) Ltd. **Vice Chairman** - ACI HealthCare Limited **Director** - ACI Formulations Limited - ACI Motors Limited - ACI Pure Flour Limited - ACI Agrolink Limited - Premiaflex Plastics Limited - ACI Foods Limited - ACI Chemicals Limited - Infolytx Bangladesh Limited - ACI Salt Limited - ACI Biotech Limited - ACI Edible Oils Limited - Creative Communication Limited - Consolidated Chemicals Limited - Dowla Agricultural Development Company Ltd - ACI Godrej Agrovet Private Limited - ACI Foundation - Bangladesh Business Publications Limited - ACI Healthcare USA Inc. - MTB Capital Limited (MTBCL) **Managing Director** - Advanced Chemical Industries (ACI) Ltd. - ACI Logistics Limited - Stochastic Logic Limited **Member of the Board of Governors** - Society for Promotion of Bangladesh Art (SPBA)
6	**Mr. Md. Abdul Malek** Director	**Proprietor** - Gardenia
7	**Mr. Md. Wakiluddin** Director	**Chairman** - Baridhara Corporation Ltd. **Director** - Swadesh Properties Ltd. - Swadesh Global Media Ltd. - HURDCO International School
8	**Khwaja Nargis Hossain** Director	**Director** - SAHCO International Ltd. **Managing Director** - SAHCO Securities Ltd.
9	**Mr. Anjan Chowdhury** Director (Representing ASTRAS Ltd.)	**Chairman** - Oracle Travels Ltd. - Vision Technologies Ltd. (Radio Din Raat) - Sun Communications Ltd. **Director** - Square Pharmaceuticals Limited - Square Hospitals Ltd. - Square Formulations Ltd. - Square Herbal and Nutraceuticals Ltd. - Square Agro Development and Proc. Ltd. - Square Textiles Ltd. - Square Fashions Limited - Square Yarns Limited - Square Fashion Yarns Limited - Square Denims Limited - Square Apparels Limited - Square Holdings Ltd. - Square Informatix Ltd. - ASTRAS Limited - Pharma Packages (Pvt.) Ltd. - Barnali Printers Ltd. - Sabazpur Tea Co. Ltd. - Abahani Limited **Managing Director** - Square Toiletries Ltd. - Square Food & Beverage Ltd. - Square Securities Management Ltd. - Square Texcom Limited - Square Air Ltd. - Maasranga Communications Ltd (Maasranga Television) - Mediacom Ltd. - Aegis Services Ltd
10	**Mr. Q. A. F. M. Serajul Islam** Director (Representing Pioneer Insurance Company Ltd.)	**Consultant** - Pioneer Insurance Co. Ltd. **Director (Representing Mutual Trust Bank Limited (MTB)** - Life Insurance Corporation (LIC) of Bangladesh Ltd.
11	**Mr. Anwarul Amin** Independent Director	**Chairman** - Kayfin Consultants Ltd. (Management Consultancy Firm) **Independent Director (Fully owned subsidiary of MTB)** - MTB Securities Ltd. (MTBSL) - MTB Capital Ltd. (MTBCL)
12	**Dr. Sultan Hafeez Rahman** Independent Director	**Executive Director** - BRAC Institute of Governance and Development(BIGD) **Independent Director** - MTB Exchange (Uk)

Consolidated Financial Highlights
As at Decemebr 31, 2017 — Annexure - F

BDT in Million

Sl. No.	Items	2017	2016
1	Paid up Capital	5,096.56	4,431.79
2	Total Capital (Tier-1 & 2)	19,016.46	13,725.13
3	Surplus/ (Shortage) Capital	5,193.72	1,569.57
4	Total Asset	201,753.93	165,370.69
5	Total Deposit	151,776.07	131,272.33
6	Total Loans and Advances	145,606.99	114,355.76
7	Total Contingent Liabilities	60,805.10	45,134.31
8	Lending-Deposit Ratio	83.45%	77.69%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.30%	4.36%
10	Profit after Provision and Tax	1,980.34	1,463.59
11	Total Classified Loans and Advances	6,268.36	4,983.09
12	Total Provision Maintained against Classified Loans	2,398.34	2,050.92
13	Surplus/(Deficit) in Provision against Classified Loans	30.00	0.00
14	Cost of Fund	7.88%	8.71%
15	Earning Assets	170,162.67	139,590.23
16	Non-Interest Earning Assets	31,591.27	25,780.45
17	Return on Investments (ROI)	9.04%	8.34%
18	Return on Asset (ROA)	1.08%	0.94%
19	Income from Investment	2,127.21	2,010.54
20	Earnings Per Share (BDT)	3.89	2.87
21	Operating Profit Per Share (BDT)	7.68	6.69
22	Price-Earning Ratio (Times)	9.01	8.04

Financial Highlights
As at December 31, 2017 — Annexure - F (i)

BDT in Million

SLNo.	Items	2017	2016
1	Paid up Capital	5,096.56	4,431.79
2	Total Capital (Tier-1 & 2)	18,846.47	13,699.25
3	Surplus/(shortage) Capital	5,165.82	1,800.06
4	Total Assets	201,277.52	164,480.42
5	Total Deposits	152,237.16	131,593.61
6	Total Loans and Advances	142,819.50	110,834.55
7	Total Contingent Liabilities	60,805.10	45,134.31
8	Lending-Deposit Ratio	83.45%	77.69%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.39%	4.50%
10	Profit after Provision and Tax	1,916.22	1,403.79
11	Total Classified Loans and Advances	6,268.36	4,983.09
12	Total Provision Maintained against Classified Loans	2,398.34	2,050.92
13	Surplus/(Deficit) in Provision against Classified Loans	30.00	0.00
14	Cost of Fund	7.75%	8.42%
15	Earning Assets	166,404.55	135,421.01
16	Non-Interest Earning Assets	34,872.97	29,059.41
17	Return on Investments (ROI)	8.94%	8.36%
18	Return on Asset (ROA)	1.05%	0.91%
19	Income from Investment	2,056.35	1,974.27
20	Earnings Per Share (BDT)	3.76	2.75
21	Operating Profit Per Share (BDT)	7.21	6.30
22	Price-Earning Ratio (Times)	9.31	8.39

Off Shore Banking Unit (OBU)
Balance Sheet
As at December 31, 2017 — Annexure- G

Property and Assets	Notes	December 31, 2017 USD	December 31, 2017 BDT	December 31, 2016 USD	December 31, 2016 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	**8,788,565**	**726,814,309**	**502,953**	**39,583,506**
In Bangladesh		-	-	-	-
Outside Bangladesh		8,788,565	726,814,309	502,953	39,583,506
Loans and advances	4	**111,702,057**	**9,237,760,086**	**39,715,310**	**3,125,682,279**
Loans, cash credits, overdrafts etc.		109,263,652	9,036,104,020	37,557,625	2,955,867,717
Bills purchased and discounted		2,438,405	201,656,065	2,157,685	169,814,562
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	**216,525**	**17,906,592**	**-**	**-**
Non - banking assets		-	-	-	-
Total assets		**120,707,146**	**9,982,480,987**	**40,218,263**	**3,165,265,785**
Liabilities and Capital					
Liabilities					
Borrowings from other banks, financial institutions and agents	6	**118,424,757**	**9,793,727,370**	**39,774,612**	**3,130,349,458**
Deposits and other accounts		-	-	-	-
Current deposits		-	-	-	-
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
Bearer certificate of deposit		-	-	-	-
Other liabilities	7	**2,282,390**	**188,753,617**	**443,651**	**34,916,327**
Total liabilities		**120,707,146**	**9,982,480,987**	**40,218,263**	**3,165,265,785**
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
Total Shareholders' equity		**-**	**-**	**-**	**-**
Total Liabilities and Shareholders' equity		**120,707,146**	**9,982,480,987**	**40,218,263**	**3,165,265,785**
Off-Balance Sheet Items					
Contingent liabilities		**50,000**	**4,135,000**	**-**	**-**
Acceptances and endorsements		-	-	-	-
Letters of guarantee	8	50,000	4,135,000	-	-
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		**50,000**	**4,135,000**	**-**	**-**

Off Shore Banking Unit (OBU)
Profit and Loss Account
For the year ended December 31, 2017 — Annexure- G

Particulars	Notes	2017 USD	2017 BDT	2016 USD	2016 BDT
Interest income	9	4,718,648	380,447,095	1,184,771	92,963,786
Less: Interest on deposits, borrowings, etc.	10	3,334,840	268,875,783	748,617	58,740,695
Net Interest Income		**1,383,808**	**111,571,313**	**436,154**	**34,223,092**
Commission, exchange, etc.	11	250	20,157	-	-
Other operating income	12	154,150	12,428,544	65,780	5,161,467
Total Operating Income (A)		**1,538,208**	**124,020,013**	**501,934**	**39,384,559**
Operating expenses	13	37,568	3,028,949	58,554	4,594,503
Total operating expenses (B)		**37,568**	**3,028,949**	**58,554**	**4,594,503**
Profit / (loss) before provision (C=A-B)		**1,500,640**	**120,991,065**

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Mutual Trust Bank Ltd.

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Financial Statements 2017

Off Shore Banking Unit (OBU)
Notes to the Financial Statements
As at December 31, 2017

Annexure-G

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and judgements

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

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

2.3 Foreign currency transaction

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

Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-bank market as determined by The Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denomonated 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, 2017.

2.5 Loans and advances / investments

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

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

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

2.6 Provision for liabilities

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

2.7 Interest Income

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

2.8 Interest paid and other expenses

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

2.9 Allocation of common expenses

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

2.10 General

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

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US$1 = Taka 82.7000 (closing rate as at December 31, 2017) and BDT 80.6263 (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.

		2017		2016	
		USD	BDT	USD	BDT
3	**Balance with other banks and financial institutions**				
	In Bangladesh	-	-	-	-
	Outside Bangladesh	8,788,565	726,814,309	502,953	39,583,506
		8,788,565	**726,814,309**	**502,953**	**39,583,506**
4	**Loans and advances**				
	i) Loans, cash credits, overdrafts etc.				
	Term Loan	14,475,298	1,197,107,180	5,183,552	407,956,926
	Usance Payable at Sight (UPAS)	90,721,312	7,502,652,467	32,374,073	2,547,910,792
	Placement to other OBU	4,067,042	336,344,373	-	-
	ii) Bills purchased and discounted	**109,263,652**	**9,036,104,020**	**37,557,625**	**2,955,867,717**
	Payable Inside Bangladesh				
	Inland bills purchased	2,327,313	192,468,757	2,145,685	168,870,136
	Foreign bills purchased	111,092	9,187,308	12,000	944,426
		2,438,405	**201,656,065**	**2,157,685**	**169,814,562**
	Payable Outside Bangladesh	-	-	-	-
		111,702,057	**9,237,760,086**	**39,715,310**	**3,125,682,279**
4.01	**Loans and Advances to Industries**				
	Agro-based and agro-processing industry	14,222,890	1,176,232,964	-	-
	Power & Energy	15,711,308	1,299,325,142	8,305,879	653,690,063
	RMG & Textile FDBP	28,491,116	2,356,215,327	4,675,901	368,003,720
	Agribusiness	-	-	3,800,231	299,086,510
	Building Materials & Equipment	2,573,906	212,861,990	1,936,333	152,393,667
	Ceramic	1,385,776	114,603,655	66,192	5,209,456
	Dairy	-	-	876,089	68,950,098
	Electronics Manufacturing & Equipment	4,190,395	346,545,632	666,951	52,490,499
	Iron, Steel & Other Base Metals	20,044,513	1,657,681,253	456,200	35,903,915
	Medical	-	-	382,281	30,086,316
	Poultry & Eggs	-	-	1,887,128	148,521,102
	Paper, Paper Products & Printing	-	-	1,305,466	102,743,017
	CEMENT	176,549	14,600,602	-	-
	Pharmaceuticals	1,881,173	155,573,010	437,800	34,455,823
	Plastic & Rubber	6,494,459	537,091,736	5,108,138	402,021,735
	Chemical & Chemical Products	2,295,505	189,838,115	1,245,348	98,011,588
	Hospitals and clinics	2,334,562	193,068,286	-	-
	Engineering,Metal & Metal Products	6,308,675	521,727,386	7,720,228	607,598,964
	Service Industries	-	-	202,984	15,975,287
	Others	5,591,233	462,394,987	642,163	50,539,619
		111,702,057	**9,237,760,086**	**39,715,310**	**3,125,682,279**
4.02	**Classification of Loans and Advances including bill discounted**				
	Unclassified (UC):				
	Standard	111,702,057	9,237,760,086	39,715,310	3,125,682,279
	Special Mention Account (SMA)	-	-	-	-
	Sub total	**111,702,057**	**9,237,760,086**	**39,715,310**	**3,125,682,279**
	Classified:				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Bad & Loss	-	-	-	-
	Sub total	**-**	**-**	**-**	**-**
	Total	**111,702,057**	**9,237,760,086**	**39,715,310**	**3,125,682,279**
4.03	**Geographical Location wise Loans and Advances**				
	Inside Bangladesh				
	Urban				
	Dhaka Division	69,794,702	5,772,021,836	23,211,370	1,826,785,892
	Chittagong Division	32,738,035	2,707,435,526	6,588,653	518,541,486
	Rajshahi Division	-	-	-	-
	Sylhet Division	2,315,343	191,478,862	1,936,333	152,393,667
	Khulna Division	6,853,977	566,823,862	7,978,954	627,961,233
	Barishal Division	-	-	-	-
		111,702,057	**9,237,760,086**	**39,715,310**	**3,125,682,279**
	Rural				
	Dhaka Division	-	-	-	-
	Chittagong Division	-	-	-	-
	Rajshahi Division	-	-	-	-
	Sylhet Division	-	-	-	-
	Khulna Division	-	-	-	-
	Barishal Division	-	-	-	-
	Outside Bangladesh	-	-	-	-
		111,702,057	**9,237,760,086**	**39,715,310**	**3,125,682,271**
5	**Other Assets**				
	Adjusting A/C Debit	216,525	17,906,592	-	-
		216,525	**17,906,592**	**-**	**-**
6	**Borrowings from other banks, financial institutions and agents**				
	In Bangladesh	32,027,528	2,648,676,566	7,443,489	585,818,996
	Outside Bangladesh	86,397,229	7,145,050,804	32,331,122	2,544,530,462
		118,424,757	**9,793,727,370**	**39,774,612**	**3,130,349,458**
	In Bangladesh:				
	Borrowing from Bank:				
	Bangladesh Bank	4,669,638	386,179,063	4,985,435	392,364,702
	Other Bank	27,357,890	2,262,497,503	2,458,054	193,454,294
		32,027,528	**2,648,676,566**	**7,443,489**	**585,818,996**
	Outside Bangladesh	86,397,229	7,145,050,804	32,331,122	2,544,530,462
		118,424,757	**9,793,727,370**	**39,774,612**	**3,130,349,458**
8	**Deposits and other accounts**				
	Bank deposits (Note 8.1)	-	-	-	-
	Customer deposits and other accounts	-	-	-	-
		-	**-**	**-**	**-**
7	**Other liabilities**				
	Provision for Expenses	-	-	272	21,368
	Sundry Deposit	7,607	629,099	-	-
	Due to Head Office	1,500,640	120,991,065	443,380	34,790,056
	Interest Payable on Borrowing	774,142	64,021,576	-	-
	Foreign currency translation gain	-	3,111,878	-	104,904
		2,282,390	**188,753,617**	**443,651**	**34,916,327**
8	**Contingent Liabilities & Commitments**				
	Letter of Guarantee	50,000	4,135,000	-	-
		50,000	**4,135,000**	**-**	**-**
9	**Interest income**				
	Interest on term loan	415,362	33,489,125	201,638	15,821,659
	Interest on UPAS	4,009,924	323,305,318	760,954	59,708,714
	Interest on Placement to other OBU	67,042	5,405,348	-	-
	Inland Documentary bills purchased	220,746	17,797,909	215,134	16,880,588
	Foreign Documentary bills purchased	5,574	449,396	7,045	552,825
	Total Interest on loans and advances	**4,718,648**	**380,447,095**	**1,184,771**	**92,963,786**
10	**Interest on deposits, borrowings, etc.**				
	Interest paid on deposits	3,253,238	262,296,516	-	-
	Interest paid on borrowings	81,602	6,579,267	748,617	58,740,695
		3,334,840	**268,875,783**	**748,617**	**58,740,695**
11	**Commission**				
	Commission on Letter of Guarantee	**250**	**20,157**	**-**	**-**
12	**Other Income**				
	Rebate & Others	**154,150**	**12,428,544**	**65,780**	**5,161,467**
13	**Other Expenses**				
	Bank Charge	37,568	3,028,949	58,554	4,594,503
		37,568	**3,028,949**	**58,554**	**4,594,503**

MTB SECURITIES LIMITED
AUDITOR'S REPORT
TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **MTB Securities Limited** (the company) which comprise the Statement of financial position as at 31 December, 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS), Bangladesh Financial Reporting Standards (BFRS), and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of **MTB Securities Limited** as at 31 December, 2017 and the result of its business activities and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(c) The statement of financial position and statement of profit or loss and others comprehensive income along with the annexed notes dealt with by this report are in agreement with the books of accounts; and

(d) The expenditure incurred was for the purpose of the company's business.

Dhaka: February 04, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MTB SECURITIES LIMITED
Statement of Financial Position
As at December 31, 2017

	Particulars	Notes	Amount in BDT December 31, 2017	December 31, 2016
	SOURCES OF FUNDS			
A.	**Shareholders' equity**		**3,332,071,512**	**3,306,327,260**
	Share capital	3	3,250,000,000	3,250,000,000
	Retained earnings	4	82,071,512	56,327,260
B.	**Loan from MTB**	5	**200,000,000**	**345,000,000**
	Total sources of funds (A+B)		**3,532,071,512**	**3,651,327,260**
	APPLICATION OF FUNDS			
C.	**Investment and advances**		**419,261,304**	**345,705,846**
	Membership at cost	6	8,000,000	8,000,000
	Investment in securities	7	382,400,880	308,845,422
	Investment in DSE	8	28,860,424	28,860,424
D.	**Current assets**		**3,805,809,828**	**4,229,422,278**
	Advances and prepayments	9	47,493,394	56,241,359
	Margin loan to clients	10	2,766,452,177	3,654,054,026
	Accounts receivable	11	38,917,407	42,925,451
	Advance Income Tax (AIT)	12	58,771,987	35,681,960
	Cash & cash equivalents	13	894,174,863	440,519,482
E.	**Current liabilities**		**768,781,867**	**1,013,511,004**
	Accounts payable	14	379,329,418	485,357,410
	Provision for expenses	15	18,293,105	21,093,114
	Provision for income tax	16	39,864,523	68,717,853
	Deffered tax liability	17	4,514,310	4,100,994
	Provision for margin loan	18	280,920,087	393,381,209
	Provision for investment in securities	19	17,000,000	12,000,000
	Investment suspense's accounts	20	28,860,424	28,860,424
F.	**Net current asset (D-E)**		**3,037,027,961**	**3,215,911,274**
G.	Property, plant & equipment	21	**75,782,247**	**89,710,140**
	Total application of funds (C+F+G)		**3,532,071,512**	**3,651,327,260**

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

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Md. Nazrul Islam Mazumder
Chief Executive Officer

Signed as per our annexed report of even date

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dhaka: February 04, 2018

MTB SECURITIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2017

Particulars	Notes	Amount in BDT 2017	2016
Operating Income		**445,904,904**	**329,043,510**
Brokerage commission	22	255,409,576	176,385,166
Interest income	23	126,853,097	109,948,362
Income from investment	24	51,390,151	30,063,602
Margin account maintenance	25	1,674,000	1,772,500
Depository participant	26	10,578,080	10,873,880
Less: Operating expenses		**33,073,915**	**26,219,832**
Laga charge		16,894,546	11,357,907
CDBL charge	27	16,179,369	14,861,925
Net operating income		**412,830,989**	**302,823,678**
Add: Other income	28	495,902	355,770
Total income		**413,326,891**	**303,179,448**
Less: Office & administrative expenses	29	137,169,323	134,714,494
Less: Financial expenses	30	100,000,000	-
Profit before provision		**176,157,568**	**168,464,954**
Less: Provision for margin loan	31	145,000,000	66,000,000
Less: Provision for investment in securities	32	5,000,000	-
Net profit before income tax		**26,157,568**	**102,464,954**
Less: Income tax expenses	33	413,316	56,629,824
Net profit after tax		**25,744,252**	**45,835,130**
Earnings Per Share (EPS)	34	**0.08**	**0.14**

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

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Md. Nazrul Islam Mazumder
Chief Executive Officer

Signed as per our annexed report of even date

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dhaka, February 04, 2018

MTB SECURITIES LIMITED
Statement of Changes in Equity
For the year ended December 31, 2017

Amount in BDT

Particulars	Paid up capital	Retained Earnings	Total
Balance as on January 01, 2017	**3,250,000,000**	**56,327,260**	**3,306,327,260**
Net profit for the year after tax	-	25,744,252	25,744,252
Less: Dividend paid	-	-	-
Balance as on December 31, 2017	**3,250,000,000**	**82,071,512**	**3,332,071,512**
Balance as on December 31, 2016	**3,250,000,000**	**56,327,260**	**3,306,327,260**

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Md. Nazrul Islam Mazumder
Chief Executive Officer

MTB SECURITIES LIMITED
Statement of Cash Flows
For the year ended December 31, 2017

Particulars	Amount in BDT 2017	2016
Cash flow from operating activities:		
Net profit during the year (after tax)	25,744,252	45,835,130
Add : Amount considered as non cash items :		
Increase/(decrease) in provision for expenses	(2,800,009)	(4,024,218)
Increase in provision for margin loan	(112,461,122)	65,649,030
Increase in provision for investment in securities	5,000,000	-
Depreciation	7,323,979	9,273,484
Loss on sale of fixed assets	2,164,562	86,288
Increase/(decrease) in provision for income tax	(28,853,330)	10,539,771
Increase/(decrease) in deferred tax laibility	413,316	4,100,994
Sub total of non cash items	**(129,212,603)**	**85,625,349**
Changes in working capital components		
Increase/(decrease) in accounts payable	(106,027,992)	176,613,458
(Increase)/decrease in accounts receivable	4,008,044	(14,260,195)
(Increase)/decrease in advance income tax	(23,090,027)	308,073
(Increase)/decrease in advance & prepayment	8,747,965	979,008
	(116,362,010)	163,640,344
A) Net cash inflow from operating activities	**(219,830,362)**	**295,100,823**
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	(73,555,458)	(71,563,497)
(Increase)/decrease in purchase of premises & fixed asset	(1,288,237)	(2,304,760)
(Increase)/decrease in margin loan to clients	887,601,849	62,922,348
Cash sale of fixed asset	5,727,589	4,885,785
B) Net cash outflow from investing activities	**818,485,743**	**(6,060,124)**
Cash flow from financing activities :		
Cash in Paid up Capital	-	730,000,000
Decrease in short term borrowing	(145,000,000)	(865,000,000)
Dividend paid	-	-
C) Net cash outflow from financing activities	**(145,000,000)**	**(135,000,000)**
D) Net cash increase / (decrease) (A+B+C)	**453,655,381**	**154,040,699**
E) Opening cash and cash equivalents	**440,519,482**	**286,478,783**
F) Closing cash and cash equivalents (D+E)	**894,174,863**	**440,519,482**

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Md. Nazrul Islam Mazumder
Chief Executive Officer

MTB SECURITIES LIMITED
Notes to the Financial Statements
For the year ended December 31, 2017

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 and converted into public Ltd. company in the year 2015 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

1.02 Nature of business

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

2.00 Significant accounting policies

2.01 Basis of preparation of financial statements

The Financial Statement of MTB Securities Limited includes the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and notes to the Financial Statements and disclosures. These Financial Statement have been prepared under the historical cost convention on a going concern basis in accordance with Generally Accepted Accounting Principles (GAAP), and the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS), The Companies Act 1994, Securities and Exchange Rules, 1987 and other Laws and Rules applicable to the company.

2.02 Statement of cash flows

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

2.03 Property and equipment

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

Category of assets	Rate of depreciation
Furniture	10%
Office equipment	20%
Furniture and fixtures	10%
Premises	5%

2.04 Revenue recognition

Revenue which comprises of brokerage commission, interest income and other income are recognized in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue Recognition".

2.05 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2017.

2.06 Provision for expenses

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

2.07 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company

2.08 Reporting period

The financial statement covers for the period from January 01, 2017 to December 31, 2017.

2.09 General

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

		Amount in BDT December 31, 2017	December 31, 2016
3.00	**Share capital**		
3.01	**Authorized capital**		
	500,000,000 ordinary shares of Taka 10 each.	**5,000,000,000**	**5,000,000,000**
3.02	**Issued, subscribed and paid-up capital**		
	325,000,000 ordinary shares of Taka 10 each fully paid.	**3,250,000,000**	**3,250,000,000**
3.03	**Paid-up capital:**		
	Opening Balance	3,250,000,000	1,270,000,000
	Cash consideration	-	730,000,000
	Loan converted into Paid up capital	-	1,250,000,000
		3,250,000,000	**3,250,000,000**

3.04 Shareholding Position of the Company

Share Holders	Number of Share	Percentage	Percentage
Mutual Trust Bank Limited	324,987,300	99.996%	99.996%
Mr. M. A. Rouf, JP	6,700	0.004%	0.004%
Mr. Md. Hashem Chowdhury	1,000		
Mr. Md. Zakir Hussain	1,000		
Mr. Syed Rafiqul Hossain	1,000		
Mr. Goutam Prosad Das	1,000		
Mr. Swapan Kumar Biswas	1,000		
Mr. Md. Nazrul Islam Mazumder	1,000		
Total	**325,000,000**	**100.00%**	**100.00%**

4.00	**Retained earnings**		
	Opening balance	56,327,260	10,492,130
	Net profit during the year	25,744,252	45,835,130
	Dividend paid during the year	-	-
		82,071,512	**56,327,260**
5.00	**Loan from MTB**		
	This represents amount received from Mutual Trust Bank (MTB) Limited for margin loan paid to customers and other operating purpose for the MTB Securities Limited		
	Opening balance	345,000,000	2,460,000,000
	Loan converted into Paid up capital	-	(1,250,000,000)
	Cash Paid during the year	(145,000,000)	(865,000,000)
		200,000,000	**345,000,000**
6.00	**Membership at cost**		
	Dhaka Stock Exchange Limited (DSE)	8,000,000	8,000,000
		8,000,000	**8,000,000**

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

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 (Annexure-C)	352,424,880	268,869,422
	Unquoted share (Placement share)	29,976,000	39,976,000
		382,400,880	**308,845,422**
8.00	**Investment in DSE**		
	Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
		28,860,424	**28,860,424**

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

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

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

Valuation of 40% shares:

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

Valuation of 60% shares:

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

(i) 25% shares will be sold to the strategic investors by the Exchange.

(ii) Except shares allotted in favor of strategic investors , shares held in blocked account shall be sold to general public/institutional investors.

(iii) The DSE will distribute all the sale proceeds of share held in blocked account to the initial shareholders pro-rata basis periodically as determined by the Exchanges.

9.00	**Advances and prepayments**		
	It represents advance for office rent, advance to employees and other advances for the MTB Securities Limited.		
	Office Rent	23,969,129	31,633,758
	Advance to Employees	2,358,302	3,291,638
	Others	21,165,963	21,315,963
		47,493,394	**56,241,359**
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		
	Opening Balacne	3,654,054,026	3,716,976,374
	Addition during the year	49,339,543	21,366,101
	Interest during the year	115,086,509	103,614,296
	Adjustment during the year	(1,052,027,901)	(187,902,745)
		2,766,452,177	**3,654,054,026**
11.00	**Accounts receivable**		
	Receivable from Dhaka Stock Exchange (DSE)-Broker (Note 11.1)	26,612,099	39,703,545
	Receivable from Dhaka Stock Exchange (DSE)-Dealer (Note 11.2)	9,315,799	530,646
	Other receivable	2,989,509	2,691,260
		38,917,407	**42,925,451**
11.01	**Receivable from Dhaka Stock Exchange (DSE)-Broker**		
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Broker.		
11.02	**Receivable from Dhaka Stock Exchange (DSE)-Dealer**		
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Dealer.		
12.00	**Advance income tax**		
	Opening balance	35,681,960	35,990,033
	Addition during the year (Note 12.01)	51,943,357	41,680,986
	Adjusted during the year	(28,853,330)	(41,989,059)
		58,771,987	**35,681,960**
12.01	**Addition during the year**		
	Brokerage commission	33,817,380	22,953,558
	Bank interest	1,176,659	633,407
	Dividend income	2,532,120	1,443,021
	Gain on Investment	22,508	1,151,000
	Advance tax	14,394,690	15,500,000
		51,943,357	**41,680,986**
13.00	**Cash and cash equivalents**		
	FDR		
	LankaBangla Finance Ltd	200,000,000	
	Union Capital Limited	100,000,000	-
	Hajj Finance Company Ltd	100,000,000	-
		400,000,000	-
	SND — **A/C No.**		
	Mutual Trust Bank Ltd — 0002-0320000724	81,886	65,117
	Mutual Trust Bank Ltd — 0002-0320001436	150,611	99,633
	Mutual Trust Bank Ltd — 0002-0320001081	440,803	297,421,068
	Mutual Trust Bank Ltd — 0087-032000296	389,102,413	-
	Mutual Trust Bank Ltd — 0002-0320002080	108,419	78,584
	Mutual Trust Bank Ltd — 0087-0320000278	1,702,464	-
	Mutual Trust Bank Ltd — 0002-0320001634	741,210	762,337
	Mutual Trust Bank Ltd — 0087-0320000287	52,276,077	-
	IFIC Bank limited — 109035680041	25,646,519	228,200
	Standard Chartered — 01114647901	17,499,418	128,517,195
	Standard Chartered — 02114647901	56,939	47,986
		487,806,759	**427,220,120**
	Cash in hand (Cheque in hand)	6,368,104	13,299,362
		894,174,863	**440,519,482**
14.00	**Accounts Payable**		
	It represents money deposited by client for trading purpose .The details are as follows:		
	Payable to clients (Note 14.1)	352,403,594	447,897,040
	Payable to Dhaka Stock Exchange (DSE) (Note 14.2)	1,666,826	4,711,872
	Payable to Dhaka Stock Exchange (DSE) -dealer (Note 14.2)	-	433,079
	Others payable (Note 14.3)	25,258,998	32,315,419
		379,329,418	**485,357,410**
14.01	**Payable to clients**		
	This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.		
14.02	**Payable to Dhaka Stock Exchange (DSE)**		
	This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.		
14.03	**Others payable**		
	This balance represents cheques issued to various client but not yet cleared and various suppliers payable.		
15.00	**Provision for expenses**		
	The details are as follows:		
	Salary & Allowances	9,000,000	7,800,000
	Office rent	313,138	-
	Other Rent	1,500,000	855,025
	Advertisement	210,567	150,567
	Audit Fee	57,500	57,500
	Repair & Maintenance	229,075	131,075
	Marketing & Business Development cost	550,817	550,817
	Entertainment	275,150	178,000
	Security Service Bill	917,598	976,676
	CDBL Charge	550,000	1,393,410
	Utility bill	2,082,522	1,578,589
	Cleaning of Office Premises	320,076	306,665
	Software Maintenance	294,700	372,350
	Travelling Expenses	-	10,000
	Office Maintenance	471,647	286,397
	Others Expenses	1,520,315	6,446,043
		18,293,105	**21,093,114**
16.00	**Provision for income tax**		
	Opening balance	68,717,853	58,178,082
	Addition during the year (Note: 16.1)	-	52,528,830
	Payment during the year	(28,853,330)	(41,989,059)
		39,864,523	**68,717,853**
16.01	**Addition during the year**		
	Current tax

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Mutual Trust Bank Ltd.

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Financial Statements 2017

MTB CAPITAL LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **MTB Capital Limited** (the company) which comprise the statement of financial position as at 31st December, 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other notes and explanatory notes thereon

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BASs), Bangladesh Financial Reporting Standards (BFRSs) and the Companies Act 1994, the Securities & Exchange Rules 1987 and the other 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the financial position of **MTB Capital Limited** as at 31st December, 2017 and the result of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

(c) The statement of financial position and statement of profit or loss and others comprehensive income along with the annexed notes dealt with by this report are in agreement with the books of accounts; and

(d) The expenditure incurred was for the purpose of the company's business

Dhaka: February 04, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Financial Position
As at December 31, 2017

	Note	2017 BDT	2016 BDT
SOURCES OF FUNDS			
Shareholders' equity			
Share capital	4	280,900,000	265,000,000
Retained earnings	5	39,702,369	17,668,192
Total shareholders' equity		**320,602,369**	**282,668,192**
Short term loan	6	-	75,000,000
Total sources of funds		**320,602,369**	**357,668,192**
APPLICATION OF FUNDS			
Investment and advances		**110,036,351**	**173,539,384**
Investment in securities	7	108,161,146	173,513,252
Advances	8	1,875,205	26,132
Current assets		**281,358,532**	**275,079,464**
Margin loan to clients	9	221,038,805	212,160,322
Accounts receivable	10	19,078,835	28,825,966
Advance income tax	11	24,745,302	11,242,321
Cash & cash equivalents	12	16,495,590	22,850,856
Current liabilities		**76,463,316**	**97,526,265**
Accounts payable	13	13,023,392	45,139,721
Provision for expenses	14	1,162,681	1,200,000
Provision for diminution in value of investments	15	12,500,000	11,541,973
Provision for margin loan	16	12,500,000	7,965,028
Provision for current tax	17	37,097,663	31,473,457
Deferred tax liability	18	179,580	206,087
Net current asset		**204,895,216**	**177,553,200**
Property, plant & equipment	19	5,670,802	6,575,609
Total application of funds		**320,602,369**	**357,668,192**

The annexed notes are integral part of these financial statements.

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice-Chairman

Khairul Basher Abu Taher Mohammed
Chief Executive officer

Signed as per annexed report on even date

Dhaka: February 04, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Profit or Loss and other Comprehensive Income
For the year ended December 31, 2017

	Note	2017 BDT	2016 BDT
Operating income			
Interest income	20	40,924,378	27,630,841
Income from investment	21	19,472,487	6,215,123
Underwriting commission	22	175,000	331,250
Issue management fee	23	3,500,000	4,675,000
Settlement fee and documentation charge	24	10,905,116	7,180,520
Portfolio management fee	25	16,353,824	9,222,190
Income from operation		**91,330,805**	**55,254,924**
Add: Other income	26	841,151	657,487
Total income		**92,171,956**	**55,912,411**
Less: Office & administrative expenses	27	19,292,274	18,551,208
Less: Interest expense		6,873,767	3,594,521
Profit before provision and tax		**66,005,915**	**33,766,682**
Less: Provision for diminution in value of investments	28	958,027	-
Less: Provision for margin loan	29	4,534,972	5,100,000
Net profit before tax		**60,512,916**	**28,666,682**
Less: Income tax expenses	30	**22,578,739**	**11,924,961**
Current tax expenses		22,605,246	11,718,874
Deferred tax (income)/expenses		(26,507)	206,087
Net profit after tax		**37,934,177**	**16,741,721**
Earnings Per Share (EPS)	31	**13.50**	**5.96**

The annexed notes are integral part of these financial statements.

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice-Chairman

Khairul Basher Abu Taher Mohammed
Chief Executive officer

Signed as per annexed report on even date

Dhaka: February 04, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Changes in Equity
For the year ended December 31, 2017

Amount in BDT

Particulars	Paid-up capital	Retained earnings	Total
Balance as at January 01, 2017	265,000,000	17,668,192	282,668,192
Net profit for the year after tax	-	37,934,177	37,934,177
Stock dividend	15,900,000	(15,900,000)	-
Balance as at December 31, 2017	**280,900,000**	**39,702,369**	**320,602,369**
Balance as at December 31, 2016	**265,000,000**	**17,668,192**	**282,668,192**

The annexed notes are integral part of these financial statements.

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice-Chairman

Khairul Basher Abu Taher Mohammed
Chief Executive officer

Statement of Cash Flows
For the year ended December 31, 2017

Amount in BDT

	2017	2016
Net profit during the year (after tax)	37,934,177	16,741,721
Add : Amount consider as non cash items :		
Increase in provision for diminution in value of investments	958,027	-
Increase in provision for margin loan	4,534,972	5,100,000
Increase/(decrease) in provision for expenses	(37,319)	-
Depreciation	955,615	1,124,480
Increase/(decrease) in provision for income tax	5,624,207	11,718,875
Increase/(decrease) in deferred tax liability	(26,507)	206,087
Sub total of non cash items	**12,008,995**	**18,149,441**
Changes in working capital components		
Increase/(decrease) in accounts payable	(32,116,329)	25,953,790
(Increase)/decrease in accounts receivable	9,747,132	(14,414,060)
(Increase)/decrease in advance income tax	(13,502,982)	(905,697)
(Increase)/decrease in advance & prepayment	(1,849,073)	300,000
A) Net cash flow from operating activities	**12,221,920**	**45,825,196**
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	65,352,105	(13,828,492)
(Increase)/decrease in purchase of premises & fixed asset	(50,808)	(148,250)
(Increase)/decrease in margin loan to clients	(8,878,483)	(97,085,079)
B) Net cash flow from investing activities	**56,422,814**	**(111,061,820)**
Cash flow from financing activities :		
Short term borrowing	(75,000,000)	75,000,000
C) Net cash flow from financing activities	**(75,000,000)**	**75,000,000**
D) Net cash increase / (decrease) (A+B+C)	**(6,355,266)**	**9,763,376**
E) Opening cash and cash equivalents	22,850,856	13,087,480
F) Closing cash and cash equivalents	**16,495,590**	**22,850,856**

M. A. Rouf, JP
Chairman

Anis A. Khan
Vice-Chairman

Khairul Basher Abu Taher Mohammed
Chief Executive officer

MTB Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2017

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

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

3.00 Significant accounting policies

3.01 Basis of preparation of financial statements
The financial statements of the company are made up to 31 December 2017 and prepared under the historical cost convention except investment in securities as a going concern and in accordance with the Companies Act 1994, International Financing Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange Limited listing Regulations, Income Tax Ordinance, 1984 and other laws and rules applicable in Bangladesh.

3.02 Statement of cash flows
Statement of cash flows has been prepared in accordance with the Bangladesh Accounting Standard (BAS) - 7 "Statement of Cash Flows".

3.03 Property, plant and equipment

3.03.1 Recognition and measurement:
Property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses, if any.
Cost includes expenditure that is directly attributable to the acquisition of asset and bringing to the location and conditioned necessary for it to be capable of operating in the intended manner.

3.03.2 Depreciation
Depreciation is charged using reducing balance method as per Bangladesh Accounting Standards (BASs)-16 "Property plant & equipment". The rates of depreciation used are as follows:

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

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

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

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

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

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

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

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

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

3.07 Reporting in the period
These financial statements cover one year from 1st January 2017 to 31 December 2017.

3.08 General
i). Comparative information have been disclosed for all numerical information of the financial statements and also the narrative and descriptive information so as to clarify the current year position in with that to preceding year.
Re-arrangement
Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.
ii). The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

		2017 BDT	2016 BDT
4.00	**Authorized capital**	**500,000,000**	**500,000,000**
	50,00,000 ordinary shares of Tk. 100 each.		
	Issued, subscribed and paid-up capital:	**280,900,000**	**265,000,000**
	2,809,000 ordinary shares of Tk. 100 each		

Shareholding position:

Particulars	No. of shares	Amount	Percentage
Mutual Trust Bank Limited.	2,808,888	280,888,800	99.996%
Mr. M. A. Rouf, JP	112	11,200	0.004%
Total	**2,809,000**	**280,900,000**	**100%**

5.00	**Retained earnings**		
	Opening balance	17,668,192	15,926,471
	Add: Net profit after tax during the year	37,934,177	16,741,721
	Less: Stock dividend	(15,900,000)	(15,000,000)
	Closing balance	**39,702,369**	**17,668,192**
6.00	**Short term loan**		
	United Finance Limited	-	75,000,000
		-	**75,000,000**
7.00	**Investment in Securities**		
	Investment in securities represent the cost price of securities which have been invested by the company		
	Quoted shares (Annexure - C)	105,161,146	170,513,252
	Unquoted shares	3,000,000	3,000,000
		108,161,146	**173,513,252**
8.00	**Advances and prepayment**		
	Advance to employees	1,875,205	26,132
		1,875,205	**26,132**
9.00	**Margin loans to clients**		
	Margin loan to investors - Non- Discretionary Account (NDA)	219,818,070	211,893,145
	Margin loan to investors - Discretionary Account (DA)	1,220,735	267,177
		221,038,805	**212,160,322**
10.00	**Accounts receivable**		
	Underwriting commission	175,000	331,250
	Issue management fee	1,064,131	3,925,000
	Dividend receivable	1,914,051	2,448,594
	Management fee	62,244	1,945
	Unicap Company Ltd	4,014,863	3,582,836
	Square Securities Management Ltd	-	791,624
	MTB Securities ltd	8,043,876	3,748,417
	City Brokerage Ltd	867,822	252,554
	CSML Securities	35,948	3,513,551
	Rental income	72,000	95,750
	Interest receivable	-	34,447
	Cheque in transit	85,000	-
	IPO	2,743,900	10,100,000
		19,078,835	**28,825,966**
11.00	**Advance income tax**		
	Opening balance	11,242,321	10,336,624
	Adjustment during the year	(8,001,017)	-
	Addition during the year	21,503,999	905,697
	Closing balance	**24,745,302**	**11,242,321**
12.00	**Cash & cash equivalents**		
	This is made up as under:		
	Cash in hand	4,414	257
	Cash at Bank (Mutual Trust Bank)		
	MTB-0012-0210010492 (DA)	-	213
	MTB-0012-0210010572 (CD)	678	678
	MTB Tower 0087-0210000164 (CD)	-	1,526
	MTB Tower 0087-0210000208 (Own Portfolio)	95	878,329
	MTB Tower 0087-0320000045 (SND)	11,288,828	7,865
	MTB Tower 0087-0320000054 (IPO)	24,841	16,131
	MTB Tower 0087-0320000214 (NDA)	2,045,181	18,143,792
	MTB Tower 0087-0320000205 (DA)	1,154,653	1,167,429
	MTB Tower 0087-0320000223 (GA)	1,976,900	2,632,741
	MTB 0012-0320001598 (IPO)	-	1,896
		16,491,176	22,850,599
	Cash and cash equivalents	**16,495,590**	**22,850,856**
13.00	**Accounts payable**		
	LeadSoft BD Ltd.	414,556	450,901
	Audit fees payable	50,000	50,000
	Payable to brokers	9,977,179	27,616,902
	Client deposits	1,280,803	15,066,747
	Accrued interest	-	885,000
	VAT payable	1,275,618	1,057,719
	Source tax payable	25,235	12,450
		13,023,392	**45,139,721**
14.00	**Provision for expenses**		
	Incentive bonus:		
	Opening balance	1,200,000	1,200,000
	Paid during the year	(637,319)	(803,561)
	Addition during the year	600,000	803,561
	Closing balance	**1,162,681**	**1,200,000**
15.00	**Provision for diminution in value of investments**		
	Opening balance	11,541,973	11,541,973
	Addition during the year (Note-28.00)	958,027	-
	Closing balance	**12,500,000**	**11,541,973**
16.00	**Provision for margin loan**		
	Opening balance	7,965,028	2,865,028
	Addition during the year (Note-29.00)	4,534,972	5,100,000
	Closing balance	**12,500,000**	**7,965,028**
17.00	**Provision for current tax**		
	Opening balance	31,473,457	19,754,582
	Adjustment during the year	(16,981,039)	-
	Addition during the year (Note-30.01)	22,605,246	11,718,874
	Closing balance	**37,097,663**	**31,473,457**
18.00	**Deferred tax liability**		
	Opening balance	206,087	-
	Deferred tax during the year (Note-30.02)	(26,507)	206,087
	Closing balance	**179,580**	**206,087**
19.00	**Property, plant & equipment**		
	Opening balance	6,575,609	7,551,839
	Addition during the year	50,808	148,250
	Total cost	**6,626,417**	**7,700,089**
	Less: Depreciation charged during the year	955,615	1,124,480
	Written down value	**5,670,802**	**6,575,609**
	Detail is shown in Annexure - A		
20.00	**Interest income**		
	Interest on margin loan - Non- Discretionary Account (NDA)	40,804,395	27,173,861
	Interest on margin loan - Discretionary Account (DA)	89,995	16,865
	Interest on bank accounts	29,987	440,115
		40,924,378	**27,630,841**
21.00	**Income from investment**		
	Dividend income	4,155,312	4,745,592
	Capital gain on sale of securites	15,317,175	1,469,532
		19,472,487	**6,215,123**
22.00	**Underwriting commission**		
	Pacific Denims Limited	-	281,250
	Oimex Electrode Limited	175,000	-
	IDLC Finance Limited	-	50,000
		175,000	**331,250**
23.00	**Issue management fee**		
	Zaheen Spinning Limited	500,000	1,000,000
	R. A. Spinning Mills Ltd	-	150,000
	Sigma Capital Management Ltd	-	200,000
	Star Ceramics Limited	-	500,000
	Electro Battery Co. Limited	-	2,025,000
	R.K. Fashion Limited	-	500,000
	Sikder Apparel Hosiery Ltd	-	300,000
	Coppertech Industries Limied	500,000	-
	Unique Infoway Limited	500,000	-
	Oimex Elecrode Limited	2,000,000	-
		3,500,000	**4,675,000**
24.00	**Settlement fee & documention charge**		
	Settlement fee	10,887,416	7,162,020
	Documentation charge	17,700	18,500
		10,905,116	**7,180,520**
25.00	**Portfolio management fee**		
	Non-discretionary account	15,394,424	8,939,230
	Discretionary account	959,400	282,960
		16,353,824	**9,222,190**
26.00	**Other income**		
	IPO charge	650	140
	Annual BO account charge	107,100	141,800
	BO account closing fee	1,401	9,957
	Share transfer fee	-	1,000
	Rental income	732,000	504,590
		841,151	**657,487**
27.00	**Office & administrative expenses**		
	Salary and remuneration	9,656,626	10,840,421
	Office rent expense	3,624,578	3,140,184
	Postage, telephone, fax, stamp	89,604	81,487
	Printing & stationery	196,988	96,917
	Advertising expenese	57,500	-
	Directors' fee	741,000	562,750
	Auditors' fee	63,250	63,250
	Depreciation	955,615	1,124,480
	Repairs and maintenance	261,252	211,689
	Car expense	957,772	714,491
	CDBL charge	1,023,717	579,517
	Entertainment	378,621	375,026
	Cleaning service charge	346,707	341,799
	Fee & registration	308,667	179,010
	Bank charges	149,019	65,264
	Conveyance	85,380	45,750
	Internet expense	36,800	34,000
	Staff training	25,300	5,250
	Travelling expense	218,002	7,387
	Business promotion expense	50,000	-
	Professional fee	33,333	55,000
	Office maintenance	30	2,810
	Books & newspaper	8,713	12,826
	Holiday working bill	7,800	3,900
	Domain and hosting charge	-	8,000
	IPO expense	16,000	-
		19,292,274	**18,551,208**
28.00	**Provision for diminution in value of investments made during the year**	**958,027**	**-**
	This provision is made as per BSEC guideline and to reduce the risk of investment.		
29.00	**Provision for margin loan made during the year**	**4,534,972**	**5,100,000**
	This provision is made as per BSEC guideline and to reduce the risk of investment.		
30.00	**Income tax expenses made during the year**		
	Current tax (Note-30.01)	22,605,246	11,718,874
	Deferred tax (Note-30.02)	(26,507)	206,087
		22,578,739	**11,924,961**
	Income tax expenses is calculated as per guideline of Income Tax Ordinance and Rules.		
30.01	**Current tax made during the year**	22,605,246	11,718,874
		22,605,246	**11,718,874**
30.02	**Deferred tax made during the year**	(26,507)	206,087
		(26,507)	**206,087**
	Details have been shown in Annexure-B		
31.00	**Earnings Per Share (EPS)**		
	Net profit after tax	37,934,177	16,741,721
	Number of ordinary shares outstanding	2,809,000	2,809,000
	Earnings Per Share (EPS)	**13.50**	**5.96**
32.00	**Number of employees**		
	The number of employees engaged for the whole year or part there of, who received a total remuneration of Taka 36,000 or above were 12 persons.		
33.00	**Events after the balance sheet date**		
	Subsequent to the balance sheet date, the Board of Directors recommended 10% stock dividend.		

Schedule of Fixed Assets
As at December 31, 2017

Annexure - A
(Amount in BDT)

Category of Assets	Cost			Depreciation				Written down value
	Opening balance	Addition during the year	Total	Rate (%)	Opening balance	Charged during the year	Accumulated depreciation	
Furniture & fixture	1,348,194	-	1,348,194	10%	172,500	117,569	290,070	1,058,124
Office equipment	8,415,744	50,808	8,466,552	20%	5,504,904	589,138	6,094,042	2,372,510
Interior decoration	2,765,639	-	2,765,639	10%	276,564	248,907	525,471	2,240,168
Total	**12,529,577**	**50,808**	**12,580,385**		**5,953,968**	**955,615**	**6,909,583**	**5,670,802**

Calculation of Deferred Tax
For the year ended December 31, 2017

Annexure - B
(Amount in BDT)

Deferred tax expense/(income)	**2017**
Carrying amount of property, plant & equipment	5,670,802
Less: Tax base value of property, plant & equipment	5,191,923
Taxable temporary difference	**478,878**
Applicable tax rate	37.5%
Deferred tax Liability	**179,580**
Less: Opening balance	206,087
Deferred tax expense/(income)	**(26,507)**

Investment in Quoted Securities
As at December 31 2017

Annexure - C
(Amount in BDT)

Name of the company	No. of shares	Total cost	Merket rate per share	Market value	Difference
BD Shipping Corporation	8,180	422,113	46.70	382,006	(40,107)
BD Submarine Cable Co. Ltd.	11,000	1,719,200	103.10	1,134,100	(585,100)
Familytex(BD) Limited	101,507	2,430,078	7.60	771,451	(1,658,628)
Pragati Life Insurance	81,900	14,407,059	113.60	9,303,840	(5,103,219)
RD Food Products Ltd.	14,825	291,542	17.40	257,950	(33,593)
ACI Formulations Limited	27,243	5,685,399	173.60	4,729,385	(956,015)
Central Pharmaceuticals Ltd.	444,600	13,018,392	18.70	8,314,020	(4,704,372)
Confidence Cement Limited	5	608	152.50	732	124
Doreen Power Gen. and Sys. Ltd	700	86,609	114.20	79,940	(6,669)
Far Chemical Ind. Ltd.	113,850	3,590,467	19.50	2,220,075	(1,370,392)
Meghna Petroleum Ltd.	55,100	13,539,849	37.10	10,408,390	(3,131,459)
Hwa Well Textile BD Ltd.	25,100	1,306,625	188.90	931,210	(375,415)
National Tea	1,000	695,233	613.90	613,900	(81,333)
Olympic Accessories Limited	60,068	1,400,234	20.40	1,225,381	(174,853)
Padma Oil	70,100	23,943,183	239.00	16,753,900	(7,189,283)
Rupali Life Insurance	13,172	817,397	47.30	623,036	(194,361)
Saif Powertec Ltd	4,001	68,341	33.20	63,036	(5,305)
Takaful Islami Insurance	88,227	2,568,815	24.80	2,188,030	(380,786)
Titas Gas T & D Co. Ltd.	215,360	18,729,349	44.20	9,518,912	(9,210,437)
Ifad Autos Ltd.	3,800	440,652	126.00	478,800	38,148
Total		**105,161,146**		**69,998,093**	**(35,163,054)**

MTB EXCHANGE (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and accounts for the year ended 31 December 2017

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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;
- 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 disclose with reasonable accuracy at any time the financial position of the company and enable then 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 February 11, 2018

ANISUDDIN AHMED 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 31 DECEMBER 2017

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 31 December 2017 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

MTB Exchange (UK) Limited
Profit and Loss Account
For the Year Ended 31 December 2017

	Notes	2017 £	2016 £
TURNOVER		122,437	103,075
GROSS PROFIT		122,437	103,075
Distribution costs and selling expenses		(3,985)	(5,104)
Administrative expenses		(143,531)	(148,700)
Other operating income		30,000	24,500
OPERATING PROFIT /(LOSS)		4,921	(26,229)
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	4,921	(26,229)
Tax on profit on ordinary activities	5	(754)	-
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		4,167	(26,229)

MTB EXCHANGE (UK) LTD
Balance Sheet
As at 31 December 2017

	Notes	2017 £		2016 £	
FIXED ASSETS					
Tangible Assets	6		19,441		24,144
CURRENT ASSETS					
Debtors	7	9,417		8,750	
Cash at bank and in hand		49,325		22,863	
		58,742		31,613	
Creditors: Amounts falling due within one year	8	345,919		327,660	
NET CURRENT LIABILITIES			(287,177)		(296,047)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(267,736)**		**(271,903)**
CAPITAL AND RESERVES					
Called up share capital	9		230,000		230,000
Profit and loss account	10		(497,736)		(501,903)
SHAREHOLDERS' FUNDS			**(267,736)**		**(271,903)**

For the year ending 31 December 2017 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 and delivered in accordance with the provision applicable to companies subject to the small companies' regime.

Approved by the Board on February 11, 2018 and signed on their behalf by

ANISUDDIN AHMED KHAN
Director

MD. ANISUR RAHMAN
Chief Executive Officer & Manager

MTB Exchange (UK) Limited
Notes to the Accounts
For the year ended 31 December 2017

1. ACCOUNTING POLICIES

1a. Basis of Accounting
The accounts have been prepared under the historical cost convention
The accounts have been prepared in a ccordance with FRS102 section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006

1b. 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%

1c. Taxation
Corporation tax payable is provided on taxable profits at the current rates
Provision is made for deferred taxation in so far as a liability or asset has arisen as a result of transactions that had occurred by the balance sheet date and have given rise to an obligation to pay more tax in the future, or the right to pay less tax in the future. An asset has not been recognized to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognized have not been discounted.

1d. Pension Costs
The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1e.Turnover
Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

2. OPERATING PROFIT

	2017 £	2016 £
Operating Profit is stated after charging:		
Depreciation	4,859	6,035
Auditors' remuneration	-	2,400
	4,859	**8,435**
3. EMPLOYEES		
Average number of employees	7	6
4. PENSION CONTRIBUTIONS		
Pension contributions	189	-
	189	-
5.TAX ON ORDINARY ACTIVITIES		
Corporation tax	754	-
	754	-

6. TANGIBLE FIXED ASSETS

	Plant and Machinery £	Fixtures and Fittings £	TOTAL £
Cost			
At 1 January 2017	14,100	56,723	70,823
Additions	105	52	157
At 31 December 2017	**14,205**	**56,775**	**70,980**
Depreciation			
At 1 January 2017	10,057	36,622	46,679
For the year	830	4,030	4,860
At 31 December 2017	**10,887**	**40,652**	**