annual report 2017



MTB
RESURGENT

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

AMARSTOCK



MTB
RESURGENT

MTB's growth over the past 18 years is attributed to its reputation as a compliant bank, formulation of timely strategy and customer-centric culture supported by good governance. The bank has successfully carried on the legacy built by the founders of MTB. The slightest shift in our firm commitment of being responsible in our business activities and accountable to the society has never been an option. And after 18 years, the result is more visible than ever: a bank with a clean image, excellent reputation, enviable structure and a team, which is efficient and dedicated.

With an unyielding attitude towards upholding the notions, upon which the organization has been built, MTB is now all set to focus more on the growth trajectory. Maneuvering the constant shifts in the market, warding off threats in the technology front and becoming a cut above the rest is the new challenge. MTB, with all the resources in its arsenal, is committed to rising to the top as a resurgent force.

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PERFORMANCE 2017

Core Business Growth

Amount in BDT

5.10b 15.00% ↑ Paid-up Capital	12b 19.80% ↑ Shareholders' Equity	152b 15.62% ↑ Total Deposits	146b 27.33% ↑ Total Loans and Advances	202b 22.00% ↑ Total Assets
105b 33.93% ↑ Imports	59.08b 18.30% ↑ Exports	3.92b 14.89% ↑ Profit before Provision and Tax	1.98b 35.31% ↑ Net Profit after Tax	3.89 35.54% ↑ Earnings Per Share (EPS)
23.08 19.83% ↑ Net Asset Value Per Share (NAV)	18.35% 2.74% ↑ Return on Average Equity	1.08% 0.14% ↑ Return on Average Assets (ROAA)	4.30% 0.06% ↓ NPL (Non Performing Loan) Ratio	13.76% 2.47% ↑ Capital to Risk Weighted Assets Ratio

Financial Inclusion Growth

No. of Branches 2017 : 111 2016 : 110	No. of Agent Banking Centres 2017 : 50 2016 : 10	No. of Point of Sale (POS) Machines 2017 : 2,953 2016 : 2,891
No. of ATMs 2017 : 246 2016 : 233	No. of Debit Cards 2017 : 237,314 2016 : 209,393	No. of Credit Cards 2017 : 29,689 2016 : 21,637
No. of Customers 2017 : 782,926 2016 : 729,282	No. of SMS Banking Customers 2017 : 97,103 2016 : 57,977	No. of Employees 2017 : 2,004 2016 : 1,889

MTB OUTLOOK 2018

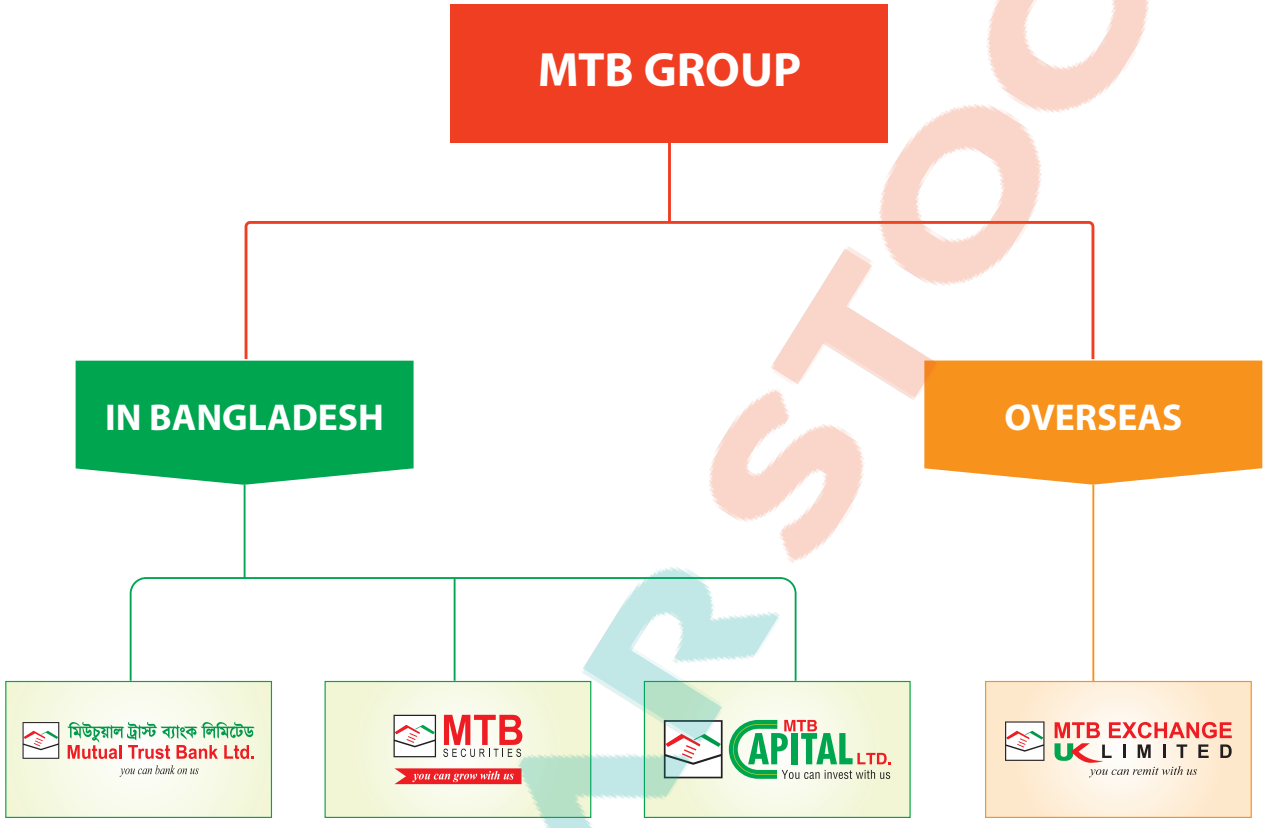
MTB's vision is based on a philosophy known as MTB3V and the bank aims to increase profitability in a sustained and precise manner keeping its main philosophy of integrity, transparency and ethics. The bank consider its customer as the most important factor and always wants to continue with the ideology as compliant first and profits second with a target to enhance our business using cutting edge technology, well-trained human resources and banking capabilities in an efficient and effective manner.

The strategic priorities of the bank are as follows:

Strategic Priorities

- Emphasize in smart banking through improvement of digital customer experience
- Enriching data analytics proficiencies
- Continuous focus in reduction of operating cost and improving cost to income ratio
- Emphasize in innovation and up gradation of new products and services
- Continue to ensure our high standards of compliance and governance
- Continuous update or replace components of the core operating system
- Recruitment and retention of talent as well as motivating the existing human resources
- Regular reviewing and improvement of business process
- Enhancement of security and authentication system and specific focus on cyber security
- Establishing partner with fintech providers to face the new challenges of the market
- Managing financial capital and foresight to enhance shareholder returns while ensuring sustainable growth
- Continue to improve the funding and liquidity position with the proviso of maintaining a high level of asset quality through portfolio diversification and lower provisioning
- Act as a socially responsible organization with an aim to progress the economy and the people
- Ensure appropriate use of latest technology to improve the alternative delivery channels to provide access to the unbanked population as a part of financial inclusion

MTB CORPORATE STRUCTURE



LETTER OF TRANSMITTAL

All Shareholders of the Bank
Bangladesh Bank
Bangladesh Securities and Exchange Commission (BSEC)
The Registrar of Joint Stock Companies & Firms (RJSC & F)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

MTB ANNUAL REPORT 2017 TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS (CONSOLIDATED AND SEPARATE) FOR THE YEAR ENDED ON DECEMBER 31, 2017.

Dear **Madam/Sir(s),**

Please accept best compliments from Mutual Trust Bank Ltd. (MTB).

We are pleased to enclose a copy of the Annual Report 2017, together with the audited Financial Statements (includes Balance Sheet, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Equity, Liquidity Statement and Notes to the Financial Statements on consolidated and separate basis) for the year ended on December 31, 2017, of the Mutual Trust Bank Ltd. (MTB) for your kind information and record.

The Financial Statements of the bank comprises of MTB Securities Ltd. (MTBSL), MTB Capital Ltd. (MTBCL), MTB UK Exchange Ltd. (MTB UK), subsidiaries of the bank, and MTB Offshore Banking Unit (MTB OBU).

Yours sincerely,

Malik Muntasir Reza
Group Company Secretary

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NOTICE OF THE 19TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given to all the Hon'ble Shareholders of Mutual Trust Bank Ltd. (MTB) that, the **19th (Nineteenth) Annual General Meeting (AGM)** of the bank will be held on **Thursday, May 31, 2018 at 11:00 a.m., at Golf Garden, Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka-1206** to transact the following business, and to adopt necessary resolutions:

AGENDA

1. To receive, consider and adopt the audited Financial Statements (Consolidated and Separate), for the year ended on December 31, 2017, together with the Directors' Report and Auditors' Report there on.
2. To declare Dividend for the year ended on December 31, 2017.
3. To elect/re-elect Director(s).
4. To appoint/re-appoint Auditor(s), for the term until completion of the next Annual General Meeting, and fix their remuneration.

By order of the Board of Directors

Malik Muntasir Reza
Group Company Secretary

May 13, 2018
Dhaka

Notes:

a) The '**Record Date**', in lieu of Book Closure was on Thursday, **May 10, 2018**. The shareholder(s) whose names were appeared in the Register of MTB, under the Central Depository System (CDS) on the Record Date, are eligible to attend the 19th AGM and qualify to receive the dividend.

b) The Board of Directors recommended for payment of **Stock Dividend (Bonus Share) @ 12.50% (Twelve and a half percent) on the profit of MTB** for the year ended on December 31, 2017.

c) **A. Qasem & Co.,** Chartered Accountants, the existing Auditor will retire from the office at the end of the 19th AGM. Since they have audited the accounts of the bank for 1st year, they are eligible for re-appointment, as per prevailing laws/regulations.

d) A shareholder, who is entitled to attend and vote at the AGM, may appoint a proxy to attend the meeting and take part in the proceedings thereof, on his/her/their behalf.

e) The instrument appointing a proxy, or the Power of Attorney, duly signed by a shareholder and stamped with requisite amount, must be submitted at the MTB Share Department, MTB Tower (3rd Floor), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000 **at least 48 hours before the meeting.**

f) Attendance of the shareholder(s)/attorney (ies)/proxy (ies) shall be recorded at the entrance of the venue. Attendance slip has to be signed and submitted at the Registration Counter.

g) Annual Report 2017, together with the Notice of the 19th AGM, Proxy Form and Attendance Slip are being sent to all the hon'ble shareholders by post/courier. The hon'ble shareholders may also collect the Annual Report from the MTB Share Department. The hon'ble shareholders may also visit the MTB's website @ http://www.mutualtrustbank.com/ download the report by scanning QR code, where the report, form and slip are also displayed.

h) Hon'ble shareholders are requested to update all the required information with their respective Depository Participants.

i) In compliance with the Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 **"No benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the Shareholders ,i.e., no gift/gift coupon/food box etc. will be distributed at the 19th AGM".**

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MTB VISION, MISSION & CORE VALUES

Vision

Mutual Trust Bank's vision is based on the philosophy well known as MTB3V.

We envision MTB to be:

- One of the Best Performing Banks in Bangladesh
- The Bank of Choice
- A Truly World-Class Bank

Mission

We aspire to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company that offers an array of products and services in the search for excellence and to create an impressive economic value.

Core Values

Commitment

- Shareholders – Create sustainable economic value for our shareholders by utilizing an honest and efficient business methodology.
- Community – Committed to serve the society through employment creation, support community projects and events and be a responsible corporate citizen.
- Customers – Render state-of-the-art service to our customers by offering diversified products and by aspiring to fulfill their banking needs to the best of our abilities.
- Employees – We rely on the inherent merits of the employee and honor our relation as a part of this renowned financial institution. We work together to celebrate and reward unique backgrounds, viewpoints, skills and talents of everyone at the work place, no matter what their job is.

Accountability

As a bank, we are judged solely by the successful execution of our commitments; we expect and embrace this form of judgment. We are accountable for providing the highest level of service along with meeting the strict requirements of regulatory standards and ethical business practices.

Agility

We can see things from different perspectives; we are open to change and not bound by how we have done things in the past. We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

Trust

We value mutual trust, which encompasses transparent and candid communications among all parties.

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MTB CODE OF CONDUCT

As an employee of MTB, one must observe the highest standards of impartiality, integrity, objectivity and honesty in relation to the work s/he undertakes at all times. The Code of Conduct provides guidance to employees on how to ensure that their actions and behavior are consistent with both MTB's values and its high standards of conduct required to maintain banking compliance.

Code I: Our Vision

Our code of conduct is in alignment with the bank's Vision, MTB3V!

Code II: Uphold organizational mission

We aspire to be one of the most admired banks in the nation and be recognized as an innovative and client focused company, enabled by cutting-edge technology, a dynamic workforce and a wide array of financial products and services.

Code III: Adhere to the highest ethical standards

We ensure that our employees act with integrity, competence, dignity, and in an ethical manner when dealing with customers, prospects, colleagues, agencies and the public.

Code IV: Compliance with the laws & regulations

We maintain knowledge of and comply with all applicable laws, rules and regulations of any government, governmental agencies, regulatory organizations, licensing agencies, or professional associations governing the employee's professional activities.

Code V: Relationship with & responsibilities to MTB

We prioritize the bank's interest above personal interest.

As an objective, employees are required to:

Disclose the conflicts of interest including beneficial relationship with customers of any of its associates;

state only MTB's view and not her/his own, when speaking in a forum in which audiences would reasonably expect that s/he is speaking as a representative of MTB.

Code VI: Relationship with & responsibilities to customer

We deliver service professionally, respect customers and treat them courteously and consistently; Respect the confidentially and privacy of customers, or anybody with whom they do business.

Code VII: Protecting business assets & information

We are responsible and accountable for using the goodwill and assets of MTB and its customers, whether tangible, intangible, intellectual or electronic, in a manner both responsible and appropriate to the business and only for legal and authorized purposes.

Code VIII: Respecting others

We treat colleagues, customers and anyone with whom we do business, with respect, dignity, fairness and courtesy; we commit to maintain a work environment that is free from discrimination or harassment based on race, religion, creed, sex, disability, age or any other relevant category.

Code IX: Misconduct

We commit to avoid any professional conduct involving dishonesty, fraud, deceit or misrepresentation or carry out any act that reflects adversely on our honesty, trustworthiness or professional competence; we also commit to support international and local efforts to eliminate corruption and financial crime.

Code X: Insider trading

We are committed to not utilize position for personal gain or for gain of another person. All of us must ensure that any information in our possession that is not publicly available and may have a material effect on the price or value of objectives, is not provided to anyone who may be influenced to subscribe, buy or sell shares or conduct any other business transactions with another person including family and friends.

Code XI: Control

The Code is designed to provide practical assistance in performing our daily tasks and resolving situations, which may present potential ethical conflicts.

Our Code of Conduct has eleven core elements supporting a self-regulatory approach to the way we do business. Also, the Management monitors the compliance of the code of conduct.

The Association for Investment Management and Research (AIMR) has developed the Code of Ethics and Standards of Professional Conduct for their members. Most of them are relevant for persons working in a bank or a financial institution. MTB has adopted the relevant part from the Code of Ethics and Standards of Professional Conduct of AIMR

MTB PRODUCTS AND SERVICES

PRODUCTS

WHOLESALE BANKING

Term Finance

- Project Finance
- Finance for Importing Capital Machinery
- Lease Finance
- House Building Finance
- Term Loan to NBFI
- Term Lending

Working Capital Finance

- Secured Over Draft (SOD)
- Cash Credit (Hypo)
- Cash against Document
- Short Term Loan
- Loan General
- Time Loan

SME BANKING

- MTB Bhagyobati
- MTB Krishi
- MTB Mousumi
- MTB Revolving Loan
- MTB Small Business Loan
- MTB Digoon
- MTB Green Energy Loan
- MTB Probaho
- MTB Buniad
- MTB Gunabati
- MTB Krishijat
- MTB Light Engineering
- MTB IT Genius
- MTB Microfinance
- MTB Youth Line

RETAIL BANKING

Loan Products

- MTB Personal Loan
- MTB Auto Loan
- MTB Home Loan
- MTB Home Equity Loan
- MTB Professional's Loan
- MTB Neer
- MTB NRB Home Loan

Deposit Products

- Current Account
- MTB Regular Savings
- MTB Privilege Savings
- MTB Senior
- MTB Inspire
- MTB Junior
- MTB Graduate
- MTB Ruby
- MTB Care
- MTB Sanchay
- MTB Ankur
- Fixed Deposit
- Special Notice Deposit
- MTB Brick by Brick
- MTB Double Saver
- MTB Millionaire Plan
- MTB Education Plan
- MTB Monthly Benefit Plan
- MTB Children Education Deposit Scheme
- MTB Kotipati
- MTB Gift Cheque

OFF-SHORE BANKING UNIT (OBU)

- Term Finance
- Working Capital Finance
- Trade Finance
  (Local Bill Discounting, Foreign Bill Discounting, UPAS)

TRADE FINANCE

Export Finance

- Back to Back L/C
- Export Bill Discounting (FDBP and IDBP)
- Secured Over Draft (SOD-general/export bill)
- Packing Credit

Import Finance

- Loan against Trust Receipt (LTR)
- EDF Loan

Non-funded Trade Finance

- L/C Opening (Sight / Deferred / UPAS)
- L/C Advising
- L/C Transfer
- Bank Guarantee
- Shipping Guarantee

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Guarantee

- Bank Guarantee
  [Bid Bond, Performance Guarantee, Advance Payment Guarantee, etc.]

SYNDICATIONS & STRUCTURED FINANCE

Financing to Power, Telecom, Hotels, Aircraft, Steel, Cement, Glass, Petrochemical, Agro-based Project, Micro Financing, etc.

NRB BANKING

NRB Products:

- NRB Savings
- NRB DPS
- NRB FD
- NRB Home Loan
- Non Resident Investor's Taka Account (NITA)

MTB CARD PRODUCTS

1. MTB Debit Cards

a. Visa Debit Cards

I. MTB Visa Classic
I. MTB Visa Platinum
II. MTB Visa Signature

b. Mastercard Debit Cards

I. MTB Mastercard Gold
II. MTB Mastercard Titanium
III. MTB Mastercard World

2. MTB Credit Cards

a. Visa Credit Cards

I. MTB Visa Classic
II. MTB Visa Gold Local
III. MTB Visa Dual Gold
IV. MTB Visa Platinum
V. MTB Visa Signature

b. Mastercard Credit Cards

I. MTB Mastercard Classic
II. MTB Mastercard Gold
III. MTB Mastercard Titanium
IV. MTB Mastercard World

3. MTB Prepaid Card

I. MTB International Travel Card

4. MTB Co-branded Cards

I. MTB and Bangla link Easy Payment Local Prepaid Card
II. MTB and Sonali Life Insurance Limited Debit Card
III. MTB and e-commerce Association of Bangladesh Dual Currency Prepaid Card
IV. MTB and Cadet College Club Limited Visa Signature/Mastercard World Credit Card
V. MTB and Chittagong Club Limited Mastercard World Credit Card

SERVICES

CASH MANAGEMENT UNIT

- MTB Nationwide Collection Services
- MTB Web Based Banking Services
- MTB Payments Solutions
  (Clearing Service, BACH, BEFTN)
- MTB Capital Market Services
  (IPO LBTI, BTI, Rights Issue)
- MTB High Value Account Services
- Motor Vehicle Fee Collection Solution
- MTB Tuition Fees Collection Service

NRB SERVICES

- Disbursement of inward foreign remittance received through globally reputed money transfer companies and MTB's fully-owned subsidiary, MTB Exchange (UK) Ltd.
- Banking Service to NRBs through MTB representatives around the globe.
- Foreign currency exchange facility to passengers travelling to or from abroad through MTB Foreign Currency Exchange Booths at Hazrat Shahjalal International Airport, Dhaka

AGENT BANKING

- Account Opening
  (Savings, Current, DPS, Term Deposit, SME/ Retail/Agriculture Loan)
- Cash Deposit
- Cash Withdrawal
- Fund Transfer to any MTB Account
- Electronic Fund Transfer through BEFTN
- Electronic Fund Transfer through RTGS
- Inward Foreign Remittance Cash Payout

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- Inward Foreign Remittance in Account
- Utility Bill Collection
- Receiving Clearing Cheque
- Smart Card (NID) Fee Collection
- SME Loan File Initiation
- Agriculture Loan File Initiation
- Retail Loan File Initiation
- Debit/Credit Card Request Processing
- Mobile Recharge
- Insurance Premium Collection
- School Banking Solution (Student Account, Fee Collection & Payroll for Teachers)
- Social Safety-net Cash Disbursement
- Balance Inquiry
- Account Statement

MTB CARD SERVICES

- Card status checking facility
- Endorsement facility
- Foreign part enabling and disabling facility
- E-commerce enabling facility

MTB ALTERNATE DELIVERY CHANNEL (ADC)

- Internet Baking
- SMS Banking
- MTB Smart Banking Kiosk
- Point of Sale (POS)
- MTB 24/7 ATM
- Missed Call Recharge

AIR LOUNGE

Area:	Approximately 2,000 square feet
Seating Capacity:	34 Persons
Operation Timing:	24 Hours a day
Refreshment Type:	Multi-Cuisine Food
Catering Service Provider:	The Westin, Dhaka
General Amenities:	Flight Information Display
	Library
	Newspapers & Magazines
	TV
	Free Local Call Facility
	Mobile Charging Ports
	Separate Restrooms
	Shower Facility
	Internet Service through Wi-Fi

MTB CONTACTS

Contact Centre: 24 hours at
16219 or 09604016219

E-mail:
customer.service@mutualtrustbank.com

Walk In:
MTB Cards Centre, MTB Tower (4th Floor)
111, Kazi Nazrul Islam Avenue, Dhaka

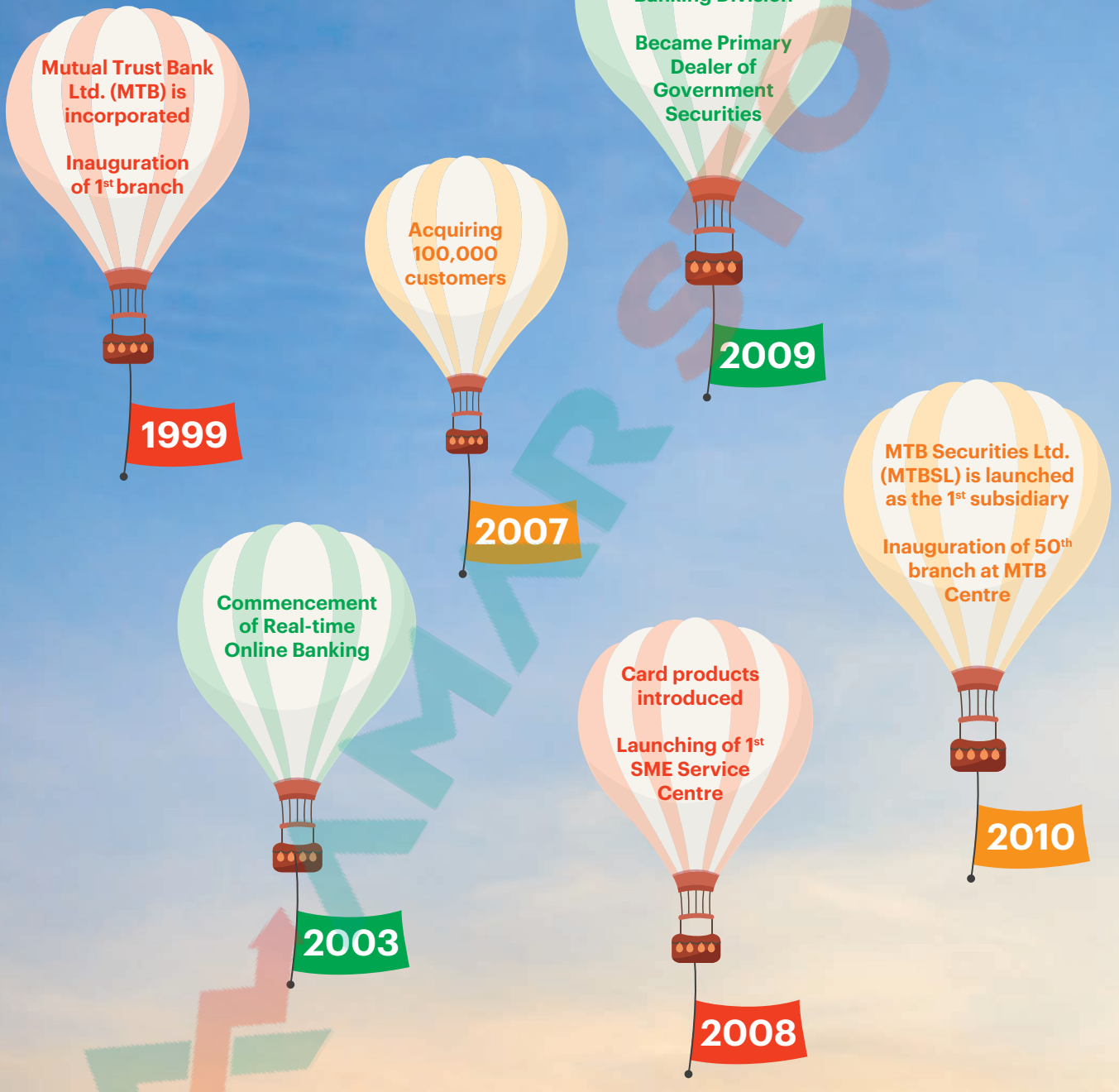
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FORWARD LOOKING STATEMENT

This Annual Report contains certain forward looking statements such as MTB's plans, anticipations, beliefs, opportunities, etc. and these are based on assumptions, estimates, beliefs and future expectations. These statements may materially differ due to changes in the business environment. The following are some major factors that may affect the overall business conditions of the bank:

- Changes in Fiscal, Trade and Monetary Policies
- Natural Catastrophes and Political Disturbances
- Changes in Consumer Behavior, Technologies, Commodity Price Levels
- Changes in Financial and Capital Market locally and internationally
- Changes in Interest Rates and FOREX Rates locally and internationally
- Changes in Legal and Regulatory Framework locally and internationally
- Changes in Policy rates i.e. CRR and SLR of the banks
- Changes in the Bank rate
- International embargo/unrest in any country
- Withdrawal of incentives given to any sector

18 YEARS OF GLORIOUS JOURNEY




Inauguration of MTB Exchange (UK) Ltd.
Incorporation of MTB Capital Ltd. (MTBCL)
Launching of 1st MTB 24/7 ATM
Launching of MTB 24/7 Contact Centre
2011
Inauguration of 100th ATM
Introduction of 1st Green ATM
2012
Inauguration of MTB Tower and 100th branch
Recognition as the "SME Bank of the Year" and "Women Entrepreneurs' Friendly Bank of the Year"
2014
Winning the 15th DHL-The Daily Star Bangladesh Business Award as the Best Financial Institution of 2014
2015
Launching of MasterCard
Inauguration of MTB Agent Banking
2016
Inauguration of MTB Air Lounge
2017

MTB GROUP PROFILE

REGISTERED NAME OF THE COMPANY
Mutual Trust Bank Limited

LEGAL FORM

The company was incorporated as a **Public Limited Company on September 29, 1999**, under the Companies Act, 1994, with an Authorized Share Capital of **BDT 1,000,000,000** divided into **10,000,000** ordinary shares of BDT 100 each. At present, the Authorized Share Capital of the company is BDT 10,000,000,000 divided into **1,000,000,000** ordinary shares of BDT 10 each.

The company was also issued Certificate for Commencement of Business on the same day and was granted license on **October 05, 1999** by Bangladesh Bank under the Banking Companies Act 1991 and started its **banking operation on October 24, 1999.**

COMPANY REGISTRATION NO.
C38707 (665)/99
on September 29, 1999

BANGLADESH BANK PERMISSION NO.
BRPD (P) 744(78)/99-3081
on October 5, 1999

SWIFT CODE
MTBL BD DH



REGISTERED OFFICE

MTB Centre
26 Gulshan Avenue
Gulshan 1, Dhaka 1212
Bangladesh

CORPORATE WEBSITE

www.mutualtrustbank.com

AUDITOR

A. Qasem & Co.
Chartered Accountants
Gulshan Pink City
Suites 01-03, Level 7, Plot 15
Road 103, Gulshan Avenue
Dhaka 1212
A member firm of Ernst & Young Global Limited

TAX ADVISOR

M/S. ACNABIN
Chartered Accountants
BSRS Bhaban (13th Floor)
12 Karwan Bazar C/A
Dhaka 1215

TAX LAWYERS

Md. Delwar Hossain
Income Tax Practitioner
Chamber: Room 10/4
Eastern Commercial Complex
73 Kakrail, Dhaka 1000

Lutful Hadee FCA, LLB
Hadee Lutful & Co.
Proprietor & CEO
House 77 (2nd Floor)
Road 4, Block C, Banani
Dhaka 1213

LEGAL ADVISORS

M/s Mohsen & Mohsen
(Advocates and Legal Consultants)
Suite 14/A,
C.D. Kader Heights
10 Hatkhola Road
Dhaka 1203

M/s Hamid & Associates
(Advocates and Legal Consultants)
H 46, Block G, Banani
Dhaka 1212

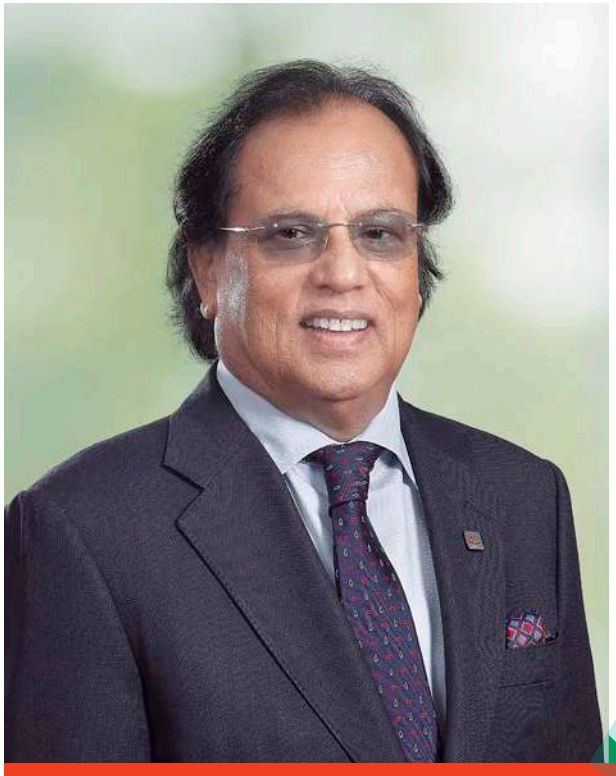
M/s Farooq & Associates
(Advocates and Legal Consultants)
Darus Salam Arcade
(3rd Floor)
14, Purana Paltan
Dhaka 1000

M/s Sadat Sarwat and Associates
Barrister-at-Law, Advocate
Supreme Court of Bangladesh
Sadat Sarwat and Associates
House 28, Road 23
Gulshan 01, Dhaka 1212

MEMBERSHIPS

- The Institute of Bankers Bangladesh (IBB)
- Bangladesh Association of Banks (BAB)
- Bangladesh Foreign Exchange Dealer Association (BAFEDA)
- Bangladesh Institute of Bank Management (BIBM)
- Bangladesh Association of Publicly Listed Companies (BAPLC)
- Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI)
- International Chamber of Commerce Bangladesh Limited (ICCB)
- Dhaka Stock Exchange Limited (DSE)
- Dhaka Chamber of Commerce & Industry (DCCI)
- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- American Chamber of Commerce in Bangladesh (AmCham)
- Primary Dealers Bangladesh Limited (PDBL)
- Bangladesh Business and Disability Network (BBDN)
- SAARC Chamber of Commerce and Industry (SAARC CCI)

BOARD OF DIRECTORS' PROFILE



Mr. M. A. Rouf, JP
Chairman

Mr. M.A. Rouf, JP is the Chairman of Mutual Trust Bank Ltd. and its three subsidiary companies, MTB Capital Ltd., MTB Securities Ltd. and MTB Exchange UK Ltd. since February 26, 2016. Prior to his new role, Mr. Rouf was the Vice Chairman of the bank since February 26, 2014.

He is the Chairman of Britannia Group, a British-Bangla joint-venture real estate company. Besides, he is also a Director of Tiger Tours Ltd.

Mr. Rouf is a renowned personality and holds several prestigious positions at home & abroad. He was a Justice of Peace (JP) for Scotland over 10 years. Besides, he was serving as the elected Regional President for the British Bangladesh Chamber of Commerce in the UK for Scotland for the last sixteen years. He was also appointed as a Delegate for the Department of British Trade Mission of Bangladesh. He is a Senior Vice-President of UKBCCI (UK Bangladesh Catalysts of Commerce & Industry). Mr. Rouf was the Financial Director for Scottish Cancer Research Centre for over 8 years.

Presently Mr. Rouf is serving as the chairman of following foreign company:

- Diamond Properties, UK

  One of the buildings the company has built, received the Civic Trust Award from the Scottish Building Authority. This was the first time an enterprise with a South Asian background received this accolade.

He is a lifetime member of the University of St. Andrews and also a member of St. Andrews Golf Club, which is the 2nd oldest golf club in the world. He is also a member of Army Golf Club, Dhaka. He has also held the post of Honorary Vice Chairman of St. Andrews University Union Debating Society for the last 17 years, which is the oldest debating society in the world and currently is the President of St. Andrews University Cricket Club.

MAR STOCK



Mr. Md. Hedayetullah

Vice Chairman

Mr. Hedayetullah is the Vice Chairman of Mutual Trust Bank Ltd. (MTB). Prior to this role, he served as the Vice Chairman and Chairman of the Executive Committee of the bank from July 26, 2004 to May 24, 2007 and January 25, 2012 to February 17, 2016, respectively.

He is presently serving as the:

- Chairman of Hedayetullah Securities Ltd.
- Managing Director of FB Footwear Ltd.
- Managing Director of Footbed Footwear Ltd.
- Director of Apex Tannery Ltd., and
- Director of Apex Property Development Ltd.

Mr. Hedayetullah obtained B.Sc. (Honors) degree in Leather Technology from the British School of Leather Technology, Northampton, UK and M.A. in International Business from Webster University, Regents College, London, UK.



Mr. Syed Manzur Elahi

(Founding Chairman)
EC Chairman

Mr. Syed Manzur Elahi is the Founding Chairman of Mutual Trust Bank Ltd. (MTB) and Pioneer Insurance Company Limited and currently serving as the Chairman of the Executive Committee of the bank. He is one of the leading entrepreneurs and industrialists of Bangladesh. Mr. Elahi is the Chairman of Apex Group, a leading business conglomerate in Bangladesh, and has won various awards for his contributions to trade and industry including:

- "Business Executive of the Year 2000" by the American Chamber of Commerce (AMCHAM), Bangladesh
- "Business Person of the Year 2002" award, sponsored by the Daily Star and DHL Worldwide Express

Besides being an eminent industrialist, he was also appointed Adviser to the Caretaker Government of Bangladesh, twice (1996 & 2001), for his leadership qualities, professionalism and non-partisanship. Mr. Elahi holds an M.A. (Econ.) from the University of Dhaka.

Mr. Elahi is currently the Chairman of

- 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
- Holiday Publications
- Bangladesh Freedom Foundation

He is also:

- Director of International Publications Limited, the owning company of The Financial Express
- Director of Credit Rating Agency of Bangladesh Limited (CRAB)
- Director of Central Depository Bangladesh Ltd. (CDBL)
- Member of the Board of Trustees of East West University
- Member of the Board of Trustees of Centre for Policy Dialogue (CPD)
- Member of Trustee Board of Diabetic Association of Bangladesh

Previously, Mr. Elahi has served as:

- Chairman of the Bangladesh Association of Banks (BAB)
- Chairman of the East West University Foundation (EWUF)
- Chairman of Central Depository Bangladesh Ltd. (CDBL)
- Vice Chairman of the Bangladesh Association of Publicly Listed Companies (BAPLC)
- Director on the Boards of Bangladesh Bank, Sonali Bank and Bangladesh Krishi Bank
- Director of the Export Promotion Bureau, Bangladesh
- President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI)
- President, Bangladesh Employers Association (BEA)
- President of the Dhaka University Alumni Association (DUAA)
- Honorary Consul for Belgium in Bangladesh

Other professional involvements include, Member, Regulatory Reforms Commission, Member, Public Administration Reforms Commission and Trustee of Freedom Foundation.



Dr. Arif Dowla

Director

Dr. Arif Dowla served as Chairman of Mutual Trust Bank Ltd. (MTB) from January 17, 2012 to February 26, 2014 and is now serving as the Chairman of the Board Risk Management Committee. Son of Mr. M. Anis Ud Dowla, a leading name in Bangladesh's corporate business, trade and industry arena, Dr. Dowla is the Managing Director of the renowned conglomerate, Advanced Chemical Industries (ACI) Ltd. as well as its following subsidiaries:

- ACI Logistics Limited
- Stochastic Logic Limited

Besides, Dr. Dowla is also the Chairman of Tetley ACI (Bangladesh) Ltd.

He is a Director of:

- ACI Formulations Limited
- ACI Salt Limited
- ACI Edible Oils Limited
- ACI Godrej Agrovet (Pvt.) Limited
- Creative Communication Limited
- ACI Healthcare Limited – Vice Chairman
- ACI Chemicals Limited
- ACI Pure Flour Limited
- ACI Foods Limited
- ACI Motors Limited
- ACI Agrolink Limited
- Premiaflex Plastic Limited
- ACI Healthcare USA Inc.
- Infolytx Bangladesh Limited
- ACI Biotech Limited
- Consolidated Chemicals Limited
- ACI Foundation
- Bangladesh Business Publications Limited, publishing company of the bi-monthly Business Bangladesh magazine

Dr. Dowla obtained a PhD degree in Mathematics from the University of California, San Diego, USA. He is a member of the American Mathematical Society and a Young Global Leader Honoree 2009 bestowed by World Economic Forum. He is also the Honorary Consul of the Kingdom of Belgium in Bangladesh.

He is a member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).

ANNUAL REPORT STOCK



Mr. Rashed Ahmed Chowdhury

Director

Mr. Rashed Ahmed Chowdhury is the Director of Mutual Trust Bank Ltd. (MTB). Prior to assuming this role, he was the Chairman of the bank and its three subsidiary companies.

Mr. Chowdhury is the:

- Chairman of Banga Garments Ltd.
- Chairman of ABC Building Products Ltd.
- Founder Trustee of the Board of Trustees of Independent University, Bangladesh (IUB)
- Senior Vice President of Bangladesh Squash Rackets Federation

He is also a:

- Director of Associated Builders Corporation Ltd. (ABC), a pioneer in the field of construction and real estate development in Bangladesh
- Director of ABC Real Estates Ltd.
- Director of Shamsuddin Towels Ltd.

He has served as:

- Chairman of the Board of Trustees of Independent University, Bangladesh (IUB)
- President of the Rotary Club of Dhaka Central
- President, Cadet College Club
- Senior Vice President of Bangladesh Terry Towel Manufacturers and Exporters Association
- Assistant Governor of Rotary District-3280

Mr. Chowdhury obtained postgraduate degree in Business Management from Kingston University, United Kingdom. He is a member of the Chartered Management Institute, UK.

MIR STOCK



Mr. Md. Abdul Malek
Director

Mr. Md. Abdul Malek, Director of Mutual Trust Bank Ltd. (MTB), obtained B.Sc. Engineering (Civil) from BUET, a renowned engineering institution of the country. He has vast experience and special skills and expertise in structuring and developing, calamity and devastation resilient and green buildings along with a glorious tradition in construction of multi-storied buildings.

He was the Chairman of Sheltech Consultants (Pvt.) Ltd. (SCPL), a major practitioner in Urban Planning, Architectural, Engineering Design, and Tourism Development. SCPL has successfully completed many projects, for major International Development Funding Agencies, which includes the Asian Development Bank (ADB), The World Bank, United Nations Development Program (UNDP), European Economic Community (EEC), Swiss Agency for Development and Cooperation (SDC), Finnish International Development Agency (FINNIDA), United States Agency for International Development (USAID), United Nations Children's Fund (UNICEF), Department for International Development (DFID), Directorate-General for International Cooperation (DGIS) and Royal Netherlands Embassy (RNE), on behalf of Govt. of Netherlands. SCPL has earned a good recognition both locally and internationally. He has also vast experience in the garments and IT sector.



Mr. Md. Wakiluddin
Director

Mr. Md. Wakiluddin, Director of Mutual Trust Bank Limited (MTB) is the Chairman of Baridhara Corporation Ltd. He is the Managing Director of Swadesh Properties Ltd. and Swadesh Global Media Ltd. He is also a Director of HARDCO International School.



Mrs. Khwaja Nargis Hossain
Director

Mrs. Khwaja Nargis Hossain, Director of Mutual Trust Bank Limited (MTB), received Master's Degree in Islamic History & Culture from the University of Dhaka. She is the Managing Director of SAHCO Securities Limited. She is also a Corporate Director of SAHCO International Limited and a Member of BOAO Forum for Asia (BFA), China. BFA is a non-profit international organization formed by twenty six Asian countries and Australia for socio-economic development of the people of Asia and rest of the world.



Mr. Anjan Chowdhury

Director

Mr. Anjan Chowdhury is a Director of Mutual Trust Bank Limited (MTB), replacing his father, the iconic and legendary MTB Chairman, late Mr. Samson H. Chowdhury. He is one of the key Directors of Square Group, the leading business conglomerate in Bangladesh and the following business ventures under the group:

- Square Pharmaceuticals Limited
- Square Hospital Limited
- Square Formulations Ltd.
- Square Herbal and Nutraceuticals Ltd.
- Square Agro Development and Processing Ltd.
- Square Textiles Limited
- Square Fashions Limited
- Square Yarns Limited
- Square Fashion Yarns Limited
- Square Denims Limited
- Square Apparels Limited
- Square Holdings Limited
- Square Informatix Limited

Currently, Mr. Chowdhury is acting as the Chairman of Oracle Travels Limited, Vision Technologies Limited and Sun Communications Limited.

He is the Managing Director of:

- Square Toiletries Limited
- Square Food & Beverage Limited
- Square Securities Management Limited
- Square Texcom Limited
- Square Air Limited
- Maasranga Communications Limited (Maasranga Television)
- Mediacom Limited
- Aegis Services Limited

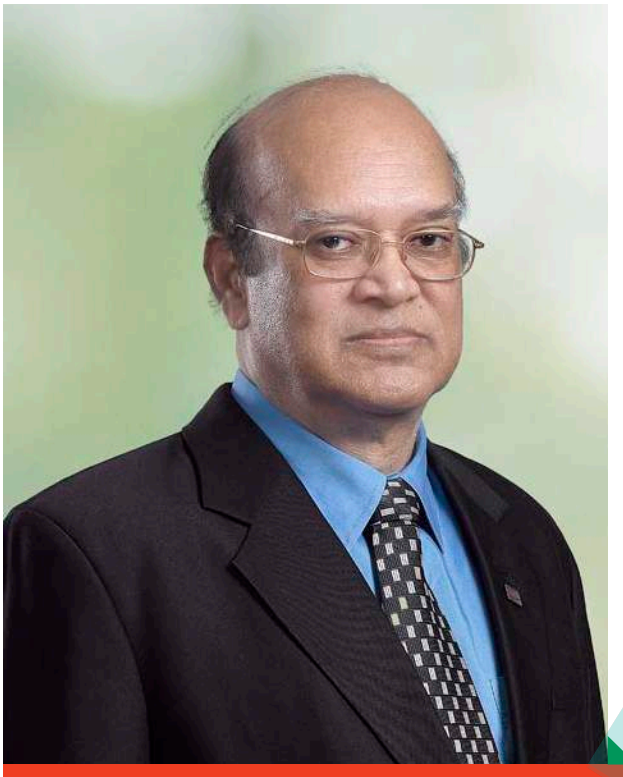
Besides, he is also a Director of the following business ventures:

- Astras Limited
- Pharma Packages (Pvt.) Limited
- Barnali Printers Limited
- Sabazpur Tea Co. Limited

Mr. Chowdhury has keen interest in the educational, cultural and sports arena of the country. He did his studies in management from the University of South Florida. He is a Trustee Member of the Education, Science, Technology and Cultural Development Trust (ESTCDT) of the Independent University of Bangladesh, Founder Member and current Chairman of The Society for Promotion of Bangladesh Art (SPBA). He also serves as Director of Bangladesh Business Publications Limited, publishing company of the bi-monthly Business Bangladesh magazine. Besides, Mr. Chowdhury is also a Member of several social and cultural associations in his home district Pabna.

His passion for sports is reflected through his in-depth involvement with different sports organizations. He is the Chairman of Kurmitola Golf Club's (KGC) Development Committee, and member of its Finance Committee and Executive Committee. He is an Executive Committee Member of Bangladesh Golf Federation, a Director of Abahani Limited and the current Vice President of Bangladesh Olympic Association (BOA). Mr. Chowdhury was awarded the National Sports Award 2009 for his outstanding contribution in the sporting arena of the country by the Ministry of Youth & Sports.

Mr. Chowdhury received the National Film Award 2010 as the Best Producer in the year 2011 for his widely acclaimed feature film "Monpura" by the Ministry of Information, Government of the People's Republic of Bangladesh.



Mr. Q.A.F.M. Serajul Islam
Director

Mr. Q. A. F. M. Serajul Islam, Consultant, Pioneer Insurance Company Limited is serving as a Director on the Board of Mutual Trust Bank Limited (MTB).

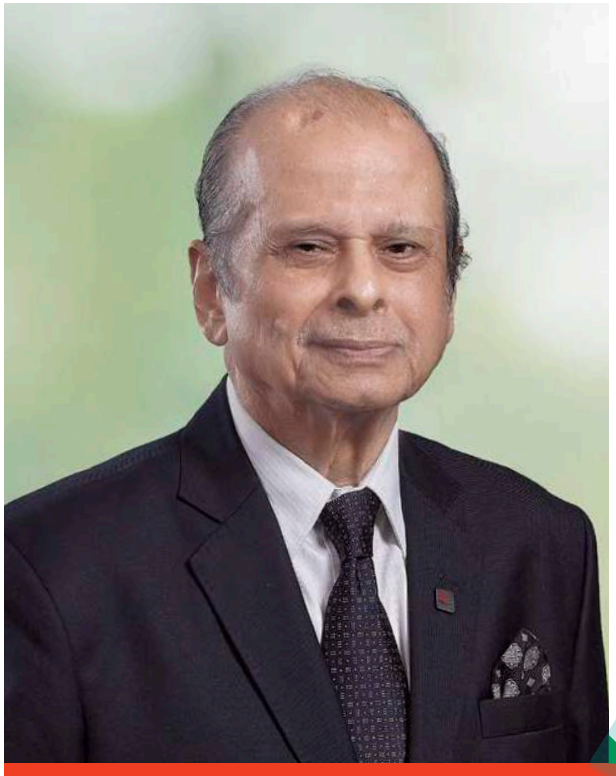
He commenced his thirty-seven years of journey in the insurance industry in 1978, at the state owned Insurance Company Sadharan Bima Corporation (SBC). He held important positions in different departments of SBC, before voluntarily retiring in 2003 as a Deputy General Manager. In the same year, he joined Pragati Insurance Limited as Deputy Managing Director. Later in September 2005, he switched to Pioneer Insurance Company Limited as an Additional Managing Director and served as the Managing Director & CEO of the company from January 14, 2007 to February 10, 2017. In recognition of his contribution and expertise in the insurance sector, the company, changed the nomenclature by creating a new position, namely 'Additional Managing Director' exclusively for him, before his appointment. In 2011, under his skillful leadership, Pioneer Insurance Company Limited became the second largest company in terms of premium income amongst forty-five non-life insurance companies in the private sector. He has negotiated reinsurance treaties of SBC, Progati Insurance Limited and Pioneer Insurance Company Limited with reinsurance companies of the UK, France, Germany, Switzerland, Malaysia, Singapore, India, Bahrain, etc.

Considering Mr. Islam's in-depth knowledge, wide range of experience, and expertise in the line of insurance business, he has been nominated by MTB as the Director of Life Insurance Corporation (LIC) of Bangladesh Ltd., a joint venture entity of Indian state-owned insurance giant.

Mr. Islam was also elected twice as a member of the Executive Committee of Bangladesh Association of Publicly Listed Companies (BAPLC). BAPLC is the only organization to represent the publicly listed companies in the Bangladesh capital market.

Mr. Islam obtained postgraduate degree in Physics in 1972. Besides his educational degree, he also obtained the professional degree, BIA Diploma in General Insurance, from the Bangladesh Insurance Academy (BIA) in 1986, and since then has been associated with BIA as a resource person. He took part in training courses on General Insurance and Reinsurance both at home and abroad, which included a three-week in-house training on Reinsurance at Tysers, UK. He also attended various international seminars and conferences on insurance and reinsurance.

AMAR STOCK



Mr. Anwarul Amin
Independent Director

Mr. Anwarul Amin is one of the most senior bankers of the country. After graduating from Westminster Bank Institute of Banking, Oakenholt, Oxfordshire, UK in 1955, he started his banking career with Muslim Commercial Bank Ltd., Dhaka as a Covenanted Officer in the same year. He received specialized banking training with Deutsche Bank, Hamburg, KfW, Frankfurt and Westminster Bank Ltd., London.

Mr. Amin has served in managerial and senior executive positions during his thirty six years career in many reputed organizations including:

- Branch Manager at National Bank of Pakistan
- Manager, Project Department, End Use Department and Small Industries Department, Industrial Development Bank of Pakistan (IDBP)
- Chief Manager, Controller of Planning & Development, Deputy Managing Director, Joint Managing Director, Eastern Banking Corporation Ltd.
- General Manager (Country Head) for UK, Uttara Bank*
- General Manager (Deputy CEO), Bangladesh Shilpa Bank (Now BDBL)
- General Manager (Country Head) of Bank of Credit & Commerce International (BCCI), Bangladesh
- Chief Representative & General Manager (Country Head) BCCI China with 4 Representative Offices in Beijing, Shanghai, Canton, Xiamen and a full-service Branch in Shenzhen SEZ
- General Manager (Country Head), Japan
- Chairman, Equity Resources Limited (Capital Market Intermediary Company)
- Independent Director & Vice Chairman, Bank Asia Ltd.

* In December 1971, the Bangladesh Government assigned Mr. Amin to open the first-ever overseas branch of a Bangladeshi bank. During his tenure in the UK, he opened branches of Uttara Bank in London, Manchester, Birmingham, Oldham and Bradford.

Current assignments besides being an Independent Director of Mutual Trust Bank Ltd.: Chairman Board of Trustees of Impact Foundation Bangladesh (NGO involved in the Disability Sector), Trustee of Bangladesh Hospital Trust, Chief Advisor (formerly President), Bangladesh-China People's Friendship Association (BCPFA), Chairman, Kayfin Ltd. (Management Consultants).

AR STOCK



Dr. Sultan Hafeez Rahman

Independent Director

Dr. Sultan Hafeez Rahman is an Independent Director of Mutual Trust Bank Limited (MTB) and a reputed economist. He is currently the Executive Director of the BRAC Institute of Governance and Development, BRAC University and Director, International Growth Centre's (IGC) Bangladesh Program. He obtained his Ph.D. and M.A degrees from Stanford University and M.A in Economics from Vanderbilt University.

He started his professional career at Bangladesh Institute of Development Studies (BIDS) in 1975 and worked as Staff Economist, Research Fellow, and Senior Research Fellow there. He also served as a Director of the Board of Directors of the state-owned Agrani Bank from 1988 to 1991, and was an adviser/consultant to the Ministries of Jute, Industry, Commerce and Finance and Planning.

Dr. Rahman joined Asian Development Bank (ADB) in September 1992 and rose to become a Director General in ADB, which is the highest-level staff position. He was involved in a number of landmark ADB operations, including:

- Resumption of ADB's operations in Vietnam in 1994 and Afghanistan in 2002-2003
- Initiating ADB's assistance to Kazakhstan and Uzbekistan in 1995-96
- ADB's stabilization and recovery assistance to Indonesia and South Korea during the 1997-98 Asian financial crisis

He also served as ADB's Country Director in Nepal during the worst period of civil conflict from 2003-06. He worked on Cambodia, Thailand, Malaysia, Indonesia, India, Pakistan and Bangladesh as well as fourteen Pacific Island countries in the North and South Pacific region. He retired from ADB in June 2012.

Throughout his professional career of forty years, Dr. Rahman participated in many workshops, seminars and conferences around the world, many of which he organized. A reputed economist, Mr. Rahman's current research interests are in the areas of economic growth and inequality, green growth, macroeconomic policy, financial sector policy, regional economic cooperation and integration, and governance.



Mr. Anis A. Khan
Managing Director & CEO

Anis A. Khan (AAK), a Fellow of the Institute of Bankers Bangladesh (IBB), has had 35 years of experience and training in banking, capital markets, management, and leadership practices. Anis currently serves as the Vice Chairman of the Industrial & Infrastructure Development Finance Company Limited (IIDFC), Director of BD Ventures Limited, Independent Director and Chairman of the Board Audit Committee of Berger Paints Bangladesh Limited (BPBL) and Vice President of Bangladesh Association of Publicly Listed Companies (BAPLC). He is the recipient of numerous accolades including the 'Business & Entrepreneur Excellence Award 2016' where he was recognized as the 'Inspirational Business Leader of the Year', at a ceremony held in London, United Kingdom and which was organized by the UK Bangladesh Catalysts of Commerce & Industry (UKBCCI) on November 20, 2016. He is the Immediate Past Chairman of the Association of Bankers, Bangladesh Limited (ABB) and a former Chairman of Primary Dealers Bangladesh Limited (PDBL). He also served as the Chairperson of the SWIFT Member & User Group of Bangladesh. A regular speaker on the global circuit, he has demonstrated his international quality competency in the field of finance, banking and management.

In April 2009, after commencing his role as MD & CEO for MTB, he took on the challenge of building the nascent retail, SME and structured finance business, with strong focus on technology, innovation and re-engineering of business processes. The bank swiftly achieved a leading position in this business and grabbed the prize for the best "Women Entrepreneur Friendly Bank of the Year" and Best "SME Bank of the Year" in 2014 from Bangladesh Bank, the Central Bank of Bangladesh and the SME Foundation. In 2015, MTB was awarded the prestigious DHL-The Daily Star Bangladesh Business Award and recognized as the 'Best Financial Institution of 2014'.

A career banker, AAK started his career with the then British-owned Grindlays Bank plc. as a Management Trainee in 1982 and went on to serve its successor banks – ANZ Grindlays Bank and Standard Chartered Bank, in a diverse array of roles both at home and abroad. Finally, in 2002-2003, he served as a regional head for Standard Chartered Bank responsible for The Gulf countries based in Dubai, UAE. AAK then went on to head IDLC Finance Limited, the country's largest financial institution (non-banking) for six years from 2003-2009 as its CEO & Managing Director.

As a nominee Director of MTB, AAK is Vice Chairman of Industrial & Infrastructure Development Finance Company Limited (IIDFC). He has also had the opportunity to serve as a government nominated Director of Chittagong Stock Exchange Limited for four years. Anis A. Khan was the Chairman of Primary Dealers Bangladesh Limited (PDBL), an apex body of primary dealer banks and financial institutions during the period 2014-16.

AAK has served the country's pre-eminent Metropolitan Chamber of Commerce and Industry (MCCI) as Vice President for two successive terms during the years 2014 and 2015. He has led the SWIFT Member & User Group of Bangladesh (SMUGB) in 2014-2016 as the Chairperson.

In June 2015, Anis presented a paper on "Financing the Transformation of the Bangladesh Garments Industry" at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA. He has attended "The Executive Program in Corporate Governance and Strategic Management" at the Haas Business School of the University of California, Berkeley in May 2014 and the Value Creation in Banking and Strategic Management Program held at INSEAD, Fontainebleau, France in October 2015. Most recently, Anis has presented a paper on May 12, 2017 at the Bangladesh Development Conference at Harvard University, Boston, MA, USA. His subject matter was 'Achieving SDGs: Financial Inclusion, Bangladesh Perspective'.

CHAIRMAN'S STATEMENT



M. A. ROUF, JP
Chairman

Throughout the year, we enjoyed pro-business government policies with a vibrant investment environment, which helped the bank grow its total portfolio under management (deposits & advances) by 21% in 2017. This achievement has been possible because of the hard work of our dedicated employees and support of the customers, shareholders and regulators during the journey of the bank in 2017.

Respected Shareholders,

Please accept my sincere greetings on behalf of your bank and its directors and the MTB management team.

We are working hard to reach the top with superior service standards and an array of latest financial solutions. Our goal is to create a pool of efficient, tech-savvy and well-trained professionals with the best in class products and services in their arsenal along with state-of-the-art infrastructure to generate better returns. We strongly believe that we are on the right track with a view to getting recognized as a strong customer oriented bank, delivering sustainable returns to our shareholders and contributing to the growth of country's economy in the process.

During the year, your bank made a notable growth through a sustainable process and excelled in the areas of business, service quality and delivery models. We also delivered strong operating performance and cost efficiencies, as well as solid returns. As a result, we have achieved sustainable balance in all the parameters including risk assets, the advance-deposit ratio, non-interest income, network and delivery capacity, agent banking centers, ATM booths as well as human resources. These achievements would not have been possible without your support and encouragement.

Since its incorporation, MTB's continuous effort has been to build a rigorous corporate governance framework in full conformity with the regulatory requirements, empowering the management with responsibilities according to delegation. In 2017, the bank continued to improve the governance architecture and system, enhanced the working mechanisms of the Board of Directors, and earnestly fulfilled its responsibilities for all stakeholders including shareholders, customers, employees and the society, with a view to ensuring the best practices in corporate governance.

Technology is another front, which differentiates MTB from its peer group. The global banking industry is constantly under the threat of cybercrime and our ITS Division and IT Security Department are working round-the-clock to keep our bank protected. We are conducting seminars and trainings on IT and cyber security throughout the year to keep up with the latest developments and technologies in the IT sector and to better equip ourselves to fight against the threats that sprout with these developments. Information Technology Services (ITS) Division, Information Technology Security Department and Alternate Delivery Channel (ADC) teams are playing a great role not only in the aforementioned areas but also in achieving business goals of the bank.

Throughout the year, we closely followed the contemporary trends and improved our services through various initiatives and technological reforms. As we envision MTB to be one of the best performing banks in Bangladesh, we have deployed cutting-edge technology to keep our Internet banking service safe for our customers. We are moving towards a new Core Banking System, which, once implemented, will take us to a new height, where we would be able to better serve the interest of all the stakeholders. This new system will facilitate quick and convenient financial solutions, which will pave the way for better customer service.

Our concern has always been towards protecting the interest of our shareholders. While we strive to ensure superior service standard, ensuring a sustainable decent return to all shareholders, every year, remains one of our major targets. Ensuring that the business continues to focus on the returns generated for shareholders is a top priority of the board.

I take this opportunity to thank my fellow directors for the persistent and warm support they have given for the advancement of the bank, and the time and energy they have sacrificed towards that goal. It is an absolute honor for me to be part of MTB's progressive journey and I will never cease to work for the growth of this wonderful organization.

The highest recognitions go to the bank's respected customers as well as the community we serve, as they have been the key players for our growth. We have made it a priority to embed ourselves in the customer's journey to become more customer-centric. I am sure that they will continue to give us the opportunity to serve them by choosing and keeping us as their growth partner.

I am especially thankful to the regulators and policy-makers, who work relentlessly to establish a level playing ground for the financial institutions, keeping in mind the interest of the nation above all.

My sincere thanks and gratitude to the employees of the bank who continue to work to deliver our vision and the legacy for the future. The level of dedication, hard work and passion they have shown is outstanding. I convey my earnest appreciation to the team to have overcome multiple challenges during the period.

I am delighted to invite you to attend this year's Annual General Meeting to be held on May 31, 2018 at Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka 1206 and look forward to welcoming you.

I wish everyone the very best for 2018.

Thank you,



M. A. ROUF, JP
Chairman

MANAGING DIRECTOR & CEO'S STATEMENT



Anis A. Khan
Managing Director & CEO

It is critical that the financial industry keeps up with the unprecedented pace at which innovation and technology are leaping forward. While technology remains at the core of our progress, it is the exact same front that is being exploited by perpetrators across the world. We will continue to invest in technology to further strengthen our defensive mechanism and will never cease to invest in our human resources to hone their skills, as we are committed to protecting the very reason of our existence - our valued customers.

Thank you for trusting MTB as your growing partner and giving me the opportunity to lead your bank for the last nine years in a row. I am committed to serving your interest in the best possible ways.

Just 18 years ago, our visionary founders laid the structure for what has become today's MTB - a bank with a clean image, excellent market reputation and an enviable structure, spanning the MTB Group across the country and with a small but strategic presence in the UK. With our vast and growing network and subsidiary companies, MTB today has an extensive array of products and services across many product lines including wholesale, SME and retail.

I am delighted to inform you that MTB, in 2017, delivered a remarkable performance, achieving consolidated operating profit of BDT 3.92 billion with a growth of 15 percent over 2016 and the bank's ROE of 18.35 percent remained impressive despite immense pressure of provision against non-performing loans and advances. In 2017, our balance sheet maintained an unyielding growth, where risk assets grew by 27.33 percent and customer liabilities by 16 percent compared to the same period of the last year. At the same time, the bank continued to maintain capital adequacy at 13.76 percent, which is well above the regulatory requirement. Such outcomes have been possible only because of the full support and trust of all the stakeholders, the Chairman and the members of the Board, our regulators, my fellow colleagues, customers, and of course, you, our valued shareholders.

As an evolving financial institution, with over 18 years of strong market existence, a sustainable growth record and superior image, today we provide simpler and smarter banking solutions to more than eight hundred thousand customers across our physical network of 111 branches, 50 agent banking centers and alternate delivery channels including- MTB Internet Banking, MTB SMS Banking, 246 ATMs with 24/7 service and around 3000 POS machines.

2017 – The Year in Review

Business Resilience

Operating in full compliance with legal and regulatory requirements by managing the core risks in the best possible manner has always remained our top priority. Over the years, MTB has sufficiently equipped itself with extensive policy guidelines on risk management and made investments in human resources and technological development to ensure compliance with prevailing acts, rules, policy guidelines and circulars issued by the government, regulatory authorities as well as the bank itself, thus establishing a compliance regime. The Board and the management has always positioned compliance as the first priority of the bank.

Focusing on the growth of the balance sheet was important in 2017. The team, with the support and guidance of the scholarly Board of Directors, achieved 22 percent in it's balance sheet i.e. total asset. At MTB, we always try to create a culture of operational excellence, efficient performance and world class service delivery, which, in turn, makes us capable to respond quickly to deliver simple, fast and contextual banking in this digital age. MTB, with a loyal customer base, highly motivated employees and a solid capital and liquidity foundation, has been able to ensure a balanced and sustainable growth to deliver consistent long-term returns to the shareholders amidst a constantly and rapidly changing macroeconomic, financial, and socio-political environment.

I am excited by the prospects of our MTB Agent Banking Centers (MAB), and I must compliment the MAB Team for their hard work and smart delivery in 2017. 50 agent banking centers, in just over a year is no mean achievement. Their contribution to CASA growth, increase in remittances, delivery of SME and agri-loans, and bills collection will pave the way for a more financially inclusive bank. The agent banking centers will also make MTB a household name over time. Moreover, the establishment of MTB Air Lounge at international departure of Hazrat Shahjalal International Airport has enabled the bank to extend the retail banking reach while ensuring greater comfort and convenience for MTB customers when travelling in and out of the country. MTB is one of the five banks that have such facility among the 58 banks of the country, which has given a clear edge in branding of the bank to local and foreign passengers of different airlines.

Towards MTB3V

To justify our vision, MTB3V, of being the bank of choice, we don't consider banking as a separate activity at MTB, but as one that should be seamlessly interwoven into a customer's everyday life. To do so, we need to have a relentless focus on customers' true satisfaction. To materialize our vision to turn MTB into a truly world class bank, our state-of-the-art training institute remains busy throughout the year to train MTBians internally, and a good number of MTBians are also sent to international training and seminars. As a strong believer of empowering our employees with skills for both their professional as well as personal development, we continued to invest in new learning and development programs. In this regard, in 2017, we provided training to 1,786 employees out of the total 2,004. At the same time, we invested in our delivery channels to enrich the same with the latest tools and technologies. In 2017, the scholarly Board of the bank approved the acquisition of a sophisticated core banking solution to handle the large number of customers smoothly as well as to serve them more efficiently. With all our efforts and your continued support, we want to make MTB one of the best performing banks in Bangladesh.

Commitment to Citizenship and Sustainability

2017 witnessed dramatic changes in the global political and economic arena. The macroeconomic conditions of Bangladesh also went through significant changes including a decline in remittances inflow, import payment pressure over export earnings and volatility in the foreign exchange market, especially in the last quarter of 2017. We addressed difficulties and challenges with improvements and innovation, accelerated business structure adjustment, optimized systems and processes, and thus ensured sustained and steady development. We devoted a great deal of energy towards the development of inclusive finance and provided more focus on retail and SME segment. Accordingly, we attained a significant growth of 72 percent in SME and 49 percent in retail business during 2017 with the support of our dedicated business units and branches.

Our competitive capabilities to operate as a compliant organization has picked up pace with a multitude of leadership and talent development efforts that we underwent. Hence, I am excited about the prospects of MTB's continued success for the future.

In 2017, MTB:

- Successfully reached its target of opening 50 agent banking centers across the country.
- Ended the year with 111 strategically located branches, 246 MTB 24/7 ATMs and around 3000 POS machines.
- Earned the milestone of achieving the highest operating profit of BDT 3.92 billion in the 18 years' history of MTB with a growth of 15% over 2016.

"Protect and Surge" – The Theme of 2017

In 2017, MTB's theme was "Protect and Surge". Innovative technologies including latest payment systems have enabled us to reach and serve our customers in more ways than ever. Technology has opened up avenues to further protect our investments. Then again, it is the technology which is being utilized by criminals all over the world to infiltrate financial and other institutions for their unlawful personal gains. We remained vigilant at all times and kept ourselves familiar with the changes, both in technology and the ways the perpetrators infiltrate and further strengthened our defensive mechanism to protect the bank, its products, services and delivery channels from being exploited by scammers, money launderers and terrorist financiers.

During the year, we introduced the latest EMV chip based cards, enhanced system capabilities to further secure Internet and SMS banking services for our customers. Moreover, we have an IT Security Department, which shows our commitment when it comes to protecting our valued customers and their bank.

2018 – MTB Resurgent

2018 will be a significant year for MTB and the overall banking industry as the composition of the industry is undergoing an inevitable change. With the inclusion of 3 new banks, the total number of banks is now 57. Considering the size of our country and economy, the number most certainly makes the industry more competitive and regressive. Still, I am confident that we, with all our combined effort, can overcome all the obstacles and will achieve the goals of the organization. While we have ended 2017 on a positive note, we are not going to be complacent and will leave no stone unturned to continue the growth trajectory in the year to come.

In 2018, the theme for the bank is MTB Resurgent with an aim to turn around against all odds and secure a sustainable growth of the bank. With the target in mind, we will be more attentive in achieving our business targets by focusing more in retail and SME business, ensuring financial inclusion through agent banking and we will concentrate on improving our risk assets portfolio. At the same time, using our people and network, we will optimize cost efficiency through improving the deposit mix like previous years. More focus will also be given on fee based and commission earning in the year of "MTB Resurgent".

Driving Innovation / Digital Initiatives

The future is in digitalization. Market-leading digital innovation to maximize our customer satisfaction remains one of our priorities. In our aspiration to become the "Digital Bank of Choice", we continued to deliver high-quality service and innovative products through our well-managed digital channels. Our efforts to make day-to-day banking simpler and more accessible via digital means are paying off good dividend to us in return. In 2018, we are going to introduce a new Core Banking System (CBS) for us to have an edge over our competitors and stay clearly ahead with better service provided to our customers with proper time management, accuracy and simpler financial solutions.

Moving Forward Together

The year 2017 was exciting and as we go through 2018, we want to convey our promise to our customers of moving forward together, which encapsulates and reinforces our value proposition, which means empowering our customers to advance towards their ambitions, goals and dreams in every stage of their lives. We want to inculcate a culture of providing the right solutions that are simple yet innovative, ahead of the curve, and competitively priced. Basically, it is a promise to deliver solutions to the needs and wants of our customers, wherever and whenever that may be.

In the past years, the bank made strenuous efforts to mitigate risks and thus maintained stable asset quality. As we step into 2018 with some caution, we remain

watchful over asset quality concerns that could prolong during the year. We reaffirm the commitment to upholding the highest standards of compliance and risk management, whilst also endeavoring to provide superior customer experience.

Final Remarks & Recognitions

MTB's elevated growth in 2017 is attributed to its growing reputation as a compliant bank, timely strategy and customer centric culture supported by good governance.

I take this opportunity to thank all our stakeholders - government, regulators, customers, and communities - for the overall support you have extended towards MTB in enabling us to make our strides towards living our aspirations of "One of the best performing banks in Bangladesh".

On behalf of the management, I would like to express my sincere thanks to our honorable Board of Directors for their guidance and constant support. We will forge ahead and repay their trust and support with better business performance and by working hard towards our strategic goals.

I also convey my heartfelt gratitude to all MTBians for their dedication, passion and tireless contributions in helping to build MTB into a stronger organization that can weather through challenging circumstances.

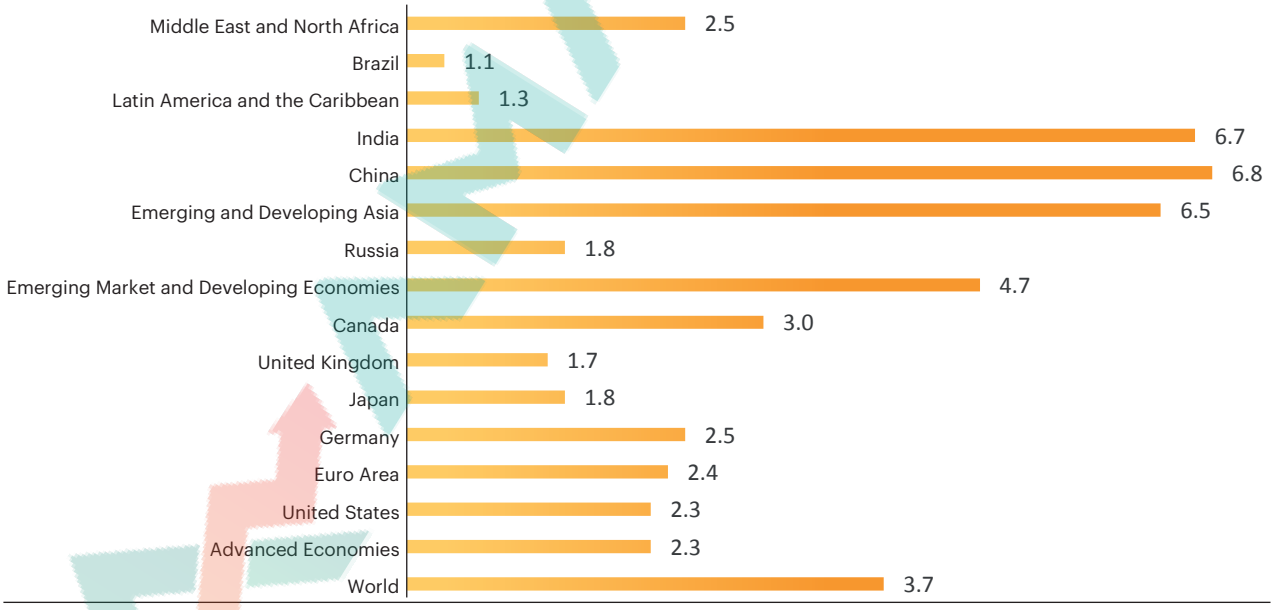
Finally, let me reaffirm the commitment of the management and staff of MTB to continue to do our best to deliver value to you.

Global Economy

The engine of global prosperity accelerated significantly during 2017 and managed to outperform the expectations by a margin. Consequently, jobs got created, fortunes were lifted and fears of popular discontent were mitigated. As a whole, the year 2017 can be characterized by a near-perfect combination of steady global growth, low inflation, and accommodative monetary policies. Almost all of the world's major economies were in some phase of expansion, leading to a self-accommodative global acceleration and the most synchronized global upturn in at least several years. The primary driver of the pickup in global activity was China's reacceleration during the 18 month-period prior to December 2017, which stimulated a turnaround in global industrial production, exports, commodity industries, and the profits of multinational corporations.

The International Monetary Fund in its World Economic Outlook, published in January, 2018 reported healthy growth for most parts of the world. Overall, the global economy is reported to have grown by 3.7% in 2017, which was only 3.2% for the preceding year.

IMF Growth Estimates for 2017



During 2017, some 120 economies that constitute around three quarters of world GDP, experienced a pickup in growth on year-on-year terms that can easily be termed as the most synchronized global growth upsurge since 2010. During the last few months of last year, economies around the world experienced pickup in investment, particularly among advanced economies, while in Asia, countries encountered increased manufacturing output.

Inflation Scenario

Most surprisingly, during 2017, the acceleration in global growth did not cause a bigger pickup in inflation. Although the inflation dynamics in many countries in the first half of 2017 were impacted by the steep year-on-year rise in energy prices relative to the lows seen in early 2016, this transitory impact got largely evaporated by mid-year.

In 2017, the overall inflationary condition remained stronger in the Eurozone. However, it managed to cool down during the closing months mainly due to a softer rise in energy prices and food prices. In Japan, inflation edged above zero, while in the United Kingdom and the United States headline inflation exceeded the central bank targets of 2% for at least part of 2017. By contrast, price pressures eased in many large developing economies and economies in transition. This created space for several countries in South America, parts of Africa and the Commonwealth of Independent States (CIS) to cut interest rates in 2017, easing monetary conditions and providing more support to economic activity.

Movement in commodity markets during 2017

- An unprecedented oil-production-cut arrangement with OPEC helped lift oil. Brent crude oil started the year at $55 per barrel level and closed the year trading around the $66 per barrel threshold.
- Gold prices trended higher (up by more than 2%) throughout the year as the Fed raised interest rates three times and inflation ticked above the critical 2% mark.
- Better-than-expected economic growth in China, along with labor issues in Chile and Indonesia, helped copper prices rise more than 25% for 2017.
- Agricultural commodities like London sugar and U.S. corn lagged this year as a rising U.S. dollar and inflation discouraged investors.

Monetary Policy

During 2017, the monetary conditions remained broadly accommodative throughout the globe. Interest rates continued to diverge between the euro area, Japan and the United States, reflecting differences in the timing and pace of economic cycle.

In the United States, the Federal Reserve gradually hiked its benchmark interest rate from a near-zero level. In 2017, the Fed increased the interest rate thrice, which is likely to cause higher rates on consumer loans, some mortgages, credit cards and other loans. This indicates the central bank's confidence over the strength of the economy.

The Bank of England in November of 2017 raised its main rate by a quarter point, its first hike in a decade, to keep a lid on inflation. Prices had been rising sharply due to the pound's sharp fall after the June 2016 vote for Brexit. The pound's drop simultaneously pushed up import costs, notably of food and energy, and weighed on economic growth by reducing living standards as price surge started to outpace wage growth.

Meanwhile the European Central Bank (ECB) kept its main interest rate at zero although the euro zone banks were well prepared for sharp changes in interest rates.

In Asia, the Bank of Japan also maintained its short-term interest rate at minus 0.1 percent and the target for the 10-year government bond yield at zero percent during 2017. Whereas, China's central bank raised interest rates for its Medium-term Lending Facility (MLF) and reverse repos. The seven-day reverse repurchase rate was revised to 2.5% while the 28-day reverse repurchase rate was increased to 2.8%

Global Banking Industry

The financial position of the banking sector in developed countries continued to improve during 2017. For instance, global systemically important banks (G-SIBs) strengthened their balance sheets with additional capital injections, while liquidity also rose due to declining loan-to-deposit ratios and less reliance on short-term funding.

By the end of 2017, the global banking sector managed to attain a much better shape than it used to be at the start of the global financial crisis 10 years ago. According to EY's 'Global Banking Outlook 2018 survey, the largest banks in the world substantially improved their capital position. Resilience has been supported by the development of recovery and resolution plans as mandated by regulators globally. The progress the banks made in strengthening their balance sheets is reflected in their expectations for financial performance.

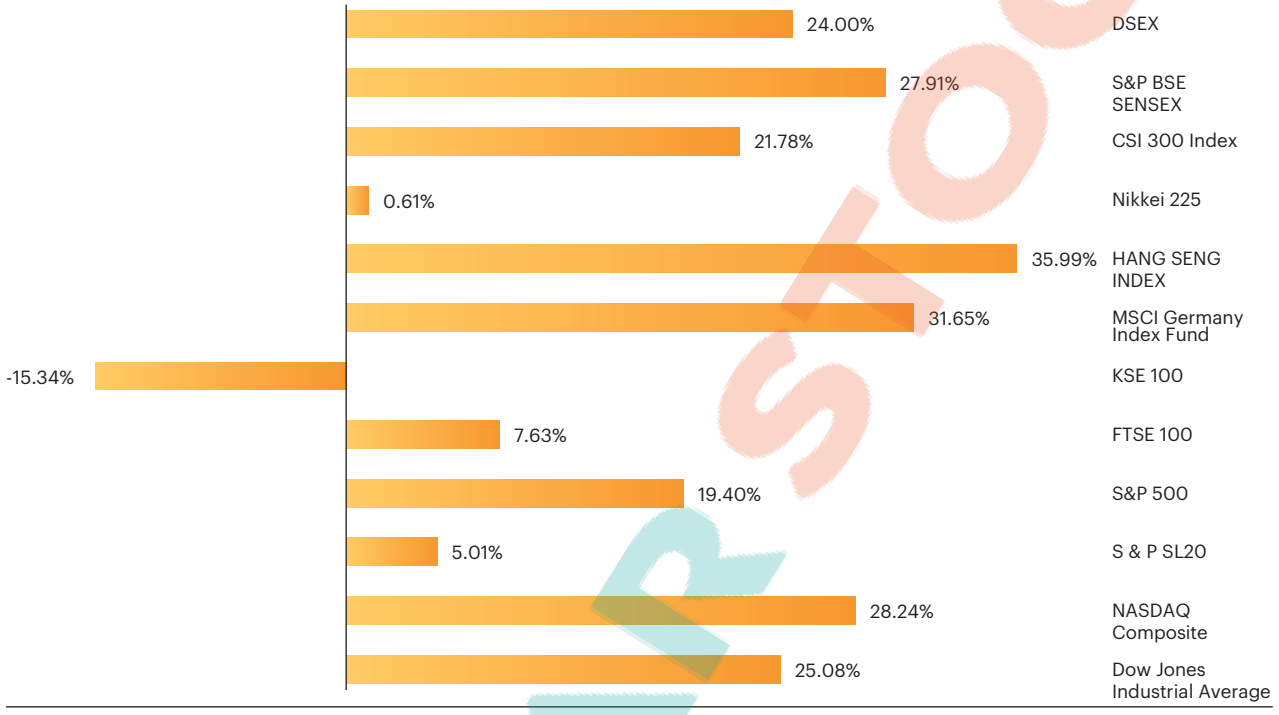
Global Capital Markets

World stock markets began the year flat footed, amid preparations for missile tests in North Korea and following a widely condemned executive order from America's new president banning travel from seven muslim-majority countries. However, as time passed by so did the anxieties and global equity markets posted a positive year of returns in 2017.

The FTSE 100 was to settle for a broadly shallow upward trajectory over the year, while markets in the US bounded on to new record highs. The S&P 500 Index recorded a 19.40% total return and small cap stocks, as measured by the Russell 2000 Index, returned 14.65%, both above their long-term average return. The Dow Jones Index raced 25% higher in 2017, getting even closer to 25,000 and making the year its best since 2013. The booming stock market was the result of resurgent economic growth and blockbuster corporate profits.

Japanese equities soared to their highest levels in more than 20 years, boosted by a weak yen and record corporate profits. China's stock markets also headed higher, aided by reports of strong growth in domestic consumption. India's stock market continued to drive higher too, belying a slowdown in underlying economic growth after the withdrawal from circulation of high value bank notes in 2016. On the contrary, the Pakistan Stock Exchange's performance was the worst in the world during 2017 as KSE-100 Index posted an absolute negative return of 15.34%.

Movement of Major Stock Indices



In the euro zone, the MSCI Europe and MSCI EMU indices made strong gains in 2017, returning 10.2% and 12.5% respectively. The economic backdrop remained very encouraging. The buoyant mood was supported further by a rise in shareholder activism in Europe, as well as merger & acquisition activities and share buybacks.

Growth Prospects for 2018

At the very beginning of 2018, the mood is pretty good from a business point of view due to the synchronous growth of last year. Currently, the global economy is said to be operating at or near full capacity. The prevailing economic momentum is expected to continue for the next few years. Consequently, the International Monetary Fund (IMF) has set the global forecast for 2018 to be 3.9%, supported by an improved outlook for advanced economies. Additionally, the US tax policy reform is anticipated to enhance global output via temporary improvements in the US domestic growth combined with favorable demand spill overs for its trading partners. Nonetheless, risks to the global growth are broadly balanced in the near term and skewed to the downside in the medium term as threats remain from higher inflationary pressures, build-up of financial vulnerabilities and the tightening of global financing terms.

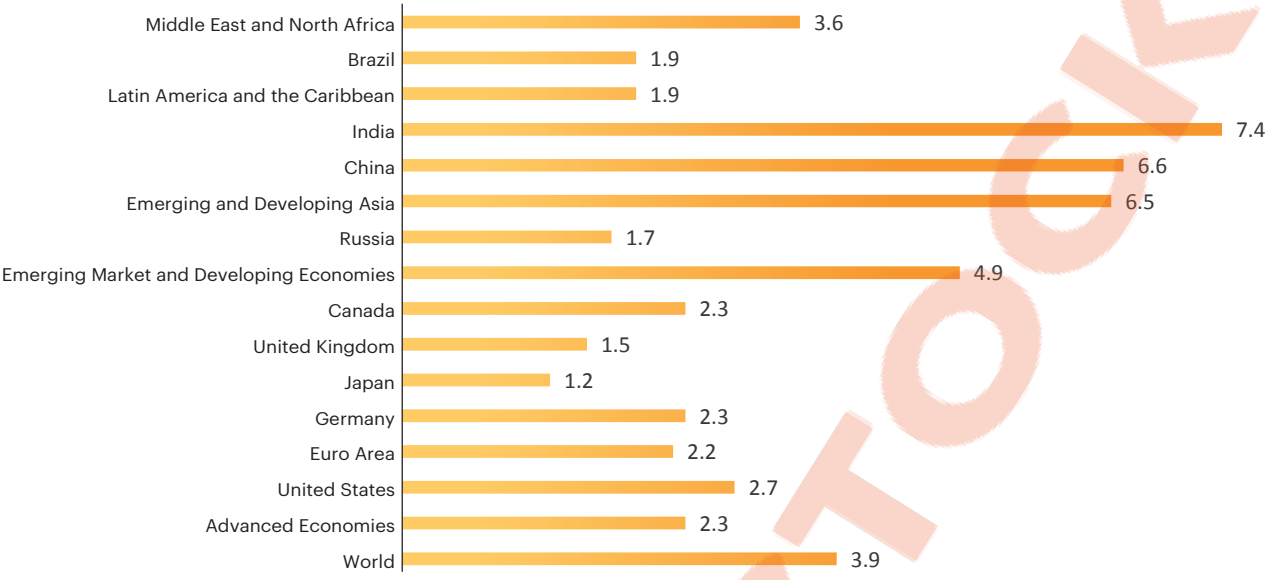
Growth rates for many of the euro area economies have been marked up, especially for Germany, Italy, and the Netherlands, reflecting the stronger momentum in domestic demand and higher external demand.

Emerging and developing Asia is expected to grow at around 6.5% during 2018. The region continues to account for over half of world growth.

In Latin America, the recovery is expected to strengthen, with growth of 1.9% in 2018 and 2.6% in 2019.

The growth pickup in Sub-Saharan Africa is broadly anticipated to rise modestly from 2.7% in 2017 to 3.3% in 2018. Growth in South Africa is now expected to remain below 1.0% in 2018 as a result of increased political uncertainty.

IMF Growth Projections for 2018



Bangladesh Economy

Bangladesh has become a growth-generating factor for Asia with its consistent economic growth over the last decade. 2017 has been a mixed year of achievements and challenges for Bangladesh. Though some macro indicators reflected positive trends, the overall strength of the economy was weakening due to a number of developments toward the second half of the year. One of the major achievements of the economy has been a 7.28 percent economic growth in FY 2016-17, breaking the six percent cycle that continued for a decade or so. Consequently, the World Bank painted a brighter picture for Bangladesh's economy for the next two fiscal years as well. The growing optimism is based on hopes from strong domestic demand, exports, investment and remittance. Further, the higher growth is expected to be driven by a rebound in agriculture sector and an enhanced contribution from real sector as well. With a booming population of more than 160 million, Bangladesh now offers a great market to the region and beyond in terms of investment, productivity and consumption.

The year 2018 will be a turning point for Bangladesh in many ways. Bangladesh recently fulfilled the UN's current criteria to graduate from a 'least developed country' to a 'developing country'. It has also recently advanced from a low-income country to a low-middle income country on the World Bank's scale.

It will also continue its efforts toward becoming a middle-income country. Additionally, it will continue to implement the sustainable development goals (SDGs). These will hinge on a number of factors such as accelerated resource mobilization, higher investment, efficiency in infrastructure implementation, skilled human resources and strong institutional set up.

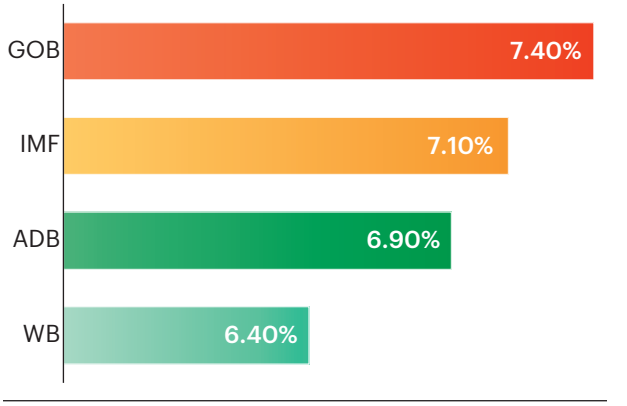
Gross Domestic Product (GDP)

The amazing growth story of Bangladesh continued with macroeconomic indicators showing positive trends during 2017. The economy managed to maintain the above 7% growth trajectory that started last year, breaking the cycle of 6% growth that persisted for the last decade or so. Out of the 45 least developed countries (LDCs) in the world, Bangladesh was one of the only five countries that attained a GDP growth rate over 7% in 2017. Like in previous years, the major boost for growth came from the industrial and service sectors.

Despite Asian Development Bank's (ADB) forecast of 6.9% growth, Bangladesh managed to attain a staggering 7.28% growth during 2017 that was well in line with the target set by the government.

Bangladesh government targeted economic growth at 7.40% for the FY 2017-18. Among the international agencies, International Monetary Fund (IMF) said that Bangladesh's economy would grow by 7.1% during 2017-18. ADB forecasted the growth to be 6.9% while the World Bank said it would be 6.4%.

Forcasted GDP Growth Rate for 2017-18

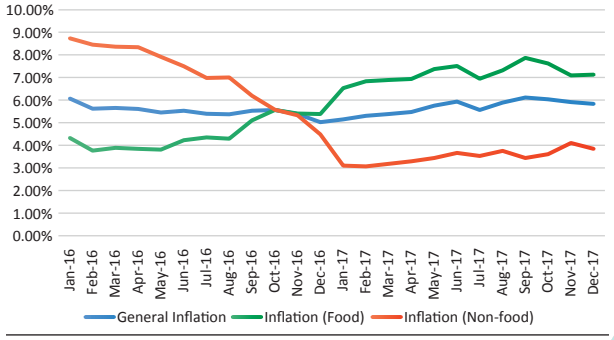


Inflation

The point to point general inflation decreased by 0.08 percentage point and stood at 5.83% in December 2017 from 5.91% in November 2017 as non-food inflation eased to a comfortable level. However, food inflation increased to 7.13% in November from 7.09% in October.

As per Bangladesh Bank's statistics, twelve month average inflation at the end of December 2017 was reported to be 5.70% that was well below the government's budget target of 6.0%. During the same month of the previous year, the twelve-month average inflation was 5.51%.

Point to Point Inflation-Movement



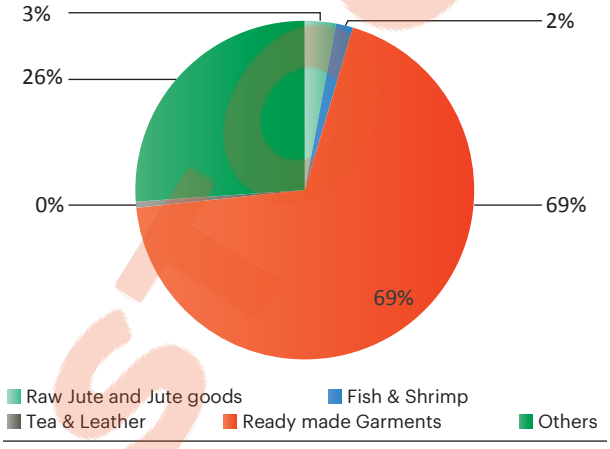
External Sector

Bangladesh's foreign exchange reserves was reported to be USD 33.23 billion at the end of December 2017, up by 3.55% from December last year. With the current reserve it is possible to serve the import payments for over nine months. The forex reserve managed to cross the milestone of USD 33 billion mark for the first time during June 2017. Within a period of 17 years the country's reserve grew by 33 times.

Meanwhile, the current account deficit widened almost eight times and was reported to be USD 4.76 billion for July and December 2017, which was USD 0.54 billion in the deficit a year earlier, according to data from the central bank. Trade gap of USD 8.63 billion can be held mainly responsible for the large current-account shortfall.

Exports

Category-wise Share of Total Exports 2017

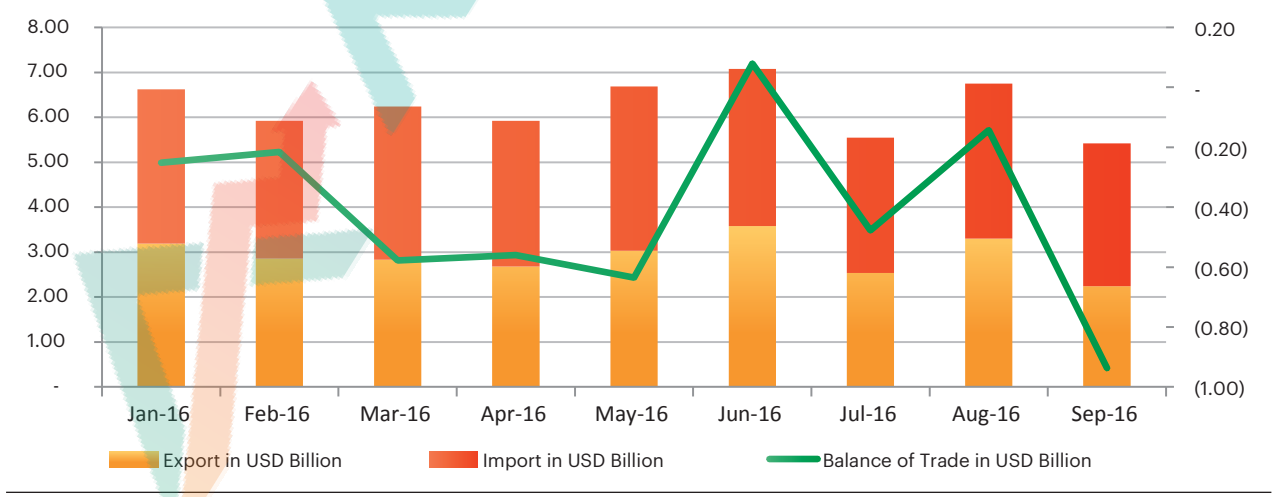


Export earnings recorded a growth of only 3.01% and recorded to be USD 35.95 billion for 2017. The export items that registered a positive growth during 2017 include ready-made garments, jute goods, fish & shrimps and others. On the other hand, raw jute, leather and fertilizer experienced a negative growth during 2017 compared to the same period of the previous year.

Imports

The actual import in terms of settlement of letters of credit (LCs) rose to USD 46.35 billion during 2017 from USD 42.36 billion of 2016. On the other hand, opening of LCs, generally known as import orders, rose by 44.3% to USD 65.35 billion during 2017 from

Imports & Exports



USD 45.29 billion of 2016. The overall imports increased during the period mainly due to higher import of capital machinery and industrial raw material as implementation of the different ongoing infrastructure development projects are undergoing across the country. Higher import for capacity building in textile, leather, jute, garment, pharmaceutical, ship building and energy and power sectors contributed to the rise in overall capital machinery imports.

Remittance

Remittance is the second highest source of foreign currency earning in Bangladesh next to exports of readymade garments (RMG). The inflow of remittances came slightly down by 0.56% to USD 13.53 billion during 2017 from USD 13.61 billion of 2016. Lower development activities in the Gulf Cooperation Council economies due to drop in global oil prices are seen as a major cause behind the plunge, alongside a rising trend in sending hard-earned money by expatriate Bangladeshis using informal channels. However, the central bank took several initiatives to improve the scenario.

Fiscal Management

Total tax revenue collection (NBR & non-NBR) during July-December, 2017 stood at BDT 972.25 billion which was higher by BDT 142.95 billion or 17.24% against the collection of BDT 829.29 billion during July-December, 2016.

NBR tax revenue collection during July-December, 2017 stood at BDT 934.40 billion which was higher by BDT 132.43 billion or 16.51% against the collection of BDT 801.97 billion during July-December, 2016.

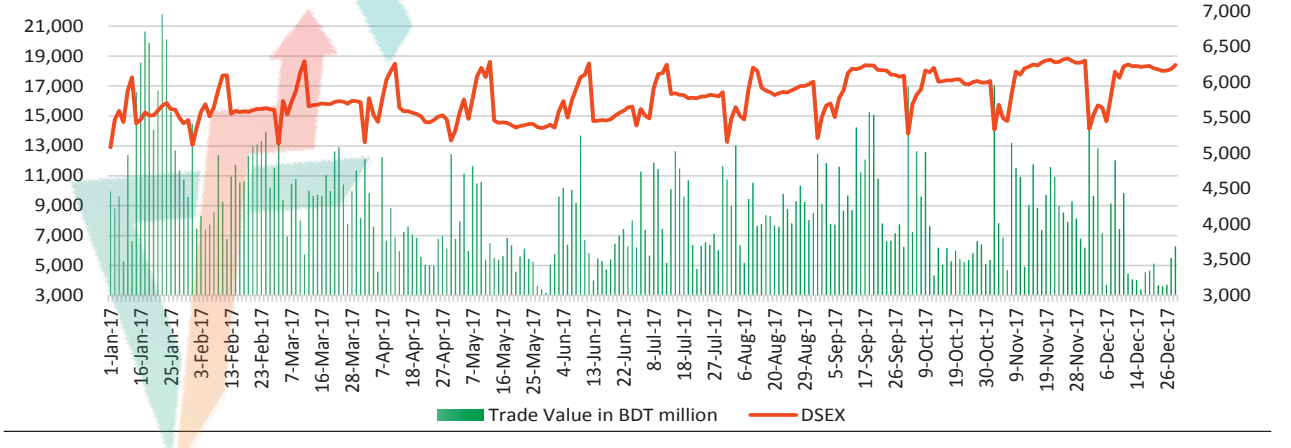
Capital Market Scenario

Following the catastrophic collapse of 2010, the Bangladesh stock market managed to exhibit strong signs of revival during the trading sessions of 2016 that bolstered further during 2017, except the last quarter of the year. Favorable macro-economic indicators, as well as the prevailing positive trends in the capital market continued to attract investors to take positions on available undervalued stocks from different sectors, particularly power, engineering and banking.

Overall improved macroeconomic and political situation led the local and global investors to have high hopes regarding the returns associated with the market. Price level in the market improved gradually during the trading sessions of 2017 with little elements of fluctuation. The benchmark index, DSEX started the year from 5,000 level mark. It gained momentum gradually to cross the 6,000 level mark during the end of August 2017 and hovered over the said mark till the close of the year. Average daily turnover improved significantly and was reported to be BDT 8.7 billion for the trading sessions of the year, the highest since the crash of 2010. The market capitalization increased by 23.9% to BDT 4,229 billion, which was BDT 3,412 billion the year earlier. As a whole, the price level and participation both were on the rise and investors started to be optimistic during 2017.

On a year on year basis, the benchmark measure DSEX, gained 24.0% to stand at 6,244 point at the end of December 28, 2017. Average daily turnover went up by 76.9% compared to the same period of last year. Throughout the year, the major sectors exhibited mixed performance. Spontaneous participation backed by hopes and excitement coupled with steady capital market trends continued to attract the sideline investors to inject fresh funds into stocks, taking the market turnover, on 23rd January 2017, to BDT 21.8 billion, the highest single-day turnover since July 2011. Given the current condition of the market, more attention should be given towards strengthening the foothold of mutual funds since they are the major institutional investors. This will result in a decrease in the propensity of taking short term profits and the market would head towards long term stability.

In an attempt to stimulate the capital market, the Bangladesh Securities and Exchange Commission eased a number of conditions including the minimum capital requirement for becoming a market maker for listed securities. The minimum capital requirement for becoming a market maker has been lowered to BDT 100 million from BDT 500 million proposed in the draft rules.



Banking Sector Scenario

A sound banking sector is the key to a sustained economic development for any country. It facilitates the financial mechanisms between borrowers and lenders, helps expedite capital accumulation, and ensures use of resources into productive sectors. The Bangladeshi banking sector experienced several ups and downs to reach to its current position that has been termed as stable by the international rating agency Moody's mainly due to the healthy operating environment, and despite legacy asset quality issues and tighter liquidity conditions.

Among the eight state-owned banks, 40 privately-owned banks and nine foreign-owned banks, nonperforming loans (NPLs) stood at BDT 804 billion as of September 2017, according to Bangladesh Bank (BB) figures. The amount is 10.67 percent of all outstanding loans. Like previous years, state banks were again the worst performers last year as NPL of the eight state-owned banks stood at BDT 441 billion or 55 percent of the total. However, at end of the year, the NPL slightly reduced to 9.31 percent.

Consequently, reforms have been undertaken with objectives such as increasing the capital adequacy of banks under Basel III regime, streamlining guidelines for rescheduling of various types of loans, tightening provisions for non-performing loans, strengthening disclosure requirements and improved accounting systems. These have undoubtedly improved the soundness of the sector. Consequently, operating profit for most of the scheduled banks increased significantly during 2017. Relatively calm political situation, moderate rise in export earnings and significant rise in import payments in 2017 compared with those in the previous year also had a positive impact on the banks' performance.

As a whole, the banking sector indicators exhibited mixed performance during 2017. The challenges that the sector encountered during the year was ensuring cyber security, dealing with the pressure of non-performing loans and maintaining optimum level of liquidity. Until the first half of 2017, banks were piled up with excess liquidity. The government and central bank kept on making relentless efforts to make the situation more investment friendly, and consequently, the crisis was almost resolved. Lending rates were also being revised downward. But, from end of third quarter of 2017, most of the banks struggled to maintain the prescribed Advance-Deposit ratio (AD ratio). The deposit crunch in private commercial banks was caused mainly due to withdrawal of government deposits from the private banks and excessive investment in government saving certificates, sanchayapatras, by the household depositors. The overall cost of deposits experienced upward adjustment because of the banks' aggressive attempts to pursuit deposits. Moreover, the foreign exchange market was volatile during the year and the remittance inflow declined compared to last year. On the other hand, the industry credit growth was good at around 18%, following last year's trend. However, the central bank declared contractionary monetary policy and targeted lower credit growth, around 16%, against the actual growth of 18% for the period January to July of 2017. As a whole, the overall banking sector got impacted significantly due to rising pressure of non-performing loans, downward revision of lending rates and upward adjustment of deposit rates.

Banks' Deposits

Total deposit of the scheduled banks was reported to be BDT 9,262 billion at the end of December 2017, increased by BDT 859 billion (10.2%) from BDT 8,403 billion of December 2016. Time deposits registered a growth of BDT 726 billion or 9.7% and demand deposits also registered a growth of BDT 133 billion or 14.7% in December 2017 over December 2016.

MTB's deposits registered an increase of BDT 10 billion or 7.9% from BDT 131 billion in December 2016 to BDT 141 billion in December 2017.

Banks' Advances

Banks' advances recorded an increase of BDT 1,313 billion or 18.4% to be BDT 8,444 billion at the end of December 2017 compared to BDT 7,131 billion of December 2016. Whereas, MTB's advances registered an increase of BDT 31 billion or 27.3% from BDT 114 billion in December 2016 to BDT 145 billion in December 2017.

Banks' Profitability

Profit of most of the private commercial banks rose considerably in 2017 mainly due to rampant credit disbursements by the banks, despite a sharp cut in the lending rates and growth in borrowing rates during the latter part of the year.

However, as the default loans skyrocketed due to aggressive lending by most of the banks, the profit after tax is expected to take a hit in final count due to increased need for keeping provisions against the defaulted loans.

MTB's operating profit stood at BDT 3,673 million during 2017 experiencing an impressive growth of 14.47% compared to BDT 3,209 million in 2016. Whereas, the consolidated operating profit for MTB at the end of 2017 was reported to be BDT 3,916 million that is 15% more than what it achieved during 2016.

Money Market

Interbank call money market experienced volatility during 2017 due to change in liquidity position in the overall market. Since the banks were having excess liquidity during the initial part, call money rate hovered around the lower zone, and eventually the rates experienced upward adjustments during the later part. At the end of December 2017, deals were getting settled at 3.92%. Whereas, during the initial months of the year, the same deals were getting settled at 3.54%. Interest rates on treasury bills and bonds fluctuated significantly throughout the entire 2017. 91 days cut-off got hit to as low as 2.89% during May 2017 to rise as high as 4.0% during October 2017. The Repo and Reverse Repo rates were kept unchanged at 6.75%

and 4.75% respectively during 2017 in an attempt to contain inflation and boost economic growth.

Interest Rate Spread

The spread between the weighted average advances and the deposit rates of all banks decreased during 2016 with little fluctuations. The spread between weighted average advances and deposit rates came down to 4.44% in December 2017 from 4.71% of December 2016. On a year on year basis, both interest expense on deposit and interest income on advances experienced a drop. Interest on deposit decreased by 0.31 percentage point to 4.91% in December 2017 from 5.22% of December 2016. Whereas, interest on advances decreased to 9.35% during December 2017 from 9.93% of December 2016.

Overall, a declining trend of interest rate spread in the country's banking sector was observed till November of 2017, as the commercial banks slashed their interest rates more on lending than on deposits in an attempt to stimulate the loan growth. That eventually created a gap between deposit and credit growths and in turn banks started offering higher interest rates on deposits to collect more funds during the closing months of the year.

Primary Dealer Operation

Primary dealers operate in an attempt to establish a sound, efficient and vibrant 'secondary market for the government securities' by active participation of market makers, operators and the market participants. A total of 12 leading commercial and three non-banking financing institutions (NBFIs) are working as primary dealers in treasury bills and government bonds while other banks and NBFIs did not require to involve their funds in related operations. However, during 2017, interest rates on the government treasury bills and bonds remained volatile. Till the first half of the year the rate moved downward as most of the scheduled banks rushed to invest their excess liquidity in the government tools. However, the rates kept on getting stronger during the last half as the banks were done with their oversupply of cash.

Non-Performing Loan (NPL) Management

Non-Performing Loan (NPL) is a critical challenge for the banking sector of Bangladesh, and most of the banks are struggling to address the problem. The banking system is still burdened with an alarming amount of non-performing loans (NPLs) that make funds costlier and banks' operations riskier. The SCBs (State Owned Commercial Banks) and SBs (Specialized Banks) continue to have high level of NPLs mainly due to substantial loans provided by them on considerations other than commercial criteria.

The NPL of the banking sector increased to 9.31 percent (BDT 743 billion) of the total outstanding loans of BDT 7,980 billion at the end of December 2017 that was BDT 621 billion (9.23%) at the end of December 2016. The major reasons behind rising NPL are extending loans based on political consideration, taking mortgage or collateral against loans at inflated prices, use of loan money in unproductive sectors, non-supervision and post disbursement monitoring of loans and inadequate actions to realize loans even after they default.

However, at the end of 2017, the non-performing loans for MTB stood at BDT 6,268 million that is 4.30 percentage of the total loans outstanding. This is one of the lowest in the industry and impressive against the industry average of 9.31 percentage.

Implementation of Monetary Policy

The main objective of Bangladesh Bank's Monetary Policy Statement (MPS) for the first half (H1) of the FY 18 is maintaining price stability while supporting growth and employment.

The aim of the policy is to support the 7.4% growth target and the 5.5% inflation target for the fiscal year 2018. As per the MPS H1 2018, reserve money is projected to grow at 12% and broad money (M2) at 13.9%, which are adequate to support the growth and inflation targets. It has also taken the growth rates of both public and private credit into account. The policy focuses on inclusive, productive use of credit; with particular attention to adequacy of credit flows to agriculture, SMEs, and environmentally benign 'green' output initiatives, where domestic credit is projected to grow at 15.8% at the end of the fiscal year 2018. Private sector credit is projected to grow at 16.3% and public sector credit at 12.1 percent. The Bangladesh Bank's monetary and financial policy stance is grounded on the growth supportive developmental mandate in its charter.

Capital Adequacy Management

Banking sector needed to maintain minimum 10% total capital ratio comprising minimum 5.5% Tier-1 capital and maximum 4.5% Tier-2 capital in 2015, and the distribution will be minimum 6% Tier-1 capital ratio and 4% Tier-2 capital ratio at the end of 2019. Moreover, banks are required to maintain 2.5% extra capital (gradually increasing 0.625% in each year) as capital conservation buffer through the common equity Tier-1 capital at the end of 2019. As a result, at end of 2019, capital requirement for banks will be 12.5%.

At the end of September 2017, the number of banks compliant with the minimum capital to risk-weighted assets ratio (CRAR) were 48 out of 57. Banking sector's aggregate CRAR at the end of September 2017 was 10.65%, which was reported to be 10.80% at the end of December 2016. Tier-1 capital ratio slightly decreased to 7.5% compared to 7.8% percent of the previous quarter and 7.6% of September 2016. At the end of December 2016, MTB's CRAR was reported to be 11.29% that increased to 13.76% at the end of December 2017. The Tier-1 capital to risk weighted assets ratio for MTB stood at 7.28% at the end of December 2017.

Thank you,



Anis A. Khan
Managing Director & CEO

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Valued Shareholders,

On behalf of the Board of Directors, I take this opportunity to welcome you all to the 19th Annual General Meeting (AGM) of Mutual Trust Bank Limited. In line with the requirements of Section 184 of the Companies Act, 1994, stock exchange regulations and Bangladesh Securities and Exchange Commission Order no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, I have the pleasure to place before you the Directors' Report for your consideration. The report briefly presents the overall performance of the bank in a year of very competitive and eventful banking industry environment.

Global Economy

2017 has been a pretty successful year for global economy, pounding out all the fears that emerged towards the close of 2016. Eventually, there was no market crash at the start of the Trump Presidency, Brexit did not trigger a recession in the UK and the Eurozone did not collapse following the implosion of the Italian banking system. Instead, almost all of the major economies were in some phase of recovery with low level of inflation. Consequently, 2017 was marked to be a year of steady global growth that outperformed the expectations by a margin. Overall, the global economy is reported to have grown by 3.7% in 2017, which was only 3.2% for the preceding year.

The synchronized global growth of 2017 set a very good tone for 2018 from the business point of view. The International Monetary Fund (IMF) set the global growth forecast for 2018 to be 3.9%, supported by an improved outlook for advanced economies.

Bangladesh Economy

The Bangladesh economy's journey to glory only got accelerated during the course of 2017. With a booming population of more than 160 million, Bangladesh now offers a great market to the region and beyond in terms of investment, productivity and consumption. During 2017 the industrial and service sectors flourished further and the GDP growth rate was recorded to be 7.28% as against 7.11% a year earlier. Most of the other economic indicators showed positive trends during 2017, except for a few challenges that emerged in the financial sector arena. The country has recently fulfilled the UN's current criteria to graduate from a 'least developed country' to a 'developing country'. The year to follow is expected to be even brighter as the government is anticipating 7.65% GDP growth against the earlier set target of 7.4% for FY 2017-18.

Banking Industry in 2017

The Bangladeshi banking sector experienced several ups and downs to reach to its current position that has been termed as stable by the international rating agency Moody's mainly due to the healthy operating environment, and despite legacy asset quality issues and tighter liquidity conditions. As a whole, the banking sector indicators exhibited mixed performance during 2017. The challenges that the sector encountered during the year was ensuring cyber security, dealing with the pressure of non-performing loans and maintaining optimum level of liquidity. In the midst of all these, profit of most of the private commercial banks rose considerably in 2017 mainly due to rampant credit disbursements by the banks, despite a sharp cut in the lending rates and growth in borrowing rates during the latter part of the year. However, further streamlining is vastly needed to march towards a robust banking sector as more than 10 banks are still struggling to maintain the required capital requirement.

Core Banking Software (CBS) Transformation: Investing in Future

As a part of strategic decision and in pursuit of acquiring a modern CBS, the bank engaged OPTINOVO Business Consulting Private Limited, India for rendering consultancy services to steer forward the CBS Transformation Project in 2016. Eight (8) groups of officials in certain functional areas and a number of committees had been engaged to evaluate the features of CBS and the bank finally selected TCS BaNCS, a product of Tata Consultancy System (TCS), which has had a number of big installations in reputable financial institutions including Bank of China and State Bank of India.

MTB at a Glance

During 2017, MTB gained 27.33 percent and 15.62 percent growth over 2016 in risk assets and customers liabilities, respectively. Despite a stiff environment, the bank ended the year with a credit-deposit ratio of 83.45%. In 2017, the number of branches across the country reached 111, agent banking centres expanded to 50, and the reach as well as the number of MTB 24/7 ATM, POS devices, kiosks, Internet banking and SMS banking services also increased. In September, 2017 MTB opened its Air Lounge at Hazrat Shahjalal International Airport.

Business Goal

MTB's vision, mission, corporate core values, strategic priorities and outlook for 2018 have been given at the beginning of the report. The bank has established the highest level of ethical standards in order to achieve MTB3V:

i) To be One of the Best Performing Banks in Bangladesh

ii) To be the Bank of Choice, and

iii) To be a Truly World-Class Bank.

Brief History of MTB

MTB was incorporated as a public limited company in 1999, under the Companies Act, 1994, with an authorized share capital of BDT 1,000,000,000 divided into 10,000,000 ordinary shares of BDT 100 each. At present, the bank's authorized share capital is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10 each.

The company was issued Certificate for Commencement of Business on October 5, 1999, and on the same day, Bangladesh Bank granted it a license under the Banking Companies Act, 1991. MTB started its banking operation on October 24, 1999. As envisaged in the memorandum of association, and, as licensed by Bangladesh Bank under the provisions of the Banking Companies Act, 1991, the company started its banking operation to progressively carry out its banking businesses, such as wholesale, retail, international trade financing, SME banking, NRB banking, off-shore banking, privilege banking, agent banking etc. The bank operates through its corporate head office located at MTB Centre, Gulshan 1, Dhaka 1212. The bank carries out international business through a global network of over four hundred foreign correspondent banks.

Currently, the bank has a network of 111 branches, which includes SME/Agri branches and two booths at Hazrat Shahjalal International Airport (arrival and departure lounges), Dhaka, 50 agent-banking centers across the country, and three fully-owned subsidiary companies - MTB Securities Ltd. (MTBSL), MTB Capital Ltd. (MTBCL) and MTB Exchange (UK) Ltd.

Strategic Priorities

1. Focusing more on smart banking through increased digital customer experience
2. Enhancing data analytics proficiencies
3. Focusing on controlling operating cost with a view to improving cost to income ratio
4. Utilizing digital avenues extensively to extend customer reach
5. Launching new and/or improved products and services
6. Ensuring that MTB's high compliance and governance standards are maintained at all times
7. Keeping the core operating system up-to-date
8. Recruiting and retaining talent as well as motivating the existing human resources
9. Reviewing and improving business processes on a regular basis
10. Enhancing security and authentication system with specific focus on cyber security
11. Partnering with fintech providers to face the new challenges of the market
12. Managing financial capital and foresight to enhance shareholders' returns while ensuring sustainable growth
13. Improving the funding and liquidity position with the proviso of maintaining a high level of asset quality through portfolio diversification and lower provisioning
14. Contributing to the progress of the economy and the people by continuing to work as a socially responsible organization
15. Ensuring appropriate use of latest technologies to improve the alternative delivery channels to provide access to the unbanked population as part of financial inclusion.

Corporate Governance

MTB has always strived to have good corporate governance practices put in place and to ensure that the highest standards of business integrity are regular part of its activities. The bank adheres strictly to the regulatory guidelines on corporate governance. The disclosures on corporate governance are provided in the chapter on "Corporate Governance" of this Annual Report.

Risk Management

The prime objective of risk management is to appropriately balance the trade-off between risk and return. MTB judiciously ensures optimum return on its assets and equities streamlining a wide array of risks it faces during its day-to-day operation.

The main concern of the bank is to manage risks prudently and efficiently, to ensure profitability, capital adequacy and liquidity in a balanced manner. Strategically, MTB Board of Directors, through the Board Risk Management Committee (BRMC) and the senior management team, sets up risk governance structure and risk philosophy, endorses risk strategies and reviews and approves risk policies as well as the risk threshold in line with the bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. MTB has put in place a number of risk management policies, viz., (i) Credit Policy with Credit Risk Management Guidelines (ii) Asset Liability Management Manual (iii) ICC Policy (iv) Money Laundering (ML) & Terrorist Financing (TF) Risk Management Policy Guideline (v) Foreign Exchange Risk Management Policy & Guideline (vi) ICT Policy (vii) Wholesale Borrowing and Funding Guidelines (viii) Liquidity Contingency Plan (ix) Management Action Trigger Points (x) Anti-Fraud Policy (xi) Valuation Methodology of Collateral (xii) Internal Capital Adequacy Assessment Policy (ICAAP), and (xiii) Compliance Manual. Details of the policies and activities are given in the Risk Management chapter of this Annual Report.

Developing Human Capital

MTB has been working persistently with a view to transforming MTBians into human capital through exposure to appropriate training courses and development programs, both at home and abroad. It has created a congenial environment, where

employees enjoy coming to work. The MTB Code of Conduct, unveiled in 2010, is being strictly practiced in order to ensure complete transparency and integrity in all its operations. A total of 1,786 employees were given training both at home and abroad in different fields of banking and management practices in 2017.

Corporate Social Responsibility (CSR)

In respect of corporate sustainability, MTB has focused on a few key areas like extending support to the community and protection of the environment. The bank has set up "Mutual Trust Bank Foundation" and contributes, as donation, a part of its profit to the foundation for undertaking various projects, particularly in the health and education sectors. Apart from the CSR activities carried out by the foundation, the bank also undertook various CSR activities during the year 2017, details of which are given in the "Green Banking" and "Corporate Social Responsibility" part of this Annual Report.

Adequate Accounting Records

MTB maintains all books of accounts and other records in accordance with the prevailing rules and regulations - Section 181 of the Companies Act, 1994, the Bank Companies Act, 1991, (as amended in 2013), Tax Ordinance and Rules, VAT Act, BSEC and DSE rules and regulations and Bangladesh Bank guidelines.

Accounting Policy and Implementation of BAS/ BFRS

The Board of Directors is responsible for ensuring good governance within the Bank and does supervise Management for the preparation and fair presentation of the Bank's annual financial statements, incorporating its Balance Sheet, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity during the year along with the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with Bangladesh Financial Reporting Standards (BFRS) and in the manner required by the Companies Act, 1994.

The directors' responsibilities also include supervision for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Internal Control and Compliance (ICC) System

MTB Board of Directors has the responsibility to make significant policies to ensure compliance at all levels in the bank's day-to-day activities. The ICC Division ensures internal control structure in the bank with appropriate assignments, accountability of the personnel and delegation of authorities to functional management to create control and ensure a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors. The Bank Company Act, 1991, (as amended in 2013), requires some changes in the reporting line and organogram of the ICC Division. Meanwhile, the reporting line has been changed and the organogram revamped, to ensure that internal audit functions are dealt with independently from the ambit of management and its report is submitted to the Board Audit Committee of the Bank.

Money Laundering Risk Management

Money laundering and terrorist financing are global phenomena, apparent in almost every part of the world. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance program more rigorous. MTB, as a compliant bank, is determined not to let money launderers and terrorists or perpetrators to use the bank 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. It has been designed considering the range of activities, complexity of operations and the nature and degree of money laundering and terrorist financing risks faced by the bank. Certainly, it is designed as per the prevailing laws i.e., The Money Laundering Prevention Act, 2012 (Amended 2015), The Anti-Terrorism Act, 2009 (Amended 2013), relevant rules i.e., The Money Laundering Prevention Rules, 2013, The Anti-Terrorism Rules, 2013, Bangladesh Financial Intelligence Unit (BFIU) guidelines i.e., Money Laundering and Terrorist Financing Risk Management Guidelines, Money Laundering and Terrorist Financing Risk Assessment Guidelines, circulars and instructions and international standards. MTB applies risk-sensitive Customer Due Diligence (CDD) measures, monitors business relationships and suspicious transactions pursuant to the national regulations and international standards.

Standards of Reporting

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh, the Bank Companies Act, 1991, (as amended in 2013), applicable provisions of the Companies Act, 1994; Bangladesh Securities and Exchange Commission rules and regulations, and Bangladesh Bank's BRPD Circular No. 14, dated June 25, 2003. The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that they reflect the financial operations of the Bank in a true and fair manner.

Going Concern

Going concern is one of the fundamental assumptions in accounting, on the basis of which the financial statements are prepared. According to the going concern assumption, a business entity will continue to operate in the foreseeable future, without the need or intention on the part of its management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. MTB has prepared its financial statements considering the going concern assumption.

Control Environment

Control activities are the policies and procedures, which help ensure that the management directives are carried out, and necessary actions are taken to minimize the risks of failure to meet stated objectives. The policies and procedures are effectively established within the Bank and are continuously reviewed for compliance, adequacy and improvement.

The Board of Directors sets the tone for an effective control environment through regular reviews of the processes for identifying, evaluating, and managing significant risks. The Standard Operating Procedures (SOP) are signed off by the head of each department to provide assurance that these standards are communicated, understood and complied with. An effective control environment is set by top management in all spheres and across all business functions. Every year, the senior team conducts a self-assessment of key controls that affect the business and develops action plans to make the internal control environment more robust.

Supplier Payment Policy

MTB has developed and implemented a set of payment polices for all its suppliers. The payment methods and system are explained to the vendors before issuing purchase orders. Bills are paid according to the payment terms, and VAT and other withholding taxes are deducted from bills as per the law. As of date, there is no legal case filed by the Bank or filed against it by any supplier.

Review Report on MTB Operations, Products and Services

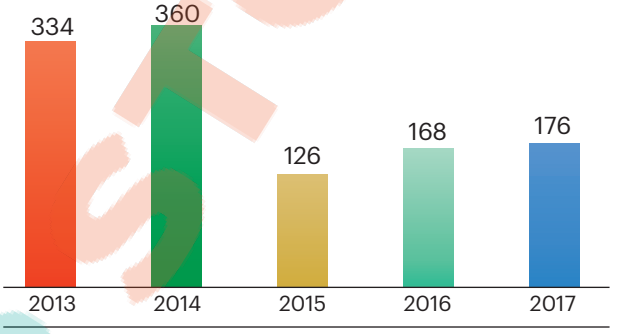
A review on the bank's operational activities is given in detail in the later part of this Annual Report. Brief review reports of the bank and its subsidiaries are as follows:

MTB Subsidiaries:

MTB Securities Ltd

Mutual Trust Bank Ltd. started its brokerage functions from June 2006 as a division of the bank. Subsequently, as per directives of Bangladesh Bank and Bangladesh Securities Exchange Commission, the division emerged as MTB's subsidiary company, MTB Securities Limited (MTBSL). MTBSL is currently operating with 14 strategically located offices spread across the country. During the year 2017, the company made an operating profit of BDT 176 million as against BDT 168 million in 2016.

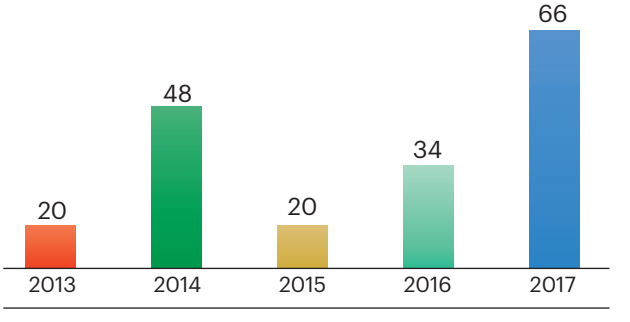
MTB Securities Ltd BDT Million



MTB Capital Ltd

MTB Capital Limited (MTBCL) is a wholly owned subsidiary of Mutual Trust Bank Limited and a full-fledged merchant bank, licensed by the Bangladesh Securities and Exchange Commission (BSEC) in December 2010. MTBCL was incorporated to explore new markets and meet the demand for merchant banking services. The company extends co-operation and value added services to its respected clients. During the year 2017, the company made an operating profit of BDT 66 million as against BDT 34 million in 2016.

MTB Capital Ltd BDT Million



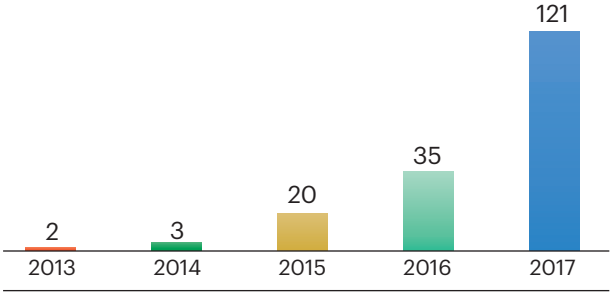
MTB Exchange (UK) Ltd

MTB Exchange (UK) Limited (MTB UK) is one of the three wholly owned subsidiary companies of Mutual Trust Bank Limited (MTB) and started its operation from February 15, 2011. During the year 2017, the company made an operating profit of BDT 0.51 million and a total amount of GBP 4.90 million was remitted to Bangladesh through MTB Exchange (UK) Ltd.

Offshore Banking

MTB was permitted to operate an Offshore Banking Unit (OBU) by Bangladesh Bank in 2009. The total loans and advances of the OBU stood at USD 111.70 million in December 2017 compared to USD 39.72 million in 2016, with a growth of 181.26 percent. In 2017, the OBU's operating profit stood at USD 1.50 million, equivalent to BDT 120.99 million, as against USD 0.44 million, equivalent to BDT 34.79 million, in 2016.

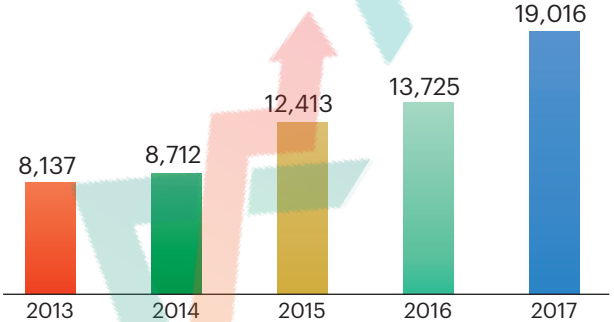
Offshore Banking Unit BDT Million



Capital Management

As per Bangladesh Bank's guideline, a bank is required to maintain capital equal to at least 11.25 (Including Capital Conservation Buffer 1.25) percent of its risk-weighted assets under the Basel-III guidelines. Bank's capital has two components, Tier-I and Tier-II. Tier-I capital should be minimum 6.0 percent of the total capital. Tier-I includes the paid-up capital, share premium, statutory reserve and retained earnings, and Tier-II includes general provision on unclassified loans and advances, revaluation reserves, unsecured subordinated debt and exchange equalization account. MTB's total capital registered an increase of BDT 5,291.33 million and stood at BDT 19,016.46 million in 2017. Tier-I capital grew by BDT 1,058.05 million, and was recorded at BDT 10,067.48 million in 2017. Total capital is now equivalent to 13.76 percent of total risk weighted assets. The details of capital adequacy and capital management are given in the "Market Discipline- Disclosures on Risk Based Capital (Basel-III)" chapter of this Annual Report.

Total Capital (Conso basis) BDT Million



Financial Analysis

Total Assets

The consolidated assets of the bank stood at BDT 201,754 million in 2017 compared to BDT 165,371 million in 2016. Total assets of MTB stood at BDT 201,278 million in 2017 compared to BDT 164,480 million in 2016, with a growth of 22.37 percent. MTB has been successful in marketing significant amount of loans and advances by launching new and innovative products in the market.

MTB Funds under Management

BDT Million

	2017	2016	Growth
Customer Liabilities	151,776	131,272	15.62%
Advances	145,607	114,356	27.33%
Funds Under Management (FUM)	297,383	245,628	21.07%

Cash and Balances with Bangladesh Bank and its Agent Bank(s)

MTB's consolidated cash and balances with Bangladesh Bank and its agents stood at BDT 13,077 million in 2017 compared to BDT 11,263 million in 2016. The growth in customer deposits has also resulted in an increase in the Cash Reserve Requirement (CRR) set by Bangladesh Bank.

Balances with Other Banks and Financial Institutions

MTB's consolidated balance with other banks and financial institutions including money at call and short notice stood at BDT 7,488 million in 2017 compared to BDT 9,138 million in 2016. This was BDT 7,045 million in 2017 compared to BDT 9,010 million in 2016 for MTB only.

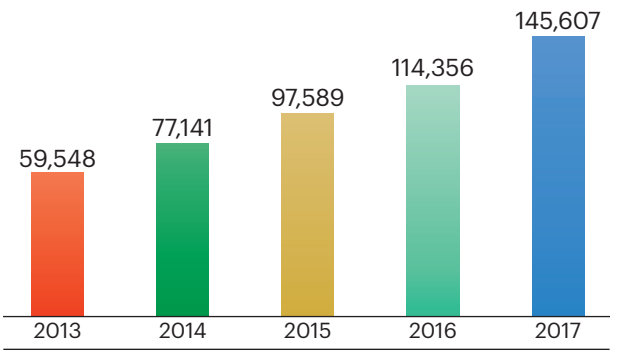
Investments

MTB's consolidated investments increased during the year under review by BDT 3,164 million to BDT 25,106 million. The bank purchased government treasury bills and bonds to cover the increased statutory liquidity requirement. MTB, as a primary dealer bank, had to purchase and participate in government securities auctions set by Bangladesh Bank.

Risk Assets

MTB's consolidated loans and advances stood at BDT 145,607 million in 2017. Outstanding loans and advances of off-shore banking units was BDT 9,238 million in 2017 compared to BDT 3,126 million in 2016. Yield on loans and advances decreased to 9.50 percent in 2017 from 10.73 percent in 2016 due to decrease in lending rates. Details of credit are given in No. 7 of the Notes to the Accounts. The ratio of non-performing loans stood at 4.30 percent, which was much below the industry average of 9.31 percent in 2017.

Risk Assets BDT Million



Liabilities

The consolidated total liabilities of the bank stood at BDT 189,992 million in 2017 compared to BDT 155,552 million in 2016. MTB's total liabilities rose to BDT 189,610 million in 2017 from BDT 154,697 million in 2016, with a growth of 22.57 percent. The increase in liability was mainly due to growth in deposits and borrowings.

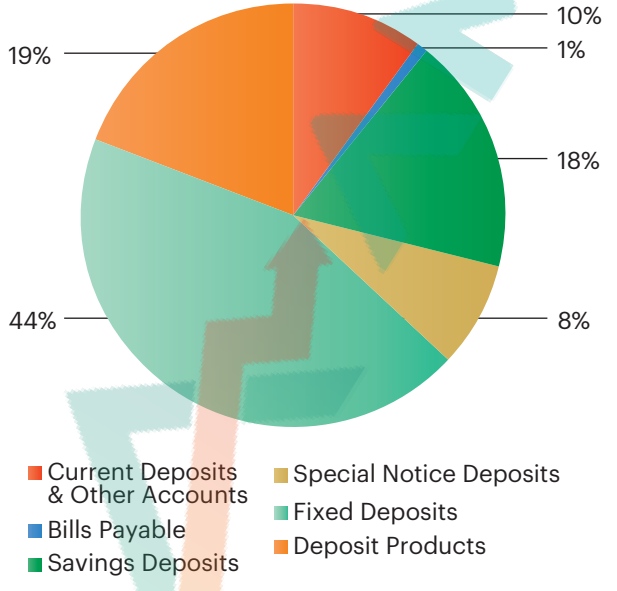
Deposits

MTB's consolidated deposits grew by 15.62 percent to BDT 151,776 million in 2017. The growth was supported by a wide range of branch network, spread throughout the country. With 111 branches and 246 ATMs, MTB was able to acquire more low cost funds in 2017. Fixed deposits accounted for 44.22 percent of the total deposits. Cost of deposit decreased to 5.00 percent in 2017 compared to 5.51 percent in 2016.

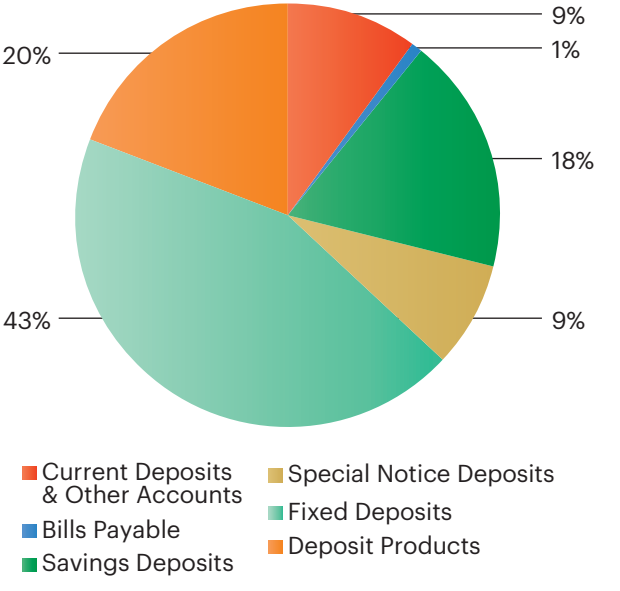
BDT Million

Deposits	2017	2016	Growth over 2016
Current Deposits & Other Accounts	14,652	12,302	19.11%
Bills Payable	2,101	1,751	19.97%
Savings Bank Deposit	27,479	23,710	15.90%
Special Notice Deposits	11,722	11,646	0.65%
Fixed Deposits	67,114	55,803	20.27%
Deposit-Products	28,708	26,060	10.16%
Total Deposits	**151,776**	**131,272**	**15.62%**

Deposits Mix 2017



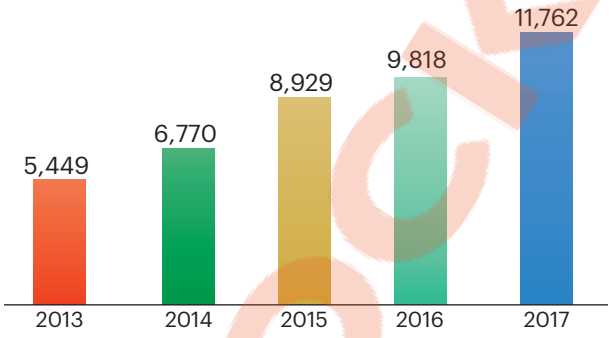
Deposits Mix 2016



Shareholders' Equity

MTB's consolidated shareholders' equity increased by 19.80 percent to BDT 11,761.96 million in 2017. Paid-up capital of the bank increased by 15 percent to BDT 5,096.56 million in 2017. Statutory reserves increased by 13.63 percent to BDT 3,622 million during the year. Total distributable profit stood at BDT 696.57 million in 2017 after retaining of deferred tax assets of BDT 935.91 million.

Total Shareholders Equity (Conso basis) BDT Million



Analysis of Consolidated Income Statement of MTB

BDT Million

SL	Particulars	2017	2016	Growth over 2016
1	Interest Income	12,161	11,381	6.85%
2	Interest Expenditure	7,853	7,503	4.66%
3	Net Interest Margin (NIM)	4,308	3,878	11.07%
4	Net Interest Margin (NIM) Ratio	3.09%	3.55%	-0.45%
5	Income from Investment, Commission, Brokerage & Others	4,172	3,637	14.71%
6	Total Operating Income (Net Interest Income + Non Interest Income)	8,479	7,515	12.83%
7	Operating Expenses	4,564	4,107	11.12%
8	Profit Before Provision	3,916	3,408	14.89%
9	Net Profit after Tax	1,980	1,464	35.31%

Interest Income

Interest income increased by 6.85 percent to BDT 12,161 million in 2017. The gross yield on advances stood at 9.50 percent in 2017 compared to 10.73 percent in 2016.

Interest Expense

Interest Expense increased by 4.66 percent to BDT 7,853 million in 2017.

Net Interest Margin

Net Interest Margin (NIM) increased by 11.07 percent to BDT 4,308 million in 2017. The increase in interest income contributed largely to the increase in net interest margin. The net interest margin ratio stood at 3.09 percent in 2017 compared to 3.55 percent in 2016.

Income from Investment, Commission and Brokerage and Other Operating Activities

Income from investment, commission, brokerage & others increased to BDT 4,172 million in 2017 compared to BDT 3,637 million in 2016.

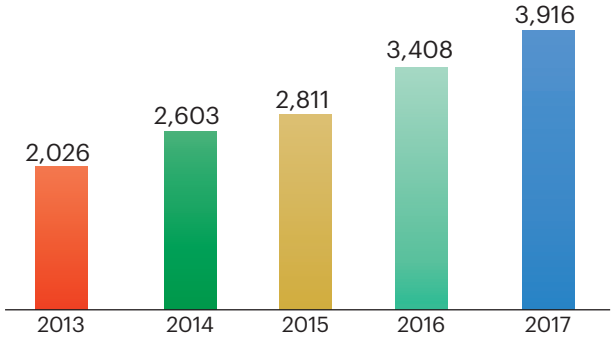
Total Operating Expense

Total operating expenses increased by 11.12 percent to BDT 4,564 million in 2017 compared to BDT 4,107 million in 2016.

Profit before Provision

Total Profit before Provision increased by a healthy margin of 14.89 percent to BDT 3,916 million during the year compared to BDT 3,408 million in 2016.

Profit before provision (Conso basis) BDT Million



Provision for Classified Loans

Total provision against classified loans and advances stood at BDT 2,398 million in 2017 compared to BDT 2,051 million in 2016. The non-performing loan ratio during the year is given below:

	2017	2016
NPL Ratio	4.30%	4.36%

Profit before Tax

Profit before tax stood at BDT 2,259 million in 2017 with a negative growth of 8.21 percent as against BDT 2,461 million in 2016.

Provision for Income Tax

Due to creation of deferred tax assets of BDT 935.91 million on specific provision made against bad & loss loan, provision for income tax stood at BDT 279.13 million in 2017 compared to BDT 997.88 million in 2016.

Net Profit after Tax

Net profit after tax registered a growth of 35.31 percent to BDT 1,980 million in 2017 compared to BDT 1,464 million in 2016. Basic earnings per share (EPS) increased to BDT 3.89 in 2017 compared to BDT 2.87 in 2016.

Statutory Reserves

As per the Bank Company Act, 1991, (as amended in 2013), 20 percent of profit before tax is required to be transferred to statutory reserve. As such, an amount of BDT 434.46 million was transferred to statutory reserve in 2017. Total Statutory Reserves stood at BDT 3,622 million upto 2017.

Dividends

The fund available for distribution was BDT 696.57 million in 2017 after retaining of deferred tax assets of BDT 935.91 million. In order to maintain a satisfactory capital adequacy ratio of the bank, the Board has decided to recommend 12.50 percent stock dividend for the year 2017.

Remuneration of Directors

As per the BRPD Circular No. 09 dated 19/09/1996, the Chairman of the bank may be provided a car, telephone, office and private secretary. However, MTB pays only fees to its Directors for attending the meetings of the Board of Directors, Executive Committee, Risk Management Committee and Audit Committee.

Contribution to National Exchequer

MTB made significant contribution to the government in boosting its revenue collection which will help in developing the society and the country as a whole. As per the prevailing law of the country, the bank being a corporate citizen pays tax and VAT on its own income. Besides, the bank collects tax, VAT and excise duty at source from clients, deposits and suppliers. All the collected amounts are deposited to the national exchequer in due time. During the year 2017, the bank contributed BDT 2,784 million to national exchequer as against BDT 2,197 million in the previous year.

Related Party Transaction

The details of transactions of related parties of the company have been given in Note-43 of the Financial Statements.

Shareholders' Value

MTB remains fully committed to delivering higher shareholder value. The high profitability track record underpins the value the shareholders derived from investing in the shares of the bank. The earnings per share stood at BDT 3.89 and return on average equity stood at 18.35 percent during 2017. Market capitalization of MTB stood at BDT 17,837.96 million as at December 31, 2017.

Meeting of the Board of Directors of MTB

15 meetings of the Board of Directors of MTB were held in 2017.

Appointment of Auditors

The Shareholders of the bank in its 18th Annual General Meeting held on July 25, 2017 appointed A. Qasem & Co., Chartered Accountants as External Auditor of the bank for the year 2017. As per the guidelines of Bangladesh Bank and Bangladesh Securities and Exchange Commission, A. Qasem & Co., Chartered Accountants is eligible for re-appointment for further term.

Annual General Meeting

The Annual General Meeting of Mutual Trust Bank will be held on Thursday, May 31, 2018 at 11.00 a.m. at the Golf Garden, Army Golf Club, Airport Road, Dhaka Cantonment, Dhaka 1206. The Directors' Report and financial statements were approved at 219th meeting of the Board of Directors of MTB, held on April 17, 2018 for presentation to the shareholders.

I would like to thank all our shareholders, board members, regulators, depositors, clients and the authorities for helping us in our journey.

Thank you.

On behalf of the Board of Directors

M. A. Rouf, JP
Chairman

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are required to present a report along with the financial statements and place them before the 19th Annual General Meeting (AGM) as per The Companies Act, 1994.

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

- The state of affairs as at balance sheet date, i.e., December 31, 2017; and
- The profit and loss for the year ended on the balance sheet date.

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

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

The Directors are also required to declare the following matters in their report as per Bangladesh Securities & Exchange Commission (BSEC)'s notification dated August 7, 2012, as applicable for bank:

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

The Directors confirm that the Annual Report together with the Directors' Report and Consolidated Financial Statements have been prepared in compliance with the laws, rules and regulatory guidelines and BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

The Directors are of the view that they have discharged their responsibilities as set out in the Companies Act, 1994, the Bank Company Act, 1991 (amended up to 2013), securities laws, listing regulations, 2015, and other prevailing laws and regulations, as applicable for the MTB.

By order of the Board,



M. A. Rouf JP
Chairman

SENIOR MANAGEMENT

Managing Director & CEO

Anis A. Khan

Additional Managing Director & COO

Md. Hashem Chowdhury

Deputy Managing Directors

Md. Zakir Hussain
Syed Rafiqul Haq
Goutam Prosad Das

Sr. Executive Vice Presidents

Md. Nurul Islam
Syed Rafiqul Hossain
Md. Khurshed Ul Alam
Swapan Kumar Biswas
Md. Sanawar Hossain
Tarek Reaz Khan
Sayed Abul Hashem FCA, FCMA
Md. Khalid Mahmood Khan
Abdul Mannan
Azad Shamsi
Khondaker Rahimuzzaman

Executive Vice Presidents

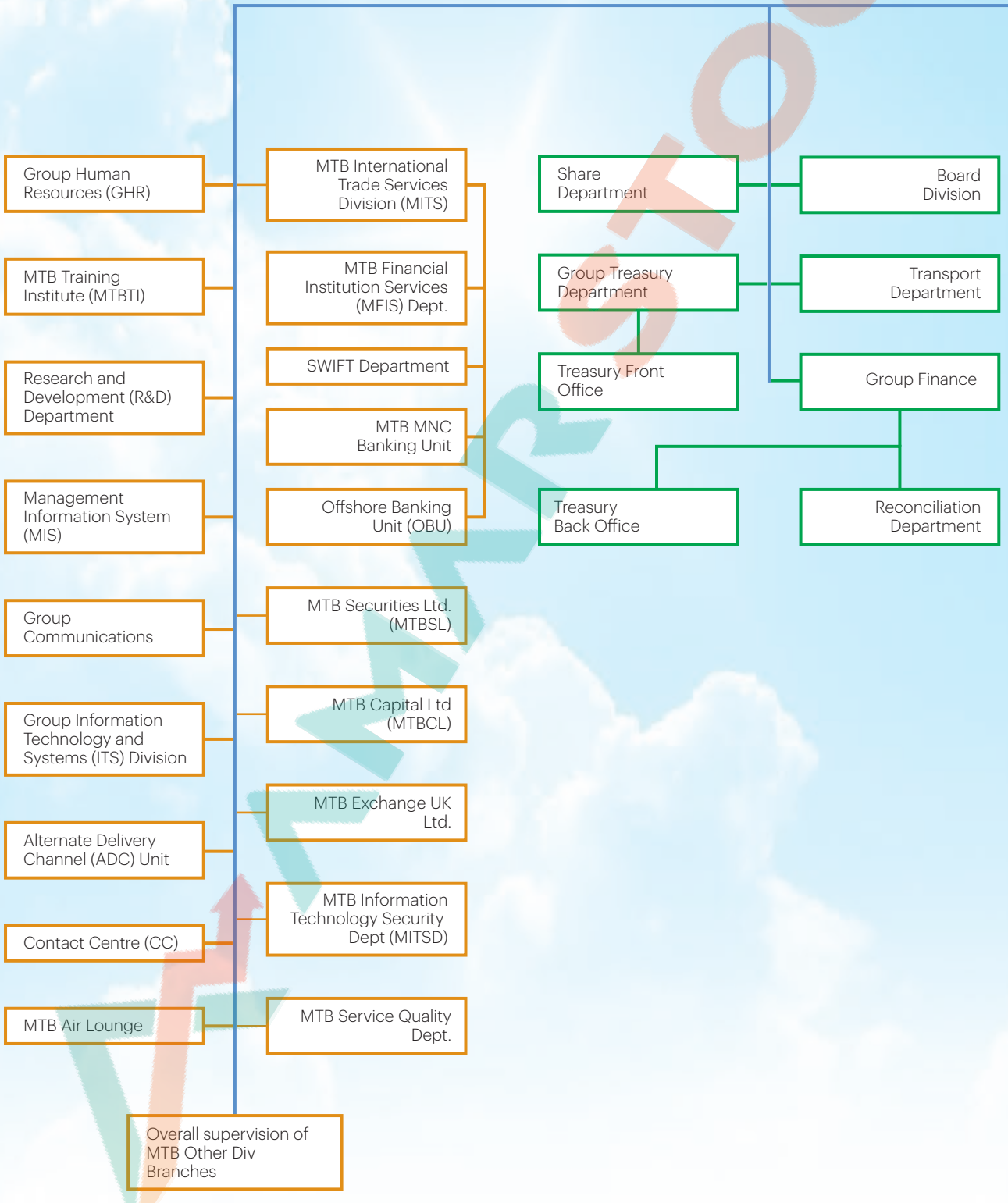
Nurul Maruf Khan
Md. Shah Alam Patwary
Md. Bakhteyer Hossain
Mohammed Ishaque
Md. Abdul Latif
Md. Zahidul Kabir
Md Nazrul Islam Mazumder
Khairul Bashar Abu Taher Mohammed
Md. Shamsul Islam
Malik Muntasir Reza
Syed Mahmud Akhter
Md. Amirul Islam
Syed Mahbub Morshed
K. M. Abdul Wadood

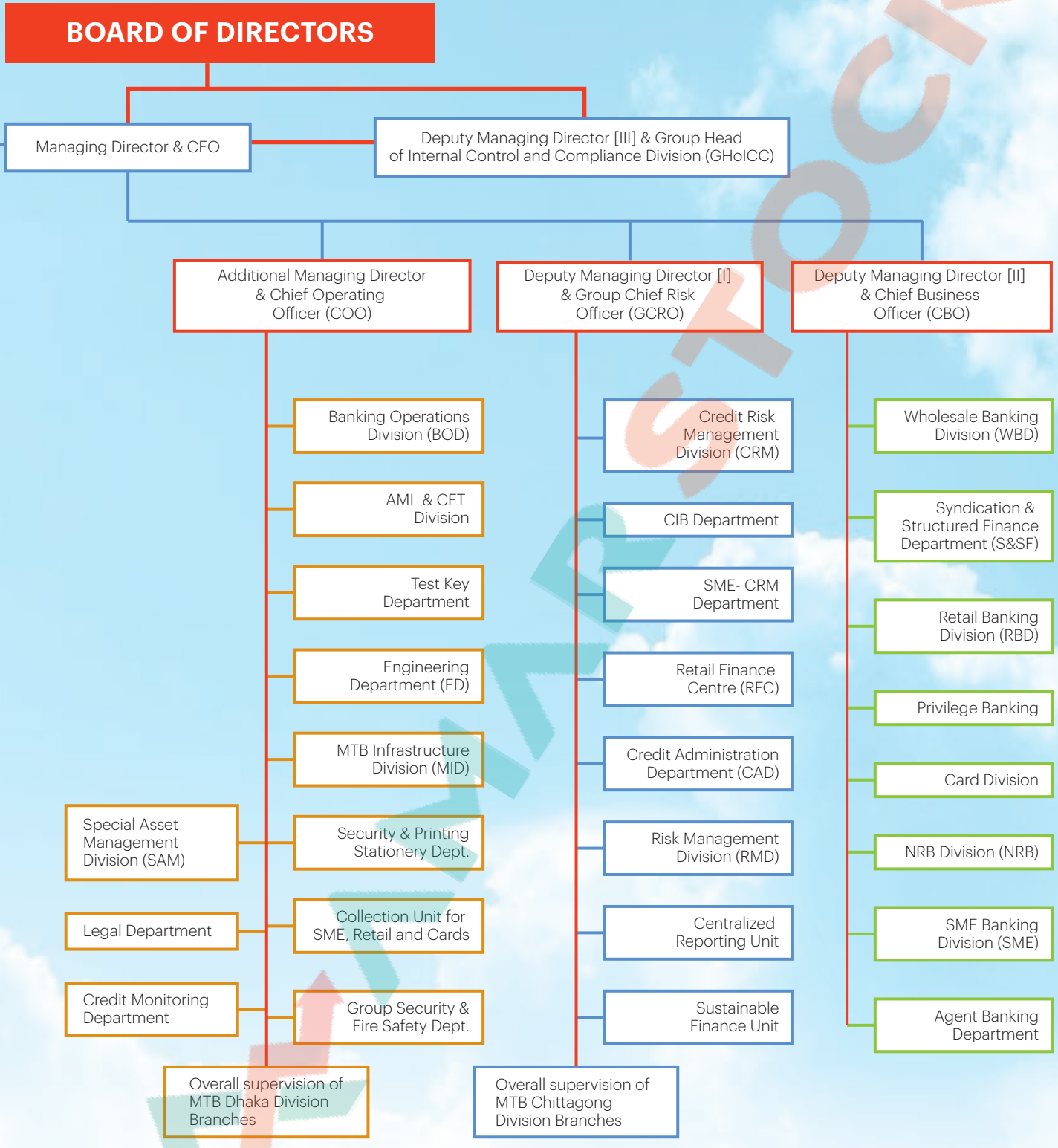
Senior Vice Presidents

Md. Monwar Hossain
Kazi Humaun Kabir
Md. Shamsul Alam
A.K.M. Zahirul Islam Khan
Md. Humayun Kabir
Md. Azam Ali Khan
Md. Kamal Uddin
Md. Ifthakhar Hassan
Touhid Ahmed
Salek Sabbir Ahmed
Amitav Kaiser
Mohammad Anwar Hossain
Marcus Cornelius Gomes
Abu Zafar Md. Saleh
Syed Golam Faruk
Md. Nurul Islam Sarker
Khair Uddin Khan
Md. Habibur Rahman
Md. Tauhidul Alam
Md. Ashraful Islam
Suvash Chandra Biswas
Md. Shoab Khan Chowdhury
Giash Uddin Ahmed
Md. Anisur Rahman
Md. Humayun Kabir
Mohammad Rajib Hossain
Mohammad Mamun Faruk
Mohammad Shaheen Khan
Irfan Islam
Md. Towfiqul Alam Chowdhury
Azam Khan

AMAR STOCK

MTB GROUP ORGANOGRAM





[All new/existing branches/divisions/departments prepare their organogram every year as per their needs and business size, and submit the same to GHR, who review and place the requirements to the MD & CEO. He then places those to the Board of Directors for their approval, as required.]

REPORT ON CEO'S AND CFO'S RESPONSIBILITIES

The financial statements of the MTB Group, i.e., the Bank and its subsidiaries, are prepared in compliance with The Bangladesh Accounting Standards issued by the institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, The Bank Company (amendment) Act, 2013 and the Securities and Exchange Rules, 1987. The Accounting policies used in the preparation of the financial statements are appropriate and are consistently used by the group. All material departures (if any) have been disclosed and explained in the notes to the financial statements. There are no departures from the prescribed accounting standards. Comparative information has been reclassified wherever necessary to comply with the current year's presentation.

The Audit Committee of the Bank meets periodically with the internal audit team to review their audit plans, to assess the process of their responsibilities and to discuss internal controls and financial reporting issues. The Audit Committee pre-approves the audited and non-audited services provided by our external auditors, A. Qasem & Co., in order to ensure that the provision of such services does not impair the auditor's independence. The report is given on page no. 221 of the Annual Report.

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

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

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Anis A. Khan
Managing Director & CEO

CORPORATE GOVERNANCE REPORT

Corporate Governance Report

Mutual Trust Bank Limited (MTB) believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help it deliver value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

Corporate Governance Principles

The Bank has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes have been established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Group Internal Control and Compliance Division have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements.

A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, has been formulated as per guidelines of regulators. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, thereby improve its competitiveness, enhance value and promote stability. The policies are updated time to time in order to comply with the good governance principles and relevant regulatory requirements.

Corporate Governance

1. Rights of Members/Shareholders

The bank has acknowledged the rights of all members/ shareholders and encouraged them to exercise their basic rights on an equitable basis, as well as proactively communicated with them regularly. Such rights include the rights to sell, purchase or transfer shares within the period as specified in the regulations, access bank information, ensure fair distribution of profit, attend meetings, if required, express opinions and comments, and decide on important matters, and approval of any special items, etc.

2. Equitable Treatment of Shareholders

The Bank recognizes the importance of fair treatment of all shareholders including its duty to protect shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorized disclosure of material and non-public information which may affect the Bank's securities.

3. Role of Stakeholders

The Bank places great importance to the rights of all its stakeholders including directors, executive officers, employees, shareholders, clients, business partners, creditors and the relevant authorities.

4. Codes of Conduct

4.1 Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, the Bank set up Customer Complaint Cells at every branch and the Head Office. A report is prepared and forwarded to the concerned management to resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly maintained and observed at all times.

4.2 Shareholders

The Bank focuses on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner except when they have material interests in the matter considered at the meeting. In such case, the shareholders concerned are required to abstain from voting thereon, but they are eligible to participate.

4.3 Employees

The Bank believes in fair treatment of all employees, and is fully committed to enhancing the quality of its human capital. In this context, it consistently offers training and support, including providing opportunities for career development.

4.4 Creditors and Business Partners

The Bank conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

4.5 Competitors

The Bank acknowledges the importance of a fair and competitive business environment. It is committed to conducting business in a fair and confidential manner posing no impairment to the reputation of its competitors and upholding ethical practices among its employees.

4.6 Responsibility towards the Community and the Environment

The Bank always appraises to make positive impacts on the community and the environment. It is actively involved in a range of charitable activities, including blanket distributions, donation to Prime Minister's Relief Fund, distribution of bicycles among the female students of remote unprivileged areas under a campaign titled "Swapno Sharathi', sponsoring corporate cricket tournament, blood donation, scholarship among underprivileged brilliant students and brilliant children of bank employees, assistance to construct schools in remote areas etc.

5. Disclosure and Transparency

Information on the Bank's activities is made available to regulatory bodies, investors, shareholders, analysts and the general public through newspapers, and online news portal, including the Bank's website. In addition, in line with regulatory requirement, the Bank discloses relevant information in annual reports.

6. Policy on Training of the Board of Directors

The Board of the Bank is composed of Directors having diversified skills, who are highly professional and are renowned and pioneer in their respective business arenas. They have adequate professional academic knowledge and training (both local and foreign) to play vital role in transforming MTB into the bank of choice, having global acceptance. As such, whenever they have the opportunity, they utilize the same to keep them up to date. As part of continuous improvement process, recently some of them attended a workshop titled "Revisiting Corporate Governance Regulations for Banks in Bangladesh" organized by Bangladesh Bank, in association with the International Finance Corporation (IFC).

A Code of Conduct has also been adopted by the Board to be followed by its members and it is duly abided by them. Besides, all relevant regulations, promulgated/ circulated by the concerned authorities from time to time, are communicated with them at regular intervals.

7. Remuneration of Directors

The Bank does not pay any remuneration to its Directors other than the meeting fees fixed by the Bangladesh Bank. As per the Banking Regulation and Policy Department of Bangladesh Bank (BRPD) circular, the Chairman may be provided a car, telephone, office and private secretary. The Managing Director is paid a salary and allowances as per approval of the Bank's Board of Directors and Bangladesh Bank. As per BRPD circular, no honorarium is given to them for attending the Board meeting or the meeting of any Committees formed by the Board. As per circular, the maximum remuneration for attending any meeting of the Board and its Committees has been fixed at BDT 8,000 only.

8. Responsibilities of the Board

8.1 Board Structure

At present, there are 13 Board members, including two independent Directors and Managing Director & CEO. The Board of Directors consists of:

Sl.	Name of Director	Status
01	Mr. M. A. Rouf, JP	Chairman
02	Mr. Md. Hedayetullah	Vice-Chairman
03	Mr. Syed Manzur Elahi	Director (Founding Chairman)
04	Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director
05	Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director
06	Mr. Md. Abdul Malek	Director
07	Mr. Md. Wakiluddin	Director
08	Mrs. Khwaja Nargis Hossain	Director
09	Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director
10	Mr. Q. A. F. M. Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director
11	Mr. Anwarul Amin	Independent Director
12	Dr. Sultan Hafeez Rahman	Independent Director
13	Mr. Anis A. Khan	Managing Director & CEO

The Board of MTB is composed of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise as well as business ethics. There are Non-Executive Director and Independent Director. Non-Executive Director means a director, who does not hold any position in the Bank other than being a member of the Board and its Committees. Independent Director means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision.

Election of the Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bangladesh Bank and BSEC. The Board composition is as follows: 1 (one) Executive Director, i.e., the Managing Director, 2 (two) Independent Directors and 10 (ten) Non-Executive Directors.

The two Independent Directors who concurrently serve on the Audit Committee must satisfy the criteria based on the corporate governance guidelines issued by the BSEC and Bangladesh Bank. The Board appoints two of its Directors to be the Chairman and Vice-Chairman. As per guideline, the Managing Director & CEO and the Chairman will not be the same person.

Each Director's term of office is prescribed in the Articles of Association, bank company act as well as in the company act. At every Annual General Meeting, one-third of the directors retire. In any subsequent years, the directors, who have been in office the longest, retire. The retiring director may be re-elected.

8.2 Selection, Appointment and Removal of Directors

8.2.1 Appointment of Directors

The Board of Directors elects/re-elects directors and submits recommendation to the meeting of the shareholders for approval and appointment/re-appointment, subject to compliance of Articles of Association of the Bank and fulfillment of regulatory procedures.

Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members, at the next Board meeting appoint another qualified and suitable Director to fill that position for the remainder of the term of office of his/her predecessor.

8.2.2 Election/Re-election of the Directors

As per Companies Act, each year one-third of the Directors retire from office at the AGM, and, if eligible, as per the bank company act, may offer themselves for re-election by shareholders at the AGM. Accordingly, following Directors retired at the 18th AGM and they were re-elected.

Mr. M. A. Rouf, JP, Chairman, Director, Mr. Md. Hedayetullah, Vice Chairman, Director, Mr. Syed Manzur Elahi (Founding Chairman) and Mrs. Khwaja Nargis Hossain, Director, retired and were re-elected.

8.2.3 Vacation of Office of Director

The office of director to be vacated according to the instructions specified in section 108 (1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director to be vacated.

8.2.4 Removal of Directors from Office

According to section 108 (2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a director of any bank, other than specialized banks, can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal becomes effective from the date of Bangladesh Bank's approval.

8.2.5 Appointment of Alternate Director

Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director, during his absence for a continuous period of not less than three months from Bangladesh.

8.3 Board Committees

The Board has established the Board Executive Committee, the Board Audit Committee and the Board Risk Management Committee to assist in screening and scrutinizing specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

8.4 Roles, Duties and Responsibilities of the Board

To ensure good governance in the bank management, it is essential to have specific demarcation of responsibilities and authorities among the controlling bodies over bank affairs. In the bank company act, Section 15 (kha) and (ga) give responsibility to the board of directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that they reasonably believe to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Set vision, targets, policies, strategies, administration, utilization of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.

2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors.

3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment of Independent Director.

4. Review and approve budgets proposed by the management.

5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in the normal course of business of the Bank, and, hence, warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in such cases, where the Board's ratification is required, including issues of conflict of interest, and an approval of the shareholders has to be sought.

6. Determine the issues to be brought to its attention by the management.

7. Set measures for the management to communicate and ensure there are communication of operational targets and policies to Bank staff at all levels.

8. Monitor and supervise management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.

9. Monitor and ensure that the Bank has exist efficient and effective risk management system.

10. Assume responsibility for the financial statements of the Bank and its subsidiaries, and, in that process, ensure that the notes to the financial statements contain all-important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.

11. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.

12. Ensure that adequate, accurate, reliable information is disclosed in a timely manner.

13. Put in place corporate governance principles and business ethics, Board and Board committees' charters, and human resource management policies.

8.5 Authorities of the Board of Directors

8.5.1 Work-planning and Strategic Management:

i. The board determines the objectives and goals, and, to this end, chalks out strategies and work-plans on annual basis. It specially engages itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It analyzes/monitors, at quarterly rests, the development of implementation of the work-plans.

ii. The board incorporates analytical review in the Annual Report as regards the success/failure in achieving the business and other targets as set out in its annual work-plan and apprises the shareholders of its opinions/recommendations on plans and strategies. It sets Key Performance Indicators (KPIs) for the CEO and officers immediately two tiers below the CEO, and evaluates from time to time.

8.5.2 Credit and Risk Management

i. Policies, strategies, procedures, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off are made with the board's approval under the purview of the existing laws, rules and regulations. The board specifically distributes/delegates power of sanction of loan/investment among the CEO and his subordinate executives, as part of its governance practice. No director, however, interferes, directly or indirectly, into the process of loan approval.

ii. The board frames policies for risk management and get them complied with, monitor the compliance regularly, review the concerned report of the risk management team, and compile in the minutes of the board meeting. The board monitors compliance of the guidelines of Bangladesh Bank regarding key risk management.

8.5.3 Internal Control Management

The board is vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board establishes internal control system so that the internal audit process can be conducted independently from the management. It reviews reports submitted by the audit committee regularly regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports. It also monitors and ensures that the Bank has in place adequate, proper and effective internal control system for the benefit of the Bank; formulates and implements a clear procedure to cope with conflict of interest; puts in place policies and processes preventing management and other concerned parties from using confidential inside information for personal gains; and assesses and reviews the adequacy of the Bank's internal controls.

8.5.4 Human Resources Management and Development

i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development, etc. and service rules have been framed and approved by the board. The Chairman and the directors in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No members of the board of directors are included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the officers immediately two tiers below the CEO rest upon the board. Such recruitment and promotion are carried out complying with the service rules.

ii. The board focuses its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board gets these programs incorporated in its annual work plan.

iii. The Bank has formulated code of conduct for every tier, and all have to comply with the same when interacting with the customers, shareholders, employees and business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to keep uppermost in their mind the principles, use good judgment, and act in compliance with rules and regulations.

8.5.5 Financial Management

i. The annual budget and the statutory financial statements are finalized with the approval of the board. It reviews/monitors the positions in respect of Bank's income, expenditure, liquidity, non-performing asset, capital adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures, at monthly rests.

ii. The board frames policies and procedures for Bank's purchase and procurement activities and accordingly approves the distribution of power for making such expenditures. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business are adopted with the approval of the board.

8.5.6 Appointment of Chief Executive Officer (CEO)

The Bank has conducted annual evaluation of Managing Director & CEO's performance, taking into consideration the key performance indicators, determined based on the Bank's strategies and targets each year.

The issue of good governance is very important in bank management. In order to strengthen the financial base of the Bank and obtain confidence of the depositors, appointing honest, efficient, experienced and suitable chief executive is one of the responsibilities of the Board of Directors. In order to ensure good governance, the Bank follows the guidelines of Bangladesh Bank enumerated below while appointing the CEO and in devising the role and responsibilities as well as authorities of the CEO:

8.5.6.1 Rules and Regulations for Appointing CEO:

1. Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-

a) He has not been convicted by any Criminal Court of Law;

b) He has not been punished for violating any rules, regulations or procedures/norms set by any controlling authority;

c) He was not associated with any such company/ organization, registration or licence of which has been cancelled.

2. Experience and Suitability:

a) For appointment as Chief Executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediately below the Chief Executive of a bank.

b) He must at least have a master's degree from any recognized university. Higher academic education in the field of economics, banking and finance or business administration will be treated as additional qualification for the concerned person.

c) In respect of service, the concerned person should have excellent record of performance.

d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company.

e) Any director of any bank or financial institution or any person, who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive.

3. Transparency and Financial Integrity: Before appointment as chief executive, satisfaction should be ensured to the effects that:

a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;

b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;

c) He is not a tax defaulter;

d) He has never been adjudicated insolvent.

4. Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.

5. Tenure: The tenure of the chief executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.

6. Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting proposal to Bangladesh Bank.

a) In fixing the salary and allowances of the chief executive, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.

b) Total salary shall be comprised of direct salary covering 'basic pay', 'house rent' and allowances as 'others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver, etc.), monetized as far as possible to determine monthly total salary, shall have to be mentioned in the proposal to be submitted to Bangladesh Bank.

c) Without improving the bank's major economic indicator like CAMELS, annual salary increment will not be payable.

d) Terms of salary, allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive.

e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary, allowances and other facilities as enumerated in clause (b) above.

f) The bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.

7. Incentive Bonus: Subject to the payment of incentive bonuses to all staff/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross BDT 10 (ten) lacs per year.

8. Honorarium for attending Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.

9. Evaluation Report: While re-appointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.

10. Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act, 1991 (Amended up to 2013). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct and indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations to Bangladesh Bank in prescribed formats.

11. Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his office without prior approval from Bangladesh Bank. However-

a) In case the CEO desires to terminate the contract before expiry or resigns from his office voluntarily, he shall serve at least one-month notice upon the Chairman of the Board stating the actual reason for such resignation, and, at the same time, forward a copy of such notice to Bangladesh Bank.

b) In case the Board of the Bank desires to terminate the contract before expiry or asks the CEO to tender resignation from his post, the Board shall serve at least one-month notice stating the reasons for such action; at the same time forward a copy of such notice to Bangladesh Bank and obtain approval of Bangladesh Bank for such removal.

c) When the position of the CEO falls vacant due to resignation, expiry of contract, or any other reason, the bank shall immediately appoint a 'CEO In-charge' (for maximum 3 months) from among the officials next to the CEO and notify Bangladesh Bank with details of such Officer In-charge.

8.5.6.2 Duties and Responsibilities of CEO:

The CEO of the bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:

In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.

The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank.

At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.

The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/ regulations.

The recruitment and promotion of all staff of the bank, except those two tiers below him, shall rest on the CEO. He shall act in such cases in accordance with the approved service rules, on the basis of the human resources policy and sanctioned strength of employees as approved by the board.

8.5.6.3 Evaluation of the CEO by the Board

There is a five-year Strategic Priorities & Action Plan for the evaluation of the CEO/Management on an annual basis and it is revisited and revised from time to time, depending on the scope and opportunity of banking business, local and global economic condition, etc. The CEO's performance is evaluated on regular basis, taking into consideration the trends of financial indicators, bank's image/reputation, non-performing loans and advances, regulatory guidelines, etc.

8.6 Other Responsibilities of the Board

The board follows and complies with the responsibilities assigned by Bangladesh Bank.

8.6.1 Meeting of the Board

Board meetings are scheduled in advance, with at least one held every month. In addition to the scheduled Board meetings, further Board meetings can also be held as and when required.

8.6.2 Chairman of the Board of Directors

The Chairman of the Board of Directors or Chairman of any Committee is formed by the Board of Directors independently.

8.6.3 Formation of Committees

The bank only forms Executive Committee, Audit Committee and Risk Management Committee with the directors, as per Bangladesh Bank and BSEC guidelines.

8.6.3.1 Executive Committee

Executive Committee, formed with the members of the board, performs according to its terms of reference determined by the Board of Directors.

a) Organizational Structure

i. Members of the Committee are nominated by the board of directors from themselves;

ii. The Committee consists of 5 (five) members, i.e., within the limit set by the regulator;

iii. Company Secretary of the bank is the secretary of the Committee.

b) Qualifications of the Members

i. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;

ii. All the members are capable of making valuable and effective contributions in the functioning of the Committee;

iii. All Committee members have adequate understanding of the detailed responsibilities of the Committee as well as the bank's business, operations and its risks.

c) Roles and Responsibilities

i. The Committee takes all necessary decisions and approves cases within the power delegated by the board.

ii. All decisions taken in the Board Executive Committee are ratified in the board meeting.

8.6.3.2 Board Audit Committee

The board approves the objectives, strategies and overall business plans of the bank and the Audit Committee assists the board in fulfilling its oversight responsibilities. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

a) Organizational Structure

i. Members of the Committee are nominated by the board from the directors;

ii. The Committee consists of 4 (four) members, with 2 (two) independent directors;

iii. The Committee consists of directors, who are not executive committee members;

iv. Company Secretary of the bank is the secretary of the Audit Committee.

b) Qualifications of the Members

i. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;

ii. Each member is capable of making valuable and effective contributions in the functioning of the Committee;

iii. Members have adequate understanding of the detailed responsibilities of the Committee as well as the bank's business, operations and its risks.

iv. Professionally experienced persons in banking/ financial institutions, specially having educational qualification in finance, banking, management, economics, accounting get preference in forming the Committee.

c) Roles and Responsibilities

(i) Internal Control

1. The Board Audit Committee reviews the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant guidelines issued by Bangladesh Bank, BSEC and listing regulations of the stock exchanges.

2. Establish organizational structure, policies and work procedures that ensure effective risk management and internal control systems, enabling stable business growth and compliance with good corporate governance principles.

3. Evaluate setting of appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities.

4. Structure organization taking into account proper segregation of duties that contributes to effective risk management and internal control as well as monitoring and audit systems.

5. Review actions taken by management in connection with computerization of the bank and its applications and bank's Management Information System (MIS).

6. Review the findings and compliance issues identified by regulators and to ensure that appropriate and prompt remedial actions are taken by the management.

7. Consider internal control strategies recommended by internal and external auditors and implement such strategies.

8. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place before the board after reviewing whether the management has taken necessary corrective measures.

9. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organization.

10. Review the scope of authority and responsibilities conferred on or delegated to the executives at different levels. A clear division of responsibilities between various management positions provides a mechanism for checks and balances between senior executives.

11. Establish Compliance Department to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements.

12. Put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. Review annual business plan to ensure its effectiveness in the rapidly changing environment.

(ii) Financial Reporting

The Committee checks whether the financial statements are prepared according to existing rules, regulations and standards enforced in the country i.e., accounting policies and procedures in line with international accounting standards that support the Bank's business requirements.

(iii) Internal Audit

1. Monitor whether or not the internal audit acts independently from the management.

2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process.

3. Review the efficiency and effectiveness of the internal audit function, i.e., compliance function and monitor compliance department work to ensure compliance with relevant regulations.

4. Examine whether the management duly considers the findings and recommendations made by the internal auditors or not.

(iv) External Audit

1. Review the performance of the external auditors and their audit reports.

2. Examine whether the management duly considers the findings and recommendations made by the external auditors or not.

3. Make recommendations to the Board regarding the appointment of the external auditors and fix their remuneration.

4. Review the correctness and adequacy of financial statements for submission to the Board.

5. Reports of the External Auditors

The Committee requires external auditor to report to it on all relevant matters, including the following, to enable the audit committee to carry out its oversight responsibilities, if any:

Significant difficulties encountered during the audit;

Key areas of significant risk of material misstatement in the financial statements;

Judgments about events or conditions identified that may cast significant doubt on the bank's ability to continue as a going concern (including consideration of liquidity/funding issues of the bank);

Use of external experts to assist with the external audit;

The auditor's approach to internal control;

The extent to which the auditor uses the work of internal audit;

Significant internal control deficiencies identified in the course of statutory audit;

Significant qualitative aspects of financial statement disclosures;

Any other significant matters discussed with or considered by the engaged quality control reviewer.

(v) Meetings with Bangladesh Bank

Before finalizing the Audited Financial Statements, a tripartite meeting is held among Bangladesh Bank, the bank concerned and the external auditor(s).

(vi) Submission of Audit Report to Bangladesh Bank

The bank submits Audited Financial Reports to the Bangladesh Bank according to Section 40 of the Banking Companies Act, 1991 within the stipulated time.

(vii) Compliance with Existing Laws and Regulations

Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

(viii) Other Responsibilities

1. Submit compliance report to the board on regular interval for regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities (if any);

2. Perform other oversight functions as desired by the Board of Directors.

d) Meetings

1. The Committee met 4 times in 2017;

2. Detailed memoranda are distributed to the members well in advance before each meeting;

3. All decisions/observations of the Committee are noted in the minutes.

8.6.3.3 Board Risk Management Committee (BRMC)

The Bank realizes the significance of risk management covering both internal and external risk factors. Risk Management Committee of MTB is appointed by the Board of Directors with relevant and clearly defined roles, duties and responsibilities and performance of which is assessed to ensure conformity with the risk management plan in place.

To play an effective role in mitigating impending risks arising out of strategies and policies formulated by the Board and to carry out the responsibilities efficiently, the Board Risk Management Committee of MTB, being in charge, formulates risk management policy and procedures of the Bank as well as sets up the risk control and monitoring mechanisms with a view to continuously strengthening risk governance. After risk factors are identified and assessed for credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks, etc.; the Committee scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

a) Organizational Structure

1. Members of the Committee are nominated by the board from themselves;

2. The Committee consists of 4 (four) members;

3. Company Secretary of the bank is the secretary of the Board Risk Management Committee.

b) Qualifications of the Members

1. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;

2. Each member is capable of making valuable and effective contributions in the functioning of the Committee;

3. Each Committee member has adequate understanding of the detailed responsibilities as well as the bank's business, operations and its risks.

c) Roles and Responsibilities of BRMC

i) Risk Identification and Control Policy

Developing well formulated strategy and ensuring implementation of the same for risk assessment and control are responsibilities of the BRMC. The BRMC

monitors risk management policies and methods and, from time to time, amend those. The Committee reviews the risk management process to ensure effective prevention and control measures.

ii) Construction of Organizational Structure

The responsibility of the BRMC is to ensure an adequate organizational structure for managing risks within the bank. The Committee supervises formation of separate management level committees and monitor their activities with a view to ensuring that those committees are in compliance with the instructions of lending risk, foreign exchange transaction risk, internal control and compliance risk, money laundering risk, information and communication risk and other risk related guidelines.

iii) Analysis and Approval of Risk Management Policy

Risk management policies and guidelines of the bank are reviewed annually by the Committee. The Committee proposes amendments, if necessary, and send those to the Board of Directors for approval. Besides, other limits, including lending limit, are reviewed at least once annually and, amended.

iv) Storage of Data and Reporting System

Adequate record keeping system, developed by the Bank management, is approved by the Committee. The Committee ensures proper use of the system. The Committee minutes its proposal, suggestions and summary in a specific format and informs the Board of Directors.

v) Monitoring the Implementation of Overall Risk Management Policy

The BRMC monitors proper implementation of overall risk management policies. The Committee monitors whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

vi) Other Responsibilities

1. Ensuring that the Committee's decision and suggestions are submitted to the Board regularly;

2. Complying with instructions issued by the controlling authority from time to time.

d) Meetings

1. The BRMC met 4 (four) times in 2017;

2. To ensure active participation and contribution by the members, detailed memoranda are distributed to Committee members well in advance before each meeting;

3. All decisions/observations of the Committee are noted in minutes.

9. Related Transactions

As of 31 December 2017, the Bank recorded business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons. These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as given in the Notes to the Financial Statements as disclosure and placed separately, as per guideline of Bangladesh Bank, for approval by the members of the bank, at its ensuing annual general meeting.

Procedures for approving related party transactions and safeguarding shareholders' interest according to the regulatory guidelines are in place, and all related party transactions are subject to a formal approval process, including the analysis and approval of the relevant authorities. Directors with material interest in any transaction are not allowed to take part in the decision-making process.

Related party transactions include those related to the Bank's business functions, and, are subject to formal approval process in place and criteria of the relevant regulatory bodies. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by clearly defined review and approval procedures and practices.

10. Organization and Personnel

As of 31 December 2017, the total manpower of the Bank was 2,004 (regular employees), of whom 1,254 work at Bank branches, 677 at the Corporate Head Office, 66 at MTB Securities Ltd. (Brokerage House, a subsidiary of the bank), 7 at MTB Capital Ltd. (Merchant Bank, a subsidiary of the bank).

10.1 Staff Development Program and Human Resource Management Plan

In 2017, the Bank focused on developing its existing employees with competency-based learning to become future-leaders and successors to various key positions in the organization.

The Bank has established procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, taking into account the risks and responsibilities involved as well as added value to shareholders in the long run.

Training roadmap was in place for branch staff at all levels to ensure increased skills in serving as a professional financial advisor. The Bank also emphasized on providing all staff levels with leadership program, and implemented Learning Management System (LMS) via MNet for key mandatory training programs for all staff.

In 2017, the Bank organized 281 training courses, comprising 114 in-house, 132 local/out-sourced and 35 overseas courses. The details are mentioned in the training part of the report.

10.2 Employee Benefits

The Bank provides employee benefits such as provident fund, social security fund, medical treatment, medical assistance fund, welfare fund, death benefit plan, annual health check-up, housing loan, car/motorcycle loan, and general purpose loan that are competitive against other leading banks to attract and retain talented and competent staff. The bank has also appointed a physician, whom the employees can consult with for their health related issues. Employees at the head office can make appointment electronically, via MNet, with the doctor, who spends two work-days every week at the MTB Corporate Head Office.

To be an employer of choice, the Bank continues to improve its staff benefits to attract and retain quality staff. In this regard, the Bank introduced Performance Management System for all level of employees.

10.3 Anti-Harassment Policy

The Bank has established Anti-Harassment Policy. The MTB Group has grown large and is now a family of four separate companies in Bangladesh and the United Kingdom. As the MTB network and the number of MTBians grow, it is important, that we go about our everyday working lives in a safe, secure, responsible, dignified and happy manner. It is the desire of the Bank's Board and Management to make MTB a happy place to work in, where people feel a sense of belongingness and loyalty, and contribute to taking the Group towards MTB3V. It is the policy of MTB to prohibit racial, gender, sexual and other forms of unlawful harassment.

11. Dividend Policy

The Bank's policy is to maximize shareholders' wealth. As a result, the bank tries to allocate optimum dividend to the shareholders for each operational year, after payment of income tax, transfer of fund to regulatory reserve, provision for loans and advances, etc. The payment of dividend is made within the time prescribed by law and published in a newspaper. With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the discretion of the Boards of Directors of that particular subsidiary and is dependent upon the net earnings of the subsidiary.

12. Dividend

In order to maintain a satisfactory capital adequacy ratio of the bank, the MTB Board, at its 219th meeting held on April 17, 2018 has approved 12.50% dividend (stock dividend) for the year 2017 and recommended for shareholders' approval at the AGM. The shareholders, whose names appeared as members of the bank on record date are eligible to receive such dividend.

13. Appointment of Auditor

A. Qasem & Co., Chartered Accountants, is the statutory auditor of the bank. They were appointed as the Auditor at the 18th AGM, held on July 25, 2017. As per regulatory guidelines, their engagement with the MTB would expire after the 19th Annual General Meeting (AGM).

14. Fuel and Maintenance Cost of MTB Transport

As per circular letter no. 2, dated January 16, 2014, issued by the Banking Regulation & Policy Department (BRPD) of Bangladesh Bank, information of expenses incurred, in respect of fuel and maintenance cost of bank's transport is placed before the Board, semi-annually.

15. As per clause 2 of Corporate Governance Guideline No. SEC/CMRRCD/2006-158/134/Admin/44, following positions of the management are defined clearly. The details of those positions are given below:

Mr. Anis A. Khan
Managing Director & CEO

Anis A. Khan (AAK), a Fellow of the Institute of Bankers Bangladesh (IBB) is one of the most prominent and senior-most bankers of our country. He holds a LL.B. (Honours) degree and also a LL.M. (Masters) degree (First Class First) from the University of Dhaka. Mr. Anis A. Khan has carved out a career spanning over 34 years in the corporate world and still continues to work hard with unabated zeal and enthusiasm. He has been serving as the Managing Director and Chief Executive Officer (MD & CEO) of Mutual Trust Bank Limited (MTB) for over than 9 years. MTB appointed Mr. Anis A. Khan as the Managing Director & CEO of the bank in April, 2009 for a period of three years as per the Bank Companies Act. He was re-appointed for further periods, and, lastly, for four years and seven and a half months, with effect from April 15, 2015 until December 01, 2019 (the mandatory retirement age). This was confirmed by the Bangladesh Bank, considering his leadership qualities and contributions towards diversifying the bank's products and services, expansion of the branch network. He has also contributed to the setting up of three fully-owned subsidiaries - MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited.

Mr. Goutam Prosad Das
Deputy Managing Director & Group Head of Internal Control & Compliance

Bangladesh Bank, vide its BRPD Circular No. 03, dated March 08, 2016, circulated the revised 'Guidelines on Internal Control and Compliance in Banks' to all scheduled banks, with advice to implement the directives of the guidelines. In line with the new directives of Bangladesh Bank, as well as to comply with the applicable laws and regulations and corporate governance notification of Bangladesh Securities and Exchange Commission, Mutual

Trust Bank has restructured its Internal Control and Compliance Division, and appointed Mr. Goutam Prosad Das, Deputy Managing Director, as the Head of Group Internal Control and Compliance (GICC). He supervises all the three divisions that are under ICC Department. The divisions have been revamped in light of the revised guidelines. The Bank has an Internal Control and Compliance Policy and a Compliance Manual, duly approved by the Board of Directors. As the Head of GICC, Mr. Goutam reviews and monitors Bank's Internal Control and Compliance Risk.

Mr. Sayed Abul Hashem FCA, FCMA
Senior Executive Vice President & Group Chief Financial Officer (GCFO)

The Board has appointed Mr. Sayed Abul Hashem as Senior Executive Vice President & Group Chief Financial Officer (GCFO) of the Bank. He attends the meetings of the Board of Directors. Duties of the GCFO include ensuring compliance with the applicable laws and regulations and corporate governance guidelines and to assist the CEO regarding various issues related with financial operation and control.

Mr. Hashem completed B.Com (Hons.) & M.Com in Accounting from the University of Dhaka. He is also a Member of the Institute of Bankers, Bangladesh (DAIBB), Fellow Chartered Accountant (FCA) and Fellow Cost and Management Accountant (FCMA). He started his banking career in Finance Division of Islami Bank Bangladesh Limited (IBBL) in the year 2000. After then joined in Shahjalal Islami Bank Limited (SJIBL) in the year 2003 as the in charge of Financial Administration Division. From the year 2005, Mr. Hashem performed as Chief Financial Officer (CFO) in SJIBL. MTB appointed Mr. Hashem as Group CFO on 19th March 2015. He has over 17 years banking experience of which the last 12 years as Chief Financial Officer (CFO)

Mr. Malik Muntasir Reza
Executive Vice President & Group Company Secretary

The Board has appointed Mr. Malik Muntasir Reza as Executive Vice President & Group Company Secretary and Secretary to the Board of Directors and its Committees to assist the Board in fulfilling its tasks. Duties of the Secretary include providing advice and ensuring compliance with the applicable laws and regulations, which is consistent with the Corporate Governance Notification.

Md. Shah Alam Patwary ,
Executive Vice President & Group Chief Information Officer (GCIO)

Md. Shah Alam Patwary, a Computer Engineer from Bangladesh University of Engineering and Technology (BUET), is serving the Mutual Trust Bank (MTB) for more than 10 years with a working experience for more than 24 years in information Technology. As per BRPD circular letter no 03 dated March 25, 2018, He is responsible for bank technology and presently he is the project Manager (IT) for MTB Core Banking Systems Transformation Project (MCT).

To perform the day-to-day tasks smoothly, provide support in decision-making process, and to comply regulatory requirements, the management forms different committees, subcommittees and units/cells comprising executives/staff of different levels. These are re-constituted from time to time, as per updated guidelines and requirement of the bank.

The committees are;

i) Senior Management Team (SMT)
ii) Management Committee (MANCOM)
iii) All Risk Committee (ARC)
iv) Asset Liability Committee (ALCO)
v) Credit Evaluation Committee (CEC)
vi) Exception Approval Committee (EAC)
vii) Supervisory Review Process (SRP) Team
viii) Group Integrity Committee
ix) Central BCP (Business Continuity Plan)
x) Document Preparation Committee
xi) IT Steering Committee
xii) IT Security Committee etc.

Meeting Attendance of the Directors:

In 2017, meeting attendance of the members of the Board and Board Committees is as follows:

Meetings of the Board of Directors
Held from January 01, 2017 to December 31, 2017

Sl.	Name of Director	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
1.	Mr. M. A. Rouf, JP Chairman	15	14	112,000	Leave of absence was granted
2.	Mr. Md. Hedayetullah Vice-Chairman	15	11	88,000	"
3.	Mr. Syed Manzur Elahi Director & Founding Chairman	15	11	88,000	"
4.	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	15	7	56,000	"
5.	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corporation Ltd.)	15	12	96,000	"
6.	Mr. Md. Abdul Malek Director	15	15	120,000	-
7.	Mr. Md. Wakiluddin Director	15	14	112,000	Leave of absence was granted
8.	Mrs. Khwaja Nargis Hossain Director	15	13	104,000	"
9.	Mr. Anjan Chowdhury Director (Representing ASTRAS Ltd.)	15	7	56,000	"
10.	Mr. Q. A. F. M. Serajul Islam Director (Representing Pioneer Insurance Company Ltd.)	15	15	120,000	-
11.	Mr. Anwarul Amin Independent Director	15	6	48,000	Leave of absence was granted
12.	Dr. Sultan Hafeez Rahman Independent Director	15	9	72,000	"
	Total			**1,072,000**	

Executive Committee Meetings
Held from January 01, 2017 to December 31, 2017

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
1.	Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman	8	8	64,000	-
2.	Mr. Md. Hedayetullah Vice-Chairman	Member	8	3	24,000	Leave of absence was granted
3.	Mr. Md. Abdul Malek Director	Member	8	8	64,000	-
4.	Mr. Md. Wakiluddin Director	Member	8	6	48,000	Leave of absence was granted
5.	Mr. Q. A. F. M. Serajul Islam Director	Member	8	8	64,000	-
	Total				**264,000**	

MARSTOCK

Board Audit Committee Meetings
Held from January 01, 2017 to December 31, 2017

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
1	Mr. Anwarul Amin Independent Director	Chairman	4	2	16,000	Leave of absence was granted
2	Mr. Rashed Ahmed Chowdhury Director	Member	4	3	24,000	"
3	Mrs. Khwaja Nargis Hossain Director	Member	4	3	24,000	"
4	Dr. Sultan Hafeez Rahman Independent Director	Member	4	3	24,000	"
	Total				**88,000**	

Board Risk Management Committee Meetings
Held from January 01, 2017 to December 31, 2017

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
1.	Dr. Arif Dowla Director	Chairman	4	4	32,000	-
2.	Mr. Hedayetullah Vice-Chairman, Director	Member	4	1	8,000	Leave of absence was granted
3.	Mr. Md. Abdul Malek Director	Member	4	4	32,000	-
4.	Mr. Q. A. F. M. Serajul Islam Director	Member	4	4	32,000	-
	Total				**104,000**	

The Authorized Capital of Mutual Trust Bank Limited (MTB) is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10.00 each. The Paid-up Capital of the Bank is BDT 5,096,560,340 divided into 509,656,034 ordinary shares. The pattern of shareholding is given below:

i) Parent/Subsidiary/Associated companies and other related parties: N/A

ii) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children are as follows:

a) Shares held by the Directors and their spouses as on 31 December 2017:

Name of Director	Status	Nos. of Shares	Name of Spouse	Nos. of Shares	Remarks
Mr. M. A. Rouf JP	Chairman	10,212,163	Mrs. Evelyn Rouf	-	-
Mr. Md. Hedayetullah	Vice-Chairman	10,198,976	Mrs. Afia Hedayetullah	-	-
Mr. Syed Manzur Elahi (Founding Chairman)	Director	18,793,233	Mrs. Niloufer Manzur	425	-
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	28,791	Mrs. Rumana Rashid Dowla	-	16,988,498 Shares held by ACI Ltd.
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	2,804,413	Mrs. Yasmin Chowdhury	-	25,482,776 shares held by ABC Ltd.
Mr. Md. Abdul Malek	Director	10,290,519	-	-	-
Mr. Md. Wakiluddin	Director	10,202,422	-	-	-
Mrs. Khwaja Nargis Hossain	Director	10,193,426	Al-haj Syed Abul Hossain	14,616,045	-
Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	6,407,261	Mrs. Monira Munni Chowdhury	-	12,741,347 shares held by Astras Ltd.
Mr. Q. A. F. M. Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	-	Mrs. Salina Akhtar	-	33,092,421 Shares held by Pioneer In. Co. Ltd.
Mr. Anwarul Amin	Independent Director	-	Mrs. Razia Khan Amin	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	Mrs. Zakia Rahman	-	-

Ownership Composition:

As on December 31, 2017, the Sponsors and Directors of MTB held 36.62% of the total paid up shares, whereas Institutions and General Public held 22.27% and 41.11%, respectively:

Sl.	Type of Owners	No. of Shares	Values of Shares in BDT	(%) of Holding
1	Sponsor, Directors	186,651,665	1,866,516,650	36.6231
2	Institutions	113,496,829	1,134,968,290	22.2693
3	General Public	209,507,540	2,095,075,400	41.1076
Grand Total		**509,656,034**	**5,096,560,340**	**100.00**

AMARSTOCK

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	0.091
500 to 5,000 shares	3,219	6,133,343	61,333,430	1.204
5,001 to 10,000 shares	482	3,367,394	33,673,940	0.661
10,001 to 20,000 shares	341	4,610,036	46,100,360	0.905
20,001 to 30,000 shares	125	2,985,020	29,850,200	0.586
30,001 to 40,000 shares	68	2,380,724	23,807,240	0.467
40,001 to 50,000 shares	45	2,004,517	20,045,170	0.393
50,001 to 100,000 shares	101	7,416,956	74,169,560	1.455
100,001 to 1,000,000 shares	133	37,045,814	370,458,140	7.269
Over 1,000,000 shares	71	443,248,961	4,432,489,610	86.970
Total	**7,361**	**509,656,034**	**5,096,560,340**	**100.00**

Top ten shareholders of the Bank as of December 31, 2017:

Sl.	Name of the Shareholder	Total Shares Held	Holding %
01	Pioneer Insurance Company Ltd.	33,092,421	6.4931
02	Associated Builders Corp. Ltd.	25,482,776	5.0000
03	Mahbub Ahmed	23,866,601	4.6829
04	TS Holdings Ltd	20,313,326	3.9857
05	TS Transformers Ltd	23,260,791	4.5640
06	Mr. Syed Manzur Elahi	18,793,233	3.6874
07	ACI Limited	16,988,498	3.3333
08	Mr. Alhaj Syed Abul Hossain	14,616,045	2.8678
09	Astras Limited	12,741,347	2.5000
10	Mr. Abu Naser Md Yeahea	11,988,750	2.3523

b) Shares held by the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Finance Officer and their spouses and minor children as on 31 December 2017 :

Name	Status	Number of Shares	Remarks
Mr. Anis A. Khan	Managing Director & CEO	5,327	-
Mrs. Monowar Anis Khan		1,978	Spouse of MD & CEO
Mr. Goutam Prosad Das	Deputy Managing Director & Group Head of ICC	-	No shares held by spouse and minor children
Mr. Sayed Abul Hashem	SEVP & Group Chief Financial Officer	-	"
Mr. Malik Muntasir Reza	EVP & Company Secretary	-	"

c) Shares held by top five salaried employees other than the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2017:

Name of Executive	Status	Number of Shares
Mr. Md. Hashem Chowdhury	Additional Managing Director & COO	29,234
Mr. Md. Zakir Hussain	Deputy Managing Director & GCRO	-
Mr. Syed Rafiqul Haq	Deputy Managing Director & CBO	-

d) Share holdings 10% or more voting interest in the Company: N/A

CERTIFICATE ON CORPORATE GOVERNANCE

ম্যাবস এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS OF Mutual Trust Bank Limited and its Subsidiaries (As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance Guidelines by Mutual Trust Bank Limited and its Subsidiaries for the year ended on 31 December 2017. These guidelines relate to the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the Bank's management. Our examination was limited to the procedures and implementation thereof as adopted by the bank and its subsidiaries in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the bank and its subsidiaries.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statements, the bank and its subsidiaries have complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the bank and its subsidiaries, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the bank and its subsidiaries. This is also not endorsement about quality of contents in the Annual Report of the bank.

Dhaka, 26 April 2018

MABS & J Partners
Chartered Accountant

A member of Nexia International

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COMPLIANCE STATUS OF BSEC GUIDELINES FOR CORPORATE GOVERNANCE

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	**Board of Directors**			
1.1	Board's size shall not be less than 5 and more than 20	√		
1.2	Independent Director			
1.2 (i)	Independent director: At least 1/5th of the total number of directors	√		As per Bank Companies Act.
1.2 (ii) a)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital.	√		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's Sponsor or Director or Shareholder who holds 1% or more shares.	√		
1.2 (ii) c)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Independent directors are not the members, directors or officers of any stock exchange.	√		
1.2 (ii) e)	Independent director is not the shareholder, director or officers of any member of Stock Exchange or an intermediary of the capital market.	√		
1.2 (ii) f)	Independent director is/was not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm.	√		
1.2 (ii) g)	Independent directors is not the independent director in more than 3 (three) listed companies.	√		
1.2 (ii) h)	Independent director is not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).	√		
1.2 (ii) i)	Independent director has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	The independent director shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.	√		
1.2 (iv)	The post of independent directors cannot remain vacant for more than 90 days.	-		No such event occurred.
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and annual compliance of the Code to be recorded.	√		
1.2 (vi)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity who is able to ensure required compliance.	√		

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/ professional experiences along with other requisites.	√		
1.3 (iii)	In special cases above qualifications may be relaxed by the Commission	-		No such deviation occurred
1.4	The Chairman of the Board and Chief Executive Officer and their clearly defined roles and responsibilities.	√		
1.5	Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	-		No such event occurred
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.	-		No such item exists
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	-		No such event occurred
1.5 (ix)	If significant variance occurs between quarterly financial performance and annual financial statements the management shall explain about the variance on their Annual Report.	√		
1.5 (x)	Remuneration to directors including independent directors.	√		
1.5 (xi)	The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the company's ability to continue as a going concern.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xix)	If the company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-		Board of Directors has recommended 12.50% (Twelve & a half percent) Stock dividend for the year 2017.
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1.5 (xxi) c)	Executives (top five salaried employees of the company other than stated in 1.5(xxi)b);	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	-		No shareholder holds more than 10% or more shares
1.5 (xxii)	In case of appointment/re-appointment of a director, the company shall disclose the following information to the Shareholders:			
1.5 (xxii) a)	A brief resume of the Director;	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	**Chief Financial Officer, Head of Internal Audit & Company Secretary**			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and their clearly defined roles, responsibilities and duties.	√		
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	√		
3.0	**Audit Committee:**			
3 (i)	Audit Committee shall be the sub-committee of the Board of Directors.	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.	√		

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 members.	√		
3.1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director.	√		
3.1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	Filling of Casual Vacancy in Committee	-		No such event occurred
3.1 (v)	The Company Secretary shall act as the secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results.	-		No such event occurred
3.4.	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		No such event happened as per audit report, thus not reported
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	√		
3.4.1 (ii) a)	Report on conflicts of interests.	-		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	√		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	√		
3.4.2	Reporting of anything having material financial impact to the Commission.	√		
3.5	Reporting to the Shareholders and General Investors.	√		
4.0	**External/Statutory Auditors should not be engaged in:**			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company.	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.0	√		
5.0	**Subsidiary Company**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√		
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√		

Condition No.	Title	Compliance Status as on 31 December 2017 (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6.0	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6 (i)	They have reviewed financial Statements for the year and that to the best of their knowledge and belief:	√		
6 (i) a)	These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.0	**Reporting and Compliance of Corporate Governance:**			
7 (i)	The company shall obtain a Certificate from a Professional Accountant/Secretary (CA/CMA/CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

REPORT ON INTERNAL CONTROL AND COMPLIANCE

Internal control and compliance is the process, effected by a company's Board of Directors, Management and other personnel designed to provide reasonable assurance regarding the achievement of organizational objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. It plays a pivotal role in preventing and detecting frauds, forgeries and protecting the organization's resources.

Bangladesh Bank, vide its Banking Regulation and Policy Department (BRPD) Circular No. 03 dated March 08, 2016 circulated the revised 'Guidelines on Internal Control and Compliance in Banks' to all scheduled banks, with advice to implement the directives of the guidelines. The Bank Company Act, 1991 as amended in 2013 requires some changes in the reporting line and Organogram of the Internal Control and Compliance Department. The revised Guidelines on Internal Control and Compliance in Banks have been prepared to implement section 15 (Ga) of Bank Company Act, 1991 and as such the reporting line of Audit and Inspection Division has been changed and the organogram redrawn up. Subsequently, BRPD vide its Circular No. 06 dated September 04, 2016 has brought in twelve (12) amendments in the revised guidelines on internal control and compliance, which were promulgated on March 08, 2016. The notable amendments, inter alia, have empowered the Head of Audit and Inspection Division, under Internal Control and Compliance (ICC) Department, to have full and free access to the Audit Committee, and the Head of ICC will report his/her activities and findings to the Senior Management. However, the Head of Audit, although a part of ICC administratively, will report directly to the Audit Committee of the Bank (ACB) and be responsible to the ACB.

As per the above directives of Bangladesh Bank, Mutual Trust Bank has revised its Internal Control and Compliance (ICC) Policy duly approved by the Board of Directors in its 204th meeting held on April 24, 2017 (Memo No. 5908). In line with the revised directives of Bangladesh Bank, the bank has also restructured its Internal Control and Compliance (ICC) Department, which is headed by a senior executive in the position of Deputy Managing Director. The three divisions of ICC Department, namely - Audit and Inspection Division, Compliance Division, and Monitoring Division have also been revamped in light of the revised guidelines.

The Bank also has a Compliance Manual duly approved by the Board of Directors.

The Internal Control and Compliance Department ensures internal control structure in the Bank with appropriate assignment, accountability of the personnel and delegation of authorities to functional management to exercise control and create a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors.

As a tool of internal control, the Audit and Inspection Division undertakes periodic and special audits and inspections on the branches and departments/ divisions of the Head Office in order to find out the weaknesses and defects in the control processes, and it reports to the Audit Committee for corrective measures to protect the interest of the Bank.

The Compliance and Monitoring Divisions of the Internal Control and Compliance Department ensure timely and proper compliance with the relevant laws, regulatory instructions, and internal policies and procedures in the day-to-day operations of the Bank by way of using various control tools. The concerned divisions assess the operational risks and take appropriate measures to mitigate the same for smooth operation of the Bank.

Overall, the Internal Control and Compliance Department reports on the serious non-compliances detected by internal and external auditors and Bangladesh Bank's inspection teams with up-to-date compliance position, large financial risk exposures, weaknesses in control mechanism and other risk areas to the Audit Committee of the Board, for review and taking appropriate remedial measures.

A Senior Management Team (SMT), headed by the Managing Director & CEO, reviews the overall effectiveness of the control system of the Bank and provides a certificate on yearly basis to the Board of Directors on the effectiveness of internal control policies, practices and procedures.

The overall internal control and compliance position of the Bank was at satisfactory level during the year 2017.

REPORT OF BOARD AUDIT COMMITTEE

MTB formed an Audit Committee on January 18, 2003 comprising 03 (three) members of the Board in compliance with BRPD Circular no. 12 dated December 23, 2002 of Bangladesh Bank as well as the Notification (SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006) of the Securities and Exchange Commission. The MTB Board Audit Committee was reconstituted by the MTB Board of Directors at its 191st Board meeting held on Thursday, April 28, 2016 comprising 04 (four) members of the Board as per BRPD Circular No. 11 dated October 27, 2013 and in line with the SEC's Notification No. SEC/CMRRC/2006-158/129/Admin/43 dated July 03, 2012.

Role of the Committee

The Audit Committee is a Committee of the Board of Directors responsible for oversight of the financial reporting process, selection of the independent auditor, and receipt of audit reports, both internal and external. The Committee assists the Board of Directors to fulfill its corporate governance and oversee the responsibilities in relation to an entity's financial reporting, internal control system, internal and external audit functions and compliance with applicable laws, rules & regulations. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference/charter. In order to fulfil the same, MTB Board Audit Committee performs, among others, the following functions:

a) Internal Control:

i. Evaluates whether the management has set the appropriate compliance culture by communicating the importance of internal control and clearly defining the duties and responsibilities of the Bank officials, and whether the management has full control over their activities.

ii. Reviews the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications.

iii. Considers whether the internal control strategies/structures recommended by internal and external auditors from time-to-time have been implemented by the management.

iv. Reviews the corrective measures taken by the management as regards the incidents relating to frauds-forgeries, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities and inform the Board on regular basis.

b) Financial Reporting:

i. Reviews the annual financial statements and verifies whether full and fair disclosures of information have been made therein, and whether statements have been prepared in accordance with the existing rules & regulations in the country and accounting standards, including the standards set by Bangladesh Bank.

ii. Meets with the management and the external auditors to exchange views before finalization of the financial statements.

c) Internal Audit:

i. Ensures the internal audit functions are dealt with independently and reports are submitted to the Audit Committee of the Bank.

ii. Reviews the internal audit functions and organizational structure in order to ensure that unjustified restrictions or limitations do not create a hindrance to audit functions.

iii. Reviews the efficiency and effectiveness of internal audit functions.

iv. Checks that the findings and recommendations made by the internal auditors for removing the irregularities are duly acted upon by the management in running the affairs of the Bank.

d) External Audit/Independent Audit:

i. Reviews the audit performance of the external auditors and the audit reports.

ii. Checks that the findings and recommendations made by the external auditors for removing the irregularities are duly acted upon by the management in running the affairs of the Bank.

iii. Makes recommendations to the Board regarding the appointment of the external auditors for conducting the audit work of the Bank.

e) Compliance with Existing Laws, Rules & Regulations:

Reviews whether the rules and regulations framed by the regulatory authorities (Bangladesh Bank and other agencies) and internal policies approved by the Board of MTB are being complied with.

f) Other Responsibilities:

i. Places compliance report before the Board regarding regularization of the errors, omissions, frauds, forgeries and other irregularities as detected by the internal and external auditors and inspection teams of Bangladesh Bank.

ii. Ensures that the internal and external auditors submit evaluation reports to the Committee on a particular issue.

iii. Performs other oversight functions as requested by the Board, and its own performance is evaluated on a regular basis by the Board of Directors.

Composition of the Committee:

The members of the Audit Committee are:

1. Mr. Anwarul Amin
   Independent Director: Chairman
2. Mr. Rashed Ahmed Chowdhury
   Director: Member
3. Mrs. Khwaja Nargis Hossain
   Director: Member
4. Dr. Sultan Hafeez Rahman
   Independent Director: Member

The Company Secretary of the Bank functions as the Secretary of the Committee as per regulatory guidelines. The Managing Director & CEO, other members of the management, representatives of the external auditors, Group Head of Internal Control and Compliance, Head of Credit Risk Management, Head of Group Finance, Head of Internal Audit, Head of Special Assets Management and other officials are invited to attend the meetings as and when the Committee requires their presence.

Meetings:

The Committee regularly meets the Heads of Internal Control and Compliance, Credit Risk Management, Group Finance, Head of Internal Audit, Special Assets Management, other Bank officials and also the external auditors to discuss the Bank's financial reporting, audit review, internal control & compliance position, recovery of non-performing loans (NPL) and other relevant matters.

During the year 2017, four meetings of the MTB Board Audit Committee were held.

Activities:

During the year under review, the Committee, inter alia, focused on the following activities:

- Reviewed the internal audit plan for the year 2017 and followed up on its implementation status.
- Reviewed the draft financial statements and recommended the same to the Board for consideration after the meeting with the representatives of the external auditors.
- Reviewed the Management Letter issued by the external auditors, management response thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviewed the quarterly financials of the Bank, prepared to evaluate the performance, for onward submission to the shareholders as a statutory requirement.
- Reviewed the major internal audit findings (Branches and Divisions/Departments of Corporate Head Office) with a view to taking corrective action on time.
- Reviewed the major findings/observations of Bangladesh Bank's Inspection Reports and advised the management of the Bank to take steps for rectification of lapses/irregularities toward fulfilling the compliance requirements of the regulator.
- Reviewed the Self-Assessment of Anti-Fraud Internal Controls of the Bank.
- Reviewed the Integrated Annual Health Report of the Bank as a regulatory requirement and advised the management of the Bank to take steps for further improvement of the financial health of the Bank.
- Placed compliance reports/minutes before the Board detailing the decisions taken/ recommendations made by the Committee in its various meetings for information/concurrence of the Board.

Approval of Financial Statements:

The Audit Committee reviewed and examined the Annual Financial Statements, 2017 prepared by the management and audited by the External Auditors A. Qasem & Co. and recommended to place the same before the Board for consideration.

The Board approved the same in its 219th meeting held on April 17, 2018.

Acknowledgement:

The MTB Board Audit Committee expresses its sincere thanks and gratitude to the Board of Directors, management and the auditors for their support in smooth operation of the Bank.

Anwarul Amin
Chairman
MTB Board Audit Committee

REPORT OF THE ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE (BRMC)

Managing risk is an integral part of Mutual Trust Bank's (MTB) business strategy. Our risk management approach focuses on ensuring continued financial stability of MTB, and safeguarding the interests of our stakeholders, while remaining alert to seize value-creating business opportunities in a fast-changing business environment. We are committed to maintaining high standards of corporate governance, sound risk management principles, and business practices to achieve sustainable long-term growth. We continuously strive towards best risk management practices to support our strategic objectives.

The Board Risk Management Committee of MTB was formed in 2014, in compliance with the Bangladesh Bank's BRPD Circular No. 11, dated October 27, 2013. The purpose of the Committee is to assist the Board in fulfilling its responsibility with respect to:-

1. Oversight of the risk management framework, including significant policies and practices used in managing credit, market, operational and certain other risks
2. Oversight of policies and practices relating to funding risk, liquidity risk and pricing risk, which constitute significant components of market risk, and risks pertaining to capital management and
3. Oversight of the performance of the loan portfolio.

The Committee reports to the Board of Directors regarding risk profile of the bank, as well as its risk management framework, including the significant policies and practices employed to manage risks in businesses, as well as the overall adequacy of the Risk Management function.

Composition

The Committee, presently consists of the following Directors, nominated by the Board of Directors:

1. Dr. Arif Dowla, Director-Chairman of the Committee
2. Mr. Hedayetullah, Director-Member
3. Mr. Md. Abdul Malek, Director-Member
4. Mr. Q.A.F.M. Serajul Islam, Director-Member
5. Mr. Anis A. Khan, Managing Director & CEO-Member

Activities in 2017

During the year, four (4) BRMC meetings were held. The Committee worked very closely with the key management personnel and the Board in fulfilling its statutory, fiduciary and regulatory responsibilities for risk management. In this regard, the Committee's main functions in 2017 were as follows:

- to assess all risks including credit, market, liquidity, operational and strategic risks on a regular basis via appropriate risk indicators and MIS reports.
- to review sector-wise exposure, earning and non-performing loans (NPL), in order to ensure that risk exposure in higher NPL sectors are compensated through appropriate loan pricing.
- to review the adequacy and effectiveness of all management level committees, and to manage the associated risks within the quantitative and qualitative risk limits.
- to ensure that the risks of the Bank are within prudent levels, decided by the Committee, based on the Bank's risk appetite and regulatory requirements. Need based corrective actions, as needed, are tom be taken promptly.
- to review the risk policy/manual/guideline before placing it to the Board for approval.
- to review the progress of Basel III Roadmap implementation, and associated capital adequacy planning in the long term.
- to minimize documentation errors under residual risk of Basel III for reducing the additional capital requirement against Risk Weighted Assets of the bank.
- to move high risk weighted exposure to lower risk weighted category in order to reduce the capital requirement of the bank.
- to ensure an optimum level of dividend, suggesting risk addressed steps to improve the profitability, in the short term and advising appropriate action steps for reduction of the NPLs.
- to ensure the asset quality and increase profitability of the bank by exercising extreme caution while booking/marketing new customers.

During the year under review, the Committee supported and moved forward the Bank's business strategy and reinforced its values in the context of a clearly articulated risk appetite and effective risk management system.

Dr. Arif Dowla
Chairman
MTB Board Risk Management Committee

MESSAGE ON RISK MANAGEMENT BY GROUP CHIEF RISK OFFICER (GCRO)

MTB recognizes that the risk environment changes and evolves over time. Risks develop in new or unexpected ways. Keeping it in mind, MTB is fully committed to applying a judicious approaches to risk management to ensure that the risk management practices and systems are robust, independent and aligned with the global practices. MTB's Risk Management (RM) framework is outlined in MTB's Risk Management policy and is supported by the frameworks for each risk categories, including credit, market, operation, liquidity, strategic etc. The RM framework is stringently applied across the Group and provides a sound foundation for reducing uncertainty and volatility in business performance. All risk categories are managed through appropriate governance structure, approved risk appetite set by the Board, stress testing and robust capital management.

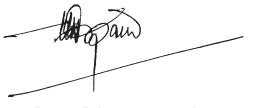
MTB's governance structure specifies the policies, principles and procedures for making decisions about corporate direction. Governance structure decides rights and responsibilities among different stakeholders - board of directors, employees, shareholders etc. Its risk governance structure follows the principles of ethics, transparency, fairness of key people, clear accountability, skill development and competencies, compensation architecture etc.

MTB's risk appetite forms the basis for all strategic decisions MTB makes. The bank is relentlessly monitoring the exposures against the risk appetite on an ongoing basis. Capital management is the key component of MTB's risk management and aims at achieving the appropriate balance between risk appetite and the amount of capital required to support each of the businesses. MTB's consolidated CRAR of 13.76% in 2017, which is above the minimum regulatory requirement, shows its strong capacity of absorbing credit risk, market risk and operational risk. MTB manages credit risk through a robust process that enables the bank to proactively manage its loan portfolio in order to minimize the losses, and earn an acceptable level of return for its shareholders. Market risk is managed by balancing changes in different market variables, namely interest rate, foreign exchange rate and equity/stock price. Operational risks of the bank are being managed by ensuring the adequacy of people and successful implementation of processes and systems. Moreover, extra cautions are always taken to minimize the losses that arises from external events.

Moreover, another key capital management tool used by MTB is Internal Capital Adequacy Assessment Process (ICAAP) to manage, allocate and monitor capital for planning and performance purposes. MTB's capacity to maintain adequate capital is presently sufficient to cover all possible risks in the business, such as, residual risk for documentation lapses or valuation error, concentration risk, reputational risk, settlement risk, environmental and climate change risk, strategic risk and liquidity risk. To strengthen its preparedness in stressed situation, MTB has adopted Stress Testing techniques to measure its vulnerability to the impacts of exceptional but plausible events. The test is conducted quarterly assuming three levels of shocks, minor, moderate and major on interest rate changes, forced value of collaterals, NPLs, share prices, foreign exchange rate, changes in credit rating and liquidity, and the findings are submitted to All Risk Committee (ARC), the Board Risk Management Committee (BRMC), the Board and the Bangladesh Bank. The Bank use stress tests to support its capital plan.

Liquidity risk framework is designed to ensure that MTB has sufficient high-quality liquid assets at all times, including at times of severe stress, to meet liabilities as they fall due. Liquidity risk is monitored against specified limits within the Board-approved risk appetite and supporting processes to ensure that contingency plans are in place to address crisis situations. In this regard, MTB is maintaining a strong liquidity base reflecting its sound position in the industry. Cash Reserve Ratio (CRR) and Statutory Liquid Reserve (SLR) of the Bank are above the regulatory standard of 6.5% and 13% respectively. Short-term resilience of the bank is reflected through 127.92% Liquidity Coverage Ratio (LCR) against regulatory standard of at least 100%. MTB shows resilience over the longer time horizon as it is capable of funding its activities with more stable sources of funding on an ongoing structural basis. This is reflected in its Net Stable Funding Ratio (NSFR) of 100.85% in 2017 against regulatory standard of al least 100%.

MTB is intelligently balancing its risk and reward through maintaining strong corporate governance, judicious capital buffer, adequate liquidity reserves and satisfactory profitability. By this way it is contributing to the country's financial stability and growth.



Md. Zakir Hussain
Deputy Managing Director and Group CRO

MARKET DISCIPLINE PILLAR III DISCLOSURE

Disclosures on Risk Based Capital (Basel III)

1. Introduction

Bangladesh Bank (BB) issued Guidelines on Risk Based Capital Adequacy (a revised regulatory capital framework for banks in line with Basel III) in December 2014, in accordance with Basel III, a global regulatory framework for more resilient banks and banking systems, issued by Basel Committee for Banking Supervision (BCBS) in 2010.

The objectives of Market Discipline in the revised framework is to establish more transparent, and more disciplined financial market, so that stakeholders can assess the position of a bank regarding holding of assets, and to identify the risks relating to the asset and capital adequacy to meet probable loss of assets. We are providing the following detailed qualitative and quantitative disclosures, in accordance with Guidelines on Risk Based Capital Adequacy by Bangladesh Bank.

2. Disclosure Policy

Bank calculates Risk Weighted Assets (RWA) under the following approaches as per Basel III guidelines (BRPD circular no.18, dated December 21, 2014):

(a) Standardized approach for credit risk

(b) Standardized approach for market risk

(c) Basic indicator approach for operational risk.

3. Components of Disclosure Framework:

i) Scope of application ii) Capital structure iii) Capital adequacy iv) Credit risk v) Equities: disclosures for banking book positions vi) Interest Rate Risk in the Banking Book (IRRBB) vii) Market risk viii) Operational risk ix) Leverage ratio x) Liquidity ratio xi) Remuneration

Quantitative Disclosures

i. Scope of Application:

The Risk Based Capital Adequacy framework applies to all banks on 'Solo' and 'Consolidated' basis. The framework on 'Solo' basis refers to all positions of the bank, its local and overseas branches/offices, and 'Consolidated' basis includes subsidiary companies, if any. Mutual Trust Bank Limited (MTB) applies both the frameworks on "Solo" and "Consolidated" basis, as the bank has three subsidiaries, namely i) MTB Securities Limited ii) MTB Capital Limited iii) MTB Exchange (UK) Limited.

ii. Capital Structure

Qualitative Disclosures

The terms and conditions of the main features of all capital instruments have been segregated in terms of eligibility criteria (BRPD circular no. 18 dated December 21, 2014 and other instructions given by Bangladesh Bank).

Tier-I Capital consists of Common Equity Tier-I (CET-I), and Additional Tier-I Capital. MTB has no additional Tier-I Capital. CET-I Capital of MTB comprises Paid-up Capital, Statutory Reserve, General Reserve, Retained Earnings, and Minority Interest in Subsidiaries. Supplementary Capital (Tier-II) comprises General Provisions (on unclassified and Special Mention Account (SMA) loans and off-balance sheet exposure), Revaluation Reserves for Securities, Fixed Assets, and Equities, following the deductions as per Basel III guidelines, MTB's Partially Convertible Subordinate Bond, as approved by Bangladesh Bank (BB), and Bangladesh Securities and Exchange Commission (BSEC).

Total Eligible Capital

BDT Million

Particulars	Solo	Consolidated
Common Equity Tier-I Capital:		
Paid-up Capital	5,096.56	5,096.56
Statutory Reserve	3,622.22	3,622.22
General Reserve	616.78	616.78
Retained Earnings	1,632.48	1,722.34
Minority Interest in Subsidiaries	-	0.12
Regulatory Adjustments/Deductions		
Goodwill and Other Intangible Assets	101.34	101.34
Investments in own CET-I Instruments/Shares	0.00	0.00
Deferred Tax Assets (95% as per BB Guideline)	889.11	889.11

BDT Million

Particulars	Solo	Consolidated
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.09	0.09
Total Common Equity Tier-I Capital	9,977.49	10,067.48
Additional Tier-I Capital	-	-
Total Tier-I Capital	9,977.49	10,067.48
Tier-II Capital:		
General Provision	2,605.72	2,605.72
Revaluation Reserves	260.13	260.13
Subordinated Debt	6,159.21	6,239.20
Regulatory Adjustment/Deduction	156.08	156.08
Total Tier-II Capital	8,868.98	8,948.97
Total Eligible Capital	**18,846.47**	**19,016.45**

iii. Capital Adequacy

Qualitative Disclosures

a. Capital Calculation Approach

The assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank (BB): standardized approach for credit and market risk, and basic indicator approach for operational risk.

b. Capital of the Bank

BDT Million

Capital Adequacy	Solo	Consolidated
Capital Requirement for Credit Risk	12,302.42	12,331.27
Capital Requirement for Market Risk	377.45	449.51
Capital Requirement for Operational Risk	979.84	1,041.67
Total Capital Requirement	13,659.71	13,822.45
Total Eligible Capital	18,846.47	19,016.45
Capital to Risk Weighted Asset Ratio (CRAR)	13.80	13.76
Common Equity Tier-I Capital Ratio (%)	7.30	7.28
Total Tier-I Capital Ratio (%)	7.30	7.28
Tier-II Capital Ratio (%)	6.49	6.47
Capital Conservation Buffer	1,707.46	1,727.81
Available Capital for Pillar-II requirement	**3,479.30**	**3,466.19**

MTB follows the following principles in maintaining its capital base:

- A strong capital to Risk Weighted Asset Ratio (CRAR);
- Capital at a reasonable level to absorb all material risks;

MTB ensures compliance with the regulatory requirements, and satisfaction of external rating agencies and other stakeholders including depositors.

c. Capital Management

- Initiative to ensure adequate capital encompasses:
- Issuing subordinated debt to raise Tier-II capital;
- Encouraging borrowers to complete external credit rating to assess counterparty credit risk status, and minimizing regulatory capital requirements;
- Improving and enhancing collateral coverage through efforts to obtain eligible collateral;

- Assessing risk profile, and credit rating of new clients.

MTB's CRAR is periodically reviewed by the Risk Management Division (RMD), and reported to the senior management and the Board.

iv. Credit Risk

Qualitative Disclosure

MTB manages credit risk through a robust process that enables the bank to proactively manage its loan portfolio in order to minimize losses, and earn an acceptable level of return for its shareholders.

Credit Risk Management at MTB

MTB's Credit Policy Manual (CPM), approved by the Board of Directors, defines organizational structure, roles, responsibilities and processes, whereby, credit risks can be identified, quantified, and managed. Credit instruction manuals address regulatory issues, and establish control points. MTB credit approval process specifies all conceivable aspects including eligibility of the borrower, requirement of papers/ information/documents, borrower's stake, and all other issues related to borrowing. The credit policy encompasses, all operational issues of credit, right from selection of borrower to the ultimate recovery, including transfer process of delinquent account and treatment of slow, overdue accounts, Special Mention Accounts (SMA), and classified loan accounts. MTB manages credit risk through continuous measuring, and monitoring of risks at obligor (borrower) levels and portfolio level, and follows the Credit Risk Grading (CRG) model of Bangladesh Bank, and has deployed a credit appraisal/approval process. The CRG model captures both the quantitative and qualitative issues, related to management risk, business risk/industry risk, financial risk, security risk and relationship risk, while assessing the overall grading of borrowers. We also get credit rating of our clients by External Credit Assessment Institutions (ECAIs). In 2017, MTB's total number of rated clients is 1,770, which was 1,430 in the previous year. For ensuring smooth and quality credit operations, good governance, quick approvals, better control, and making safe and secured lending have been emphasized.

Loan Classification

All the loans and advances are grouped into four categories for the purpose of classification, which are: (i) Continuous Loan (ii) Demand Loan (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro-Credit.

Continuous & Demand Loans are classified as:

- Sub-standard - if past due for 3 months or more, but less than 6 months;
- Doubtful - if past due for 6 months or more, but less than 9 months;
- Bad/Loss - if past due for 9 months or more.

Fixed Term Loans amounting up to 10 lacs are classified as:

- Sub-standard - if the defaulted installment is equal to, or more than the amount of installment (s) due within 6 (six) months;
- Doubtful - if the defaulted installment is equal to, or more than the amount of installment (s) due within 9 (nine) months;
- Bad/Loss - if the defaulted installment is equal to, or more than the amount of installment(s) due within 12 (twelve) months.

Fixed Term Loans for more than 10 lacs are classified as:

- Sub-standard - if the defaulted installment is equal to, or more than the amount of installment (s) due within 3 (three) months;
- Doubtful - if the defaulted installment is equal to, or more than the amount of installment(s) due within 6 (six) months;
- Bad/Loss - if the defaulted installment is equal to, or more than the amount of installment(s) due within 9 (nine) months.

Short-term Agricultural and Micro Credit are classified as:

- Sub-standard - if the irregular status continues after a period of 12 (twelve) months;
- Doubtful - if the irregular status continues after a period of 36 (thirty-six) months;
- Bad/Loss - if the irregular status continues after a period of 60 (sixty) months.

A continuous credit, demand loan or term loan which remains overdue for a period of 60 days or more is classified as a "Special Mention Account (SMA)".

BDT Million

Credit Risk	Amount
a) Total gross credit risk exposures broken down by major types of credit exposure	
Term Loan	38,044.47
SME Financing	18,019.40
Consumer Financing	213.39
Retail Financing	5,337.75
General Loans	4,200.64

BDT Million

Credit Risk	Amount
Demand Loan	3,509.30
Payment Against Documents (PAD)	459.94
Trust Receipts	9,563.98
Lease Finance	433.46
Export Development Fund	5,925.19
House Building Loan	4,562.34
Staff/Employee Loan	632.71
Loan to MTB Securities Limited	200.00
Loans and Advances - Off-shore Banking Unit	9,036.10
Loan disbursed by MTB subsidiaries	2,787.49
Cash Credit	26,045.44
Packing credit	435.28
Secured Overdraft	14,022.32
Bills purchased and discounted	-
Payable in Bangladesh	2,022.33
Payable outside Bangladesh	155.46
b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	
Urban	
Dhaka Division	103,836.88
Chittagong Division	25,754.19
Rajshahi Division	4,716.80
Sylhet Division	1,075.36
Khulna Division	1,632.45
Rangpur Division	2,898.12
Barisal Division	436.17
Mymensingh Division	691.92
Rural	
Dhaka Division	2,665.64
Chittagong Division	1,548.76
Rajshahi Division	-
Sylhet Division	131.36
Khulna Division	-
Rangpur Division	97.33
Barisal Division	-
Mymensingh Division	122.01
c) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	
Agriculture	3,545.37
RMG	19,016.65
Textile	13,446.17
Ship Building	2,106.34
Ship Breaking	3,673.62
Other Manufacturing Industry	22,918.18
SME Loans	19,576.94
Construction	1,242.96
Power and Gas	2,216.06

AMAR STOCK

BDT Million

Credit Risk	Amount
Transport, Storage and Communication	1,270.28
Trade Service	33,143.23
Commercial Real-estate Financing	4,561.34
Residential Real-estate Financing	685.50
Consumer Credit	7,448.22
Capital Market	2,987.50
Financial Institutions	4,027.29
Advances to Managing Director and Senior Executives	632.70
Others	3,108.64

d) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure

On demand	15,281.24
Not more than three months	35,656.99
More than three months, but less than one year	48,606.87
More than one year, but less than five years	36,900.16
More than five years	9,161.73

e) Amount of Impaired Loans

BDT Million

Particulars	Amount
Continuous Loans	1,310.08
Demand Loans	301.43
Term Loans	4,480.25
Short-Term Agro-Credit and Micro-Credit	176.61
Total	**6,268.36**

Specific and General Provisions

Specific and general provisions are made on the amount of classified and unclassified loans and advances/ investments respectively, exposures of off-balance sheet, and Offshore Banking Units of the Bank.

BDT Million

Particulars	Amount
Provision on unclassified loans and advances/ investments including Off-shore banking unit	2,016.42
Provision on classified loans and advances/ investments	2,398.34
Provision on off-balance sheet exposure	589.30
Total	**5,004.06**

Guidelines for Loan Loss Provisions

The Bank follows Bangladesh Bank guidelines regarding loan classification, provisioning, and any other issues related to Non-Performing Loan (NPL), internal credit guidelines, direct loan provisioning, review procedure, loan write-off, facility grading, reporting requirement, and interest recognition.

Particulars	Rate
General Provision	
Against all unclassified loans (Standard and SMA) of Small and Medium Enterprise (SME)	0.25%
Against all unclassified loans and off-balance sheet exposures (Other than loans under Consumer Financing (CF), SME Financing, Loans to Brokerage House, Merchant Banks, Stock dealers)	1%

AMARSTOCK

Particulars	Rate
On unclassified amount for Housing Finance (HF) and Loans for Professionals (LP) to set up business & Credit Card Loans under consumer financing scheme, loans to Brokerage House, Merchant Banks, Stock dealers.	2%
On unclassified amount for consumer financing other than HF & LP	5%
Specific Provision	
Specific provision on Sub-standard and Doubtful loans and advances for Short Term agri. credit & Micro credit	5%
Specific provision on Sub-standard loans and advances except Short Term agri. credit & Micro credit	20%
Specific provision on Doubtful loans and advances except Short Term agri. credit & Micro credit	50%
Specific provision on Bad and Loss loans and advances	100%

Throughout the year, loans and advances were reviewed to assess whether objective evidence of impairment had arisen.

f. Movement of NPA, and specific provision for NPA

The following table gives MTB's movement of NPAs, and specific provision for NPA

BDT Million

Gross Non-Performing Assets (NPAs)	Amount
Non-Performing Assets (NPAs) to Outstanding Loans & Advances (%)	4.30
Movement of Non-Performing Assets (NPAs)	
Opening balance	4,983.09
Additions	3,849.12
Reductions	(2,563.85)
Closing Balance	**6,268.36**
Movement of specific provisions for NPAs	
Opening balance	2,050.92
Provisions made during the period	445.88
Less: Write-off	98.46
Write-back of excess provisions	-
Closing Balance	**2,398.34**

v. Equities: Disclosures for banking Book Positions

MTB Securities Limited, a corporate member of Dhaka Stock Exchange Limited (Member No. 197), executes the stock brokerage functions of MTB. For equity financing, only investment in unquoted securities are considered as Banking Book assets; investment in equity for relationship or strategic reason is considered under trading book. Investment in equity securities is broadly categorized into two parts:

i) Quoted securities (common or preference shares and mutual funds) - Traded in the secondary market (trading book assets)

ii) Unquoted securities- Categorized as banking book equity exposures, which are further, sub-divided into two groups:

a) Unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held-to-Maturity (HTM);

b) Unquoted securities acquired under private placement or IPO that are going to be traded in the secondary market after completing required formalities.

The primary aim is capital gain or dividend income. Dividends received from these equity securities are accounted for as and when received. Both quoted and un-quoted equity securities are valued at cost, and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank (BB) guidelines, Held-for-Trading (HFT) equity securities are mark-to-market (revalued) once a week, and HTM equity securities are amortized annually. HTM securities are revalued, if reclassified to HFT (with approval of the Board of Directors). The quoted shares of the bank are valued at cost or market price, whichever is lower.

BDT Million

Equities	Amount
a) Value disclosed in the balance sheet of investments, as well as, the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	
Cost price	540.22
Market price	441.30
Difference	(98.92)
b) Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	
c) Total unrealized gains (losses)	(98.92)
d) Total latent revaluation gains (losses)	-
e) Any amounts of the above included in Tier II capital	-
f) Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	
Specific Risk	79.91
General Market Risk	79.91

vi. Interest Rate Risk in the Banking Book

Interest rate risk arises when changes in market interest rates adversely affect bank's financial condition, affecting both current earnings (earnings perspective), and net worth of the bank (economic value perspective).

The short-term impact of changes in interest rates is on the bank's Net Interest Income (NII). The longer-term changes in interest rates affect asset cash flows, liabilities, and off-balance sheet items. This poses a risk to the net worth of the bank, arising out of all re-pricing mismatches, and other interest rate sensitive positions. MTB assesses the economic value at risk due to interest rate shock on a quarterly basis.

BDT Million

Interest Rate Risk in the banking book			Amount
Total Risk Sensitive Assets			107,364.70
Total Risk Sensitive Liabilities			104,347.00
Cumulative Gap			
< 3 months			(18,333.20)
3-6 months			(57.00)
6-12 months			21,407.90
CRAR before Shock (%)			13.76
Assumed Change in Interest Rate (%)	1%	2%	3%
Net Interest Income and Repricing impact (%)			
CRAR after Shock (%)	12.96	12.16	11.37

vii. Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in different market variables, namely:

- Interest rate movements;
- Foreign currency exchange rate movements;
- Equity/stock price movements.

MTB's Market Risk Policy, approved by the Board, covers assessment, monitoring, and management of the market risks. The Board sets limits, and reviews compliance on a regular basis, in order to provide cost effective funding to finance asset growth, and trade related transactions.

a. Methods Used to Measure Market Risk

Standardized approach for market risk calculates the minimum capital requirement, for each risk sub-category, in terms of two separately calculated capital charges for "specific risk" and "general market risk".

b. Market Risk Management System

The Treasury Department manages market risk covering liquidity, interest rate, and foreign exchange risks, with oversight from Asset Liability Management Committee (ALCO), comprising of senior executives of the bank. The Managing Director and CEO of the bank chairs the ALCO, and meetings are held at least once in a month.

c. Policies and Process for Managing Market Risk

There are approved limits for credit deposit ratio, liquid asset to total asset ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items, and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to mitigate market risks. The Treasury Department of the Bank reviews the prevailing market conditions, exchange rates, foreign exchange position, and transaction to mitigate foreign exchange risks on a daily basis. Foreign exchange risk is computed on the sum of net short positions, or net long positions, whichever is higher of the foreign currency positions held by the bank.

BDT Million

Quantitative Disclosure of Market Risk	Amount
Capital Requirement for:	
Interest Rate related instruments	85.60
Equities	159.82
Foreign Exchange Position	204.09
Commodity Risk	-
Total	**449.51**

viii. Operational Risk

Operational risk arises from inadequate or failed internal processes, people and systems, or from external causes, whether deliberate, accidental or natural - inherent in all of the Bank's activities. The policy for operational risks, including internal control and compliance risk, is approved by the Board, taking into account relevant guidelines of Bangladesh Bank. The Audit Committee of the Board directly oversees the activities of the Internal Control and Compliance Department (ICCD) with the object of mitigating all operational risks.

a. Performance Gap of Executives and Staff

MTB tries to staff with excellent quality of personnel by offering competitive remuneration packages, and by ensuring workplace safety for its employees with consistent adoption of best employment practices, and constantly following the policy of non-discrimination regarding compensation, health and safety. Its strong brand image plays an important role in employee motivation. Combination of all these has created a very strong choice among the workforce of banking industry for MTB as being professionally an ideal place of choice.

b. Systems

MTB has invested heavily in IT infrastructure for better automation, online transaction platform and network links to avoid business disruption and system failure. The Bank's IT system does not allow any kind of external access, ensuring safeguarding from external fraud (theft/ hacking of information assets, forgery etc.).

c. Policies and Processes for Managing Operational Risk

MTB has Risk Management Division in place. Its objectives are mainly to identify, assess, monitor, control and manage risks including operational risks and also to rectify risk events, and implement any additional procedures required for compliance. As per the internal control and compliance policy, 2017 of the bank, Group Internal Control & Compliance Department (ICCD) is conducting risk based internal audit. To do these, the activities of branches are being rated in terms of their risk status. It is the policy of the bank to conduct audit on all the branches at least once a year. ICCD directly reports to the Audit Committee of the Board. Human Resource Division of MTB has also introduced a vigorous Performance Management System (PMS) to evaluate human resources in terms of performance, and instill a performance-based culture within the organization.

BDT Million

Quantitative Disclosure of Operational Risk	Amount
Capital requirement for Operational Risk	1,041.67

ix. Leverage Ratio

As an additional safeguard against model risk, and measurement error by supplementing the risk-based measure, a non-risk based regulatory leverage ratio has been introduced with a simple, transparent and independent measurement of risk. The Basel III leverage ratio is defined as the capital measure (Tier-I capital of the risk based capital framework) divided by the exposure measure, this ratio is expressed as a percentage.

BDT Million

Components	Amount
Leverage Ratio (%)	4.24
On-Balance Sheet Exposure	199,355.59
Off-Balance Sheet Exposure	38,986.62
Total Exposure after regulatory adjustment	**237,351.66**

x. Liquidity Ratio

To measure the liquidity status of banks, Bangladesh Bank, in line with Basel Committee on Banking Supervision, has introduced two new standards for better liquidity management- Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), under Basel III accord. The LCR aims to ensure that a bank maintains adequate level of High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for 30 calendar days, under stressed scenario. The NSFR aims to limit over-reliance on short term wholesale funding during times of abundant market liquidity, and encourage better assessment of liquidity risk across all on and off-balance sheet items. Regulatory standards for LCR ratio is '≥100%' and for NSFR ratio is '>100%'.

MTB manages liquidity risk in accordance with its ALM Policy. This policy is framed as per the regulatory guidelines, and is approved by the Board of Directors. The ALM Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. MTB's ALCO formulates and reviews strategies, and provides guidance to manage liquidity risk within the framework laid out in the ALM Policy. The committee proactively manages liquidity risk as a part of its ALM activities. MTB uses various tools to measure liquidity risk, which include Statement of Structural Liquidity (SSL), Liquidity Cash Flow Statements, Liquidity ratios and Stress Testing through scenario analysis etc. MTB management has also framed a Liquidity Contingency Plan (LCP), which serves as a framework for early identification and calibrated action in the event of tight liquidity conditions. The LCP includes various indicators, which are monitored regularly, and lays down the mechanism for escalation, remedial action, and crisis management until return to normalcy.

BDT Million

Components	Amount
Liquidity Coverage Ratio (%)	127.92%
Net Stable Funding Ratio (%)	100.85%
Stocks of high quality liquid assets	35,710.67
Total net cash outflows over the next 30 calendar days	27,916.41
Available amount of stable funding	151,784.93
Required amount of stable funding	150,504.31

xi. Remuneration

a. The bodies that oversee remuneration

MTB aims to attract, retain, and motivate the best people who are committed to maintaining a career with the bank, and who will perform their role in the long-term interests of the bank.

A vigorous and effective governance framework ensures that the bank operates within clear parameters of its compensation strategy. All compensation matters are overseen by MTB Group HR in consultation with Deputy Managing Directors, Additional Managing Director and Managing Director & CEO. In this process, evaluating market conditions and adjusting cost of living remuneration is set. The remuneration is finally approved by the Board of Directors.

b. Design and Structure of Remuneration

The Bank has adopted a Board approved promotion policy. All eligible candidates for promotion are evaluated strictly in terms of the provision of the promotion policy and subsequently recommended by the promotion committee comprising of the following:

Designation	As
Additional Managing Director	Chairman
All Deputy Managing Directors	Members
MTB Group Head of HR	Member Secretary
MTB Group Head of Internal Control & Compliance	Member

c. Performance and pay-nature and type of measures:

The Bank uses objective based performance management system. The employees of the bank set objectives on the basis of the job description /assignment at the beginning of the year. Mid-year review is conducted to ascertain the progress report. Finally, performance of the employees are evaluated at the end of the year. The performance bonus for employees is linked to the overall performance of the bank.

d. Variable remuneration

Variable remuneration is performance related and consists primarily of the annual performance bonus. As a part of variable remuneration, the annual bonus rewards delivery of operational and financial objectives, the individual performance of the employees in achieving those objectives.

The cluster heads and divisional/departmental heads recommend Incentive Bonus for employees working under their supervision. All recommendations examined and evaluated by a committee known as Bonus Committee. The structure of the committee is as under:

Designation	As
Additional Managing Director	Chairman
All Deputy Managing Directors	Members
MTB Group Head of HR	Member Secretary
MTB Group Head of Internal Control & Compliance	Member
MTB Group Chief Financial Officer	Member

The remuneration is a combination of fixed pay and variable pay. The variable pay is higher at senior levels than that of junior levels.

e. Number of employees received variable remuneration award

Employees received variable remuneration award for the year 2017 for their extra ordinary effort to ensure business profitability:

Category	Number of employees
Executives	1
Officers	1

f. Total amount of severance payment:

Total amount of BDT 50,014,045 (fifty million fourteen thousand forty five only) disbursed to 57 outgoing employees as severance payment for the year 2017 at the time of releasing them from the service of the bank.

SCOPE OF INTEGRATED REPORTING

Integrated reporting means the integrated representation of a company's performance in terms of both financial and other value relevant information. It provides greater context for performance data, clarifies how value relevant information fits into operations or a business, and may help make company decision making more long-term. Establishing a correlation between a bank's business activities and the impact on society in terms value addition is, by its nature, very challenging. 2017 Annual Report of MTB for the first time has been presented as an 'Integrated Report' with the aim of articulating how Mutual Trust Bank Limited, as an organization, has excellently managed its business to deliver consistent value to its stakeholders.

As a forward-looking enterprise, in presenting the Integrated Report, we have referred to the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC).

In explaining the Company's operations and financial performance, financial information so disclosed has been extracted from the Audited Financial Statements for the financial year ended 2017 with relevant comparative information. The financial statements consistently comply with the requirements of

- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRS);
- The Companies Act, 1994;
- The Bank Companies Act, 1993 (amended 2013);
- The Securities and Exchange Rules 1987;
- Relevant rules and regulations of Bangladesh Bank (The Central Bank); and
- Other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source.

The sustainability requirements, as elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework.

To report our corporate governance practices, we have drawn reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC).

The company has the following external assurance for obtaining reports in period under consideration;

1. A. Qasem & Co. Chartered Accountants, an independent member of Ernst & Young (EY)
   - Financial Statements Audit Report for 2017
2. MABS & Partners Chartered Accountants
   - Corporate Governance Certification
3. Khan Wahab Shafique Rahman & Co., a member of mgiworldwide
   - Provident Fund Financial Audit
   - Gratuity Fund Valuation
   - Eligibility Compliance of MTB for participating in the Investment Promotion and Financing Facilities (IPFF) project
   - Gratuity Fund Financial Audit
   - Medical Assistance Fund & Welfare Fund Financial Audit
   - MTB Foundation
4. Credit Rating Information and Services Limited (CRISL)
   - Entity Credit Rating

All the information presented in this report is on the same basis as previous in terms of the entities covered, the measurement methods applied and time frames used. Ratios used are comparable across the industry. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication to our stakeholders.

The hard copy of the Annual Report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available on the website https://www.mutuatrustbank.com.

The integrated report, incorporated in this Annual Report has been prepared in accordance with the IIRC's international reporting framework and addresses the material matter pertaining to the long term sustainability of the group and presents fairly the integrated performance of MTB Group and the impacts thereof.

Anis A. Khan
Managing Director & CEO

VALUE CREATION PROCESS

Our value creation process mainly influenced by on our vision, mission and values.

As we draw resources from our various capitals as inputs, they are utilized through our business activities to generate business outputs in the form of products and service offerings.

As a multi-segment financial institution, we rely heavily on our financial capital, depositors making up 80% of our funding basket.

Our overall business model involves extending our presence physically and virtually. It also involves a high dependence on IT; which together means a significant investment in branches and technological infrastructure - our manufactured capital.

Our business model also requires us to invest in and develop our human capital for business growth through professional networks - a key aspect of our social and relationship capital - as well as our intellectual capital, to continuously innovate our offerings and improve our process efficiencies to add to our ability to be responsive and timely.

Our various activities, in turn generate outcomes, which create value for our stakeholders and adds back to our inputs, be it in the form of profits, employee compensation, reduction in carbon footprint, process efficiency or other material outputs.

In the process, we ensure our business activities are aligned with our core values and guided by our governance framework, and also that our strategies and risk mitigation efforts are in line and responsive to pressures from the external environment and market forces.

The component elements that shape our business are portrayed in our Business Model

INPUTS	OUTCOMES
Financial Capital	**Financial Capital**
■ Capital	■ 18% 5-years CAGR in Total Capital
■ Liabilities	■ 19% 5-years CAGR in Risk Assets
■ Capital Adequacy	■ 12% 5-years CAGR in Customer Liabilities
■ Policy incentives	■ Growth Quality of Portfolio Maintained
	■ Improving Cost-to-income Ratio
	■ 15% 5-years CAGR in Net Profits
	■ 18.35% Return on Equity
	■ 13.76% Capital Adequacy Maintained
Manufactured Capital	**Manufactured Capital**
■ Branch Network	■ Network & Capacity
■ Physical Infrastructures	■ Enhanced ability to provide value added services to the customers
■ Office Equipment and Supplies	■ Through Service quality department of the bank
■ New Business Development	■ Smoother operations
■ Innovations and Value Additions	■ Tied-up with ABD & DEG for business opportunities
■ Customer Satisfaction	
Intellectual Capital	**Intellectual Capital**
■ Product and Services	■ Launched & re-engineered new products of SME and retail like SME Neer & Student Banking
■ Core Banking Solution	■ Scheme Speed of approval process and operations improved over the year
■ In House Modules	■ In a process of implementing new CBS for the bank
■ Processes & Guidelines	■ Strengthening IT security platforms
■ Risk Management	■ Launched new prepaid cards & partnership with different entities
■ Knowledge	

INPUTS	OUTCOMES
Human Capital	**Human Capital**
■ Experienced and skilled Human resources	■ Rise in per employee productivity
■ Technical and managerial skills	■ 90% of the total human resources received local & foreign training
■ Work life balance	■ Work-life balance through MTB club's different amusement activity for the employees
■ Diversity & equality	■ BDT 2,421 million paid in employee benefits
■ Training & development	
Social & Relationship Capital	**Social & Relationship Capital**
■ Key Partnerships	■ Dividends paid to shareholders Contributed to the underprivileged people of the society through CSR activities
■ Investment in uniform customer Service assurance	■ Contributed in the development for education of the community
■ Investment in brand awareness	■ Expanded the outreach & capacity as a part of financial inclusion for the mass people through Agent Banking
■ CSR activities	
Natural Capital	**Natural Capital**
■ Biodiversity & green financing	■ Carbon footprint reduction
■ Renewable energy usage	■ Growth in green financing
■ Policy inputs and initiatives from the company	■ 15.19% since last year Invested in solar power

Useful references:

Our Business Model -The intricacies of our business

Our Corporate Governance Structure - The governance structure that enables our Business Model

Our Extensive Range of Products and services -Outputs/our offerings

Our Organizational Chart -Hierarchy and chain of command

In the process, we ensure our business activities are aligned with our core values and guided by our governance framework, and also that our strategies and risk mitigation efforts are in line and responsive to pressures from the external environment and market forces.

The component elements that shape our business are portrayed in our Business Model.

OUR BUSINESS MODEL

How we create value

We help individuals prosper, enable businesses to grow and play a role in the development of country's financial markets.

OUR RESOURCES

FINANCIAL STRENGTH

Funds available to the group obtained from diverse sources.

SKILLS AND KNOWLEDGE

The skills, knowledge and abilities of our people.

BRAND STRENGTH

Our brand is a key intangible asset that gives the group a competitive advantage.

BANKING NETWORK

The licenses we have that allow us to build a strong banking network.

TECHNOLOGY PLATFORM

Our resilient technology platform supports our operations across the region.

HOW WE USE OUR RESOURCES

OUR STRATEGY

- We are a local bank, seeking to make banking joyful for our customers.
- We intermediate trade and investment flows across the country.
- In Bangladesh, we are a commercial bank serving all customer segments. In other markets, we have traditionally focused on individuals, large corporates, small and medium enterprises (SMEs) and institutional investors. Going forward, we will leverage digital technologies to extend our reach to individuals.

WHAT WE OFFER

Consumer banking

- We serve individuals, from mass market to affluent, at every stage of their lives: from saving at a young age to buying a home as they start their own families to investing for retirement with our diverged product rage.
- We offer a diverse range of banking products and services, including deposits, loans, credit cards, online payments, internet banking, primary dealer of govt. securities, investments and brokerage services.

For more information, see product page

Institutional banking

- We serve large corporates, SMEs and institutional investors: from helping them to finance their business activities to managing their financial risks.
- We offer a full range of credit facilities from short-term working capital financing to specialized lending.
- We also provide transaction services such as cash management, trade finance and securities and treasury and markets products; capital markets and advisory solutions.

HOW WE DIFFERENTIATE OURSELVES

We adopt the professionalism of a world-class bank with the cultural touches that are important for the institution and philosophical base – what we call MTB3V!

CUSTOMER RELATIONSHIPS

We strive to embody the elements of what relationships are about in Bangladesh. We recognise that relationships have swings and roundabouts, and that every transaction does not have to be profitable in its own right.

INDUSTRY INSIGHTS

We know the industry of the country well: we provide unique industry insights and create bespoke products for our customers.

CUSTOMER SERVICE

We are deferential, easy to deal with and trustworthy, with the humbleness to serve and the confidence to lead to our customers.

PRODUCT INNOVATION

We relentlessly innovate new ways of banking that are appropriate to our markets as we strive to make banking more spontaneous and interactive for our customers.

CAPACITY & NETWORK

We work in a collaborative manner across geographies, supporting our customers as they expand and doing business across the country and abroad.

HOW WE MANAGE OURSELVES

CORPORATE GOVERNANCE

We are devoted to the highest standards of truthfulness, ethics and professionalism.

To safeguard stakeholders' interests, the Board of Directors is actively engaged in providing sound leadership on the bank's direction.

We believe that sound and effective corporate governance is fundamental to the Group's long-term success and sustainability.

RISK MANAGEMENT

Effective risk management is fundamental to all parts of our organisation.

The Board of Directors has overall accountability for ensuring that risk is effectively managed across the group.

CAPITAL MANAGEMENT

As one of the compliant banks of the country, we maintain a strong capital position well above regulatory requirements and continuously maintaining our focus in this area.

OUR VALUES

Our organizational values shape the way we do business and work within the Group.

COMMITMENT

We are committed to our shareholders, community, customers and employees for creating value in every stage of our business.

ACCOUNTABILITY

We are accountable for providing the highest level of service along with meeting the strict requirements of regulatory standards and ethical business practices.

AGILITY

We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

TRUST

We value mutual trust, which encompasses transparent and candid communications among all parties.

HOW WE MEASURE

OUR PERFORMANCE EVALUATION

We use a balanced performance evaluation process to track the progress we have made in serving the interests of our multiple stakeholders.

Our evaluation is balanced in the following ways:

- Balanced between financial and non-financial performance indicators;
- Balanced across multiple stakeholders, and not focused solely on shareholders
- Balanced between short-term and long-term outcomes

The evaluation results is updated in regular interval and placed before the Board of Directors.

It is cascaded throughout the organisation, ensuring that the performance goals of every business, country and support function are aligned to those of the Group.

OUR OUTPUTS

SHAREHOLDERS

We focus on maximizing shareholders' wealth by declaring sound returns annually.

CUSTOMERS

We deliver our customers with a safe, reliable and jubilant banking experience.

EMPLOYEES

We offer our employees with an individual professional development journey which help them progress in their careers.

REGULATORS

We ensure compliance with all regulatory guidelines and directives

SOCIETY

We have a social cognizance which is implanted into our business. Through the CSR activities and MTB Foundation, we are dedicated to advocating social wellbeing across the region.

Our activities generate sustainable returns in a responsible manner and we seek to positively benefit the communities we operate in and deliver value to our stakeholders.

ECONOMIC CONTRIBUTION REPORT

The bank's overall mission is to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused bank that offers an array of products and services in search of excellence and to create an impressive economic value. This section covers the value we deliver to our shareholders and the nation at large.

The bank's policy has been to deliver optimum value in a manner that in consistent with the highest levels of fairness and transparency. For the bank, it has not been a case of building financial value and enhancing the bottom line at any cost, but rather participating in a process of creating value through fair and ethical means. Building sustainable value of all stakeholders is an important corporate goal. Some of the measures taken to create, sustain and deliver optimum value are as follows:

Capital to Risk Weighted Assets Ratio:

Capital adequacy indicates the financial strength and stability of a bank. It limits the extent up to which the bank can expand its business in terms of risk weighted assets. Like all commercial institutions, banks too constantly look at ways of expanding their operations by acquiring property, plant & equipment, opening branches, in addition to mobilizing deposits, providing loans and investing in other assets.

Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage (over trading), to improve the quality of bank's asset, to control the ability of the bank to leverage their growth and to lead to higher earnings on assets, leading to peace of mind of all the stakeholders. The bank keeps a careful check on its capital adequacy ratios.

Minimum Capital Requirement (MCR) Under Risk Based Capital (Basel-III) as at December 31, 2017:

BDT Million/Percentage

Particulars	2017	2016
A. Total Regulatory Capital		
1. Common Equity Tier-1 (Going-Concern Capital) :	10,067	9,009
2. Tier-2 Capital (Gone-Concern Capital) :	8,949	4,716
3.Tier-3 (Eligible for market risk only)	-	-
4.Total Eligible Capital (1+2+3)	19,016	13,725
B. Total Risk Weighted Assets (RWA)	138,224	121,555
C. Capital to Risk weighted Asset Ratio (CRAR)	13.76%	11.29%
D. Going-Concern Capita to RWA	7.28%	7.41%
E. Gone-Concern Capital to RWA	6.47%	3.88%
F. Minimum Capital Requirement (MCR)	13,822	12,156

VALUE ADDED STATEMENT

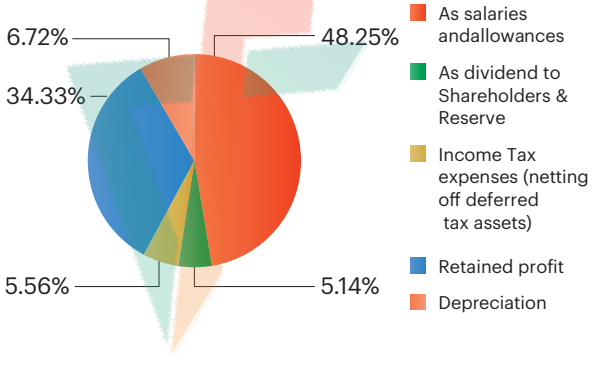
For the year ended December 31, 2017

The Value Added Statement provides a detailed account of total value addition and the distribution of the value created by the organization. Mutual Trust Bank Limited contributes positively to social-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the providers of capital; by assisting the regulatory capacities through paying taxes, and of course, keeping in mind company's continuous expansion and growth.

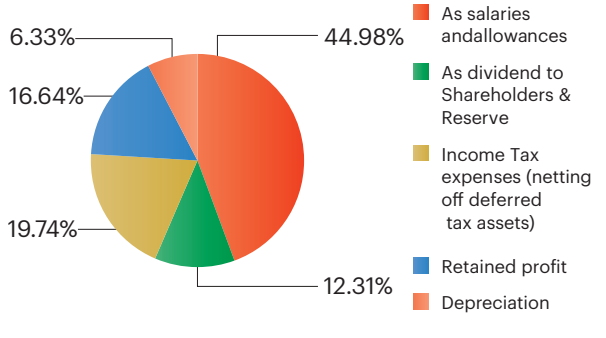
BDT Million

Particulars	2017		2016	
	Amount	%	Amount	%
Value Added				
Interest Income	12,160.54	74.46%	11,381.37	75.78%
Investment Income	2,127.21	13.02%	2,010.54	13.39%
Commission, Exchange and Brokerage	1,578.01	9.66%	1,228.15	8.18%
Other Operating Income	466.40	2.86%	397.90	2.65%
Sub-Total (a)	**16,332.16**	**100.00%**	**15,017.96**	**100.00%**
Less Cost of service rendered:				
Interest Expenses	7,852.87	69.40%	7,503.09	75.31%
Cost of services & supplies	1,805.45	15.96%	1,513.30	15.19%
Provision for Loans, Investment, Off B/S Items & etc.	1,656.25	14.64%	946.63	9.50%
Sub-Total (b)	**11,314.57**	**100.00%**	**9,963.03**	**100.00%**
Total Value added by banking services (a+b)	**5,017.59**		**5,054.94**	
Distribution of value addition				
To Employees				
As salaries and allowances	2,420.96	48.25%	2,273.51	44.98%
To Providers of Capital				
As dividend to Shareholders & Reserve	257.99	5.14%	622.35	12.31%
To Government				
As Income Tax Expenses	1,180.00	23.52%	961.28	19.02%
As Deferred Tax Expenses/(Income)	(900.87)	-17.95%	36.61	0.72%
Income Tax expenses (netting off deferred tax assets)	**279.13**	**5.56%**	**997.89**	**19.74%**
To Expansion and Business Growth				
Retained profit	1,722.35	34.33%	841.24	16.64%
Depreciation	337.16	6.72%	319.95	6.33%
Total Distribution	**5,017.59**	**100%**	**5,054.94**	**100%**

Total Distribution - 2017



Total Distribution - 2016



ECONOMIC VALUE ADDED STATEMENT (EVA)

For the year ended December 31, 2017

Economic Value Added (EVA) is the financial performance measure that attempts to measure that true economic profit of an organization. It provides a measurement of the bank(s) economic success (or failure) over a period of time. Such a metric is usefull for investors who wish to determine how well the bank has added value for its investors and it can be compared against bank(s) peers for a quick analysis of how well the bank us operating in its industry. Economic value added is calculated by taking the bank(s) net profit after Tax, adding with its, the amount of provision charged against profit to absorb the losses inherent in the investments. EVA is calculated as under:

EVA = NPAT – Cost of average equity

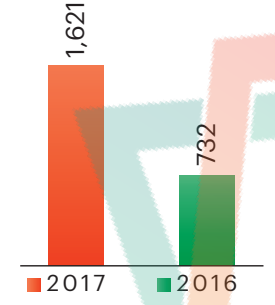
NPAT = NPAT is the net profit after Tax plus the provision for doubtful losses charged against profit.

Equity = Shareholder's equity is the total amount of equity the year end plus accumulated provision charged against profit for doubtful losses.

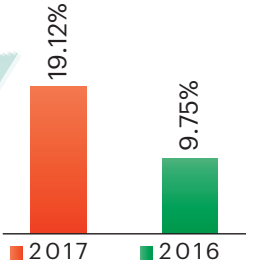
Cost of equity = It is the opportunity cost i.e. the expected risk from return on investment, plus a risk premium. Interest on 5 years Bangladesh Government Sanchaya Patra plus 2% risk premium has been assumed to be the cost of equity.

BDT Million

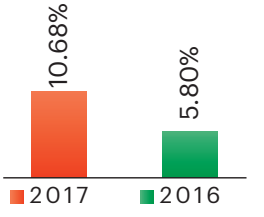
For the year ended	2017	2016
Shareholders' Equity at year end	11,761.96	9,818.26
Add: Cumulative Provision for Loans, Investment, Off B/S Items & etc.	5,090.33	3,686.80
Total	**16,852.29**	**13,505.06**
Average Shareholders' Equity	10,790.11	9,373.73
Add: Average Cumulative Provision for Loans, Investment, Off B/S Items & etc.	4,388.57	3,260.65
Average Equity of Shareholders	**15,178.68**	**12,634.38**
Average cost of Equity (Risk Free Rate + 2% Risk Premium)	13.28%	13.28%
Earnings:		
Net Profit after tax	1,980.34	1,463.59
Add: Provision for Loans, Investment, Off B/S Items & etc.	1,656.25	946.63
Net Profit after Tax (Before Provision)	**3,636.59**	**2,410.23**
Cost of average Equity	2,015.73	1,677.85
Economic value added (EVA)	**1,620.86**	**732.38**
Growth over last year	121.31%	133.00%
Total operating income	8,479.29	7,514.88
Net profit after tax	1,980.34	1,463.59
Key Ratios:		
EVA/Total operating income (%)	19.12%	9.75%
EVA/ Average shareholders' equity (%)	10.68%	5.80%
Net profit after tax/Total operating income(%)	23.35%	19.48%



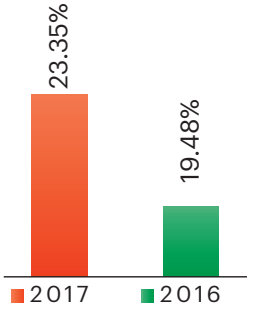
Economic value added (EVA)



EVA/Total operating income (%)



EVA/ Average shareholders' equity (%)



Net profit after tax/Total operating income(%)

MARKET VALUE ADDED STATEMENT

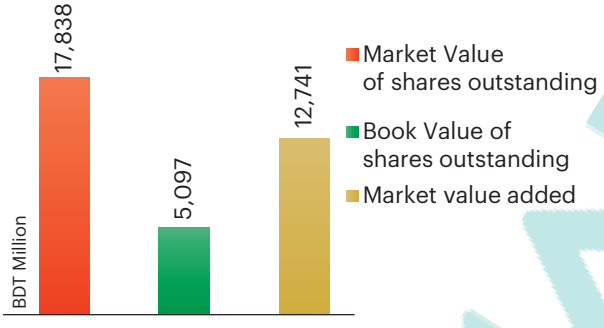
For the year ended December 31, 2017

Unlike EVA, which measures internal performance, Market Value Added (MVA) is a measure of external performance that indicate how the market has evaluated the company's performance in terms of market value of quated shares compared to book value of this shares. Market Value Added (MVA) is the difference between the current market value of the bank and the capital contributed by investors. If MVA is positive, the bank has added value. If it is negative, the bank has destroyed value. The amount of value added needs to be greater than the bank's investors could have achieved investing in the market portfolio, adjusted for the leverage of the bank relative to the market. A high MVA denotes that the bank has maximized the wealth for the shareholders. The calculation of market value added is tabled below.

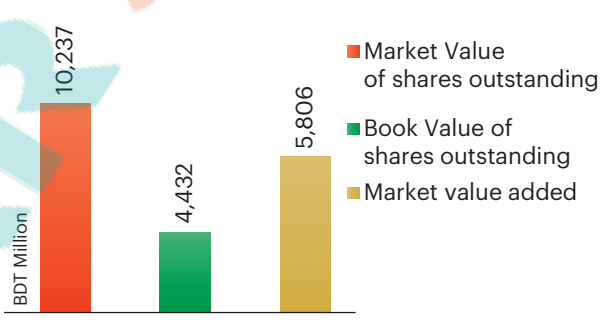
BDT Million

Particulars	Number of Shares	Value per share	Total Value 2017	Total Value 2016
Market Value of shares outstanding	509,656,034	BDT 35.00	17,838	10,237
Book Value of shares outstanding	509,656,034	BDT 10.00	5,097	4,432
Market value added		**BDT 25.00**	**12,741**	**5,806**

MARKET VALUE ADDED STATEMENT-2017



MARKET VALUE ADDED STATEMENT-2016



Liquidity Policy:

The liquidity policy of the bank has always been to carry a favorable mismatch in the interest earning assets and interest bearing liabilities in different buckets. Our liquidity remained at optimum levels during the year.

The assets and liabilities committee (ALCO) of the bank monitors and maintains a satisfactory trade-off between liquidity and profitability.

Dividend Policy:

The dividend policy of the bank has always been to pay a satisfactory dividend to its shareholders. As per Bangladesh Bank Guidelines, we have to maintain provision capital as capital & reserve required by Revised Risk Based Capital Adequacy 10%; minimum of Risk Weighted Asset (RWA) of the Bank also capital conservation buffer.

Considering the performance of the bank the board has recommended stock dividend of 12.50% for the year 2017 maintaining minimum capital requirement (MCR) as per Basel-III.

PERFORMANCE ANALYSIS WITH THE MANAGEMENT

Accounting for changes in reporting standards

As is applicable, we adhere to the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRS), for our reporting framework, except the circumstances where the local regulations differ and supersede the standards. These are listed in details in note 2.22 of the notes to the consolidated and separate financial statements as presented in page no. 246 of this Annual Report.

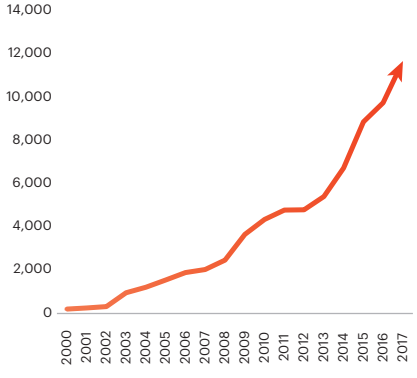
Two new financial reporting standards BFRS 9 Financial Instruments and BFRS 15 Revenue from Contracts with Customers have come into effect from January 01, 2018. We would be incorporating as and where they will be applicable for us; keeping in mind the scope to which they would be permissible by our prime regulatory authority - Bangladesh Bank.

The fundamentals of our business strategy

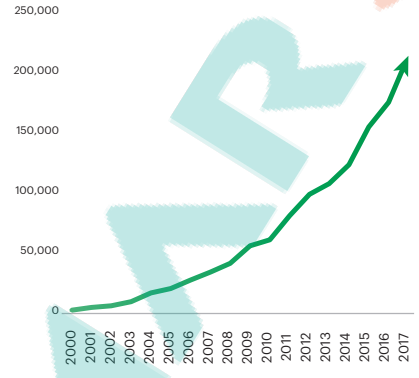
MTB has delivered a strong performance in 2017, thanks to our robust customer-focused approach, sound capital allocation strategy and a sustainable growth platform that enabled us to mitigate earnings volatility and report consistent growth.

This is reflective in the sustainable growth trends of our Net Profit, Total Assets and Market Capitalization which have registered cumulative growth rates of 18%, 42% and 66% respectively over the last 3 years.

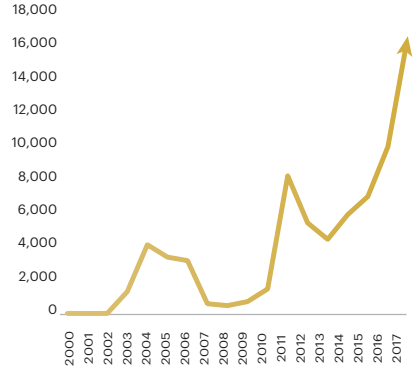
Shareholder's Equity BDT Million



Total Assets BDT Million

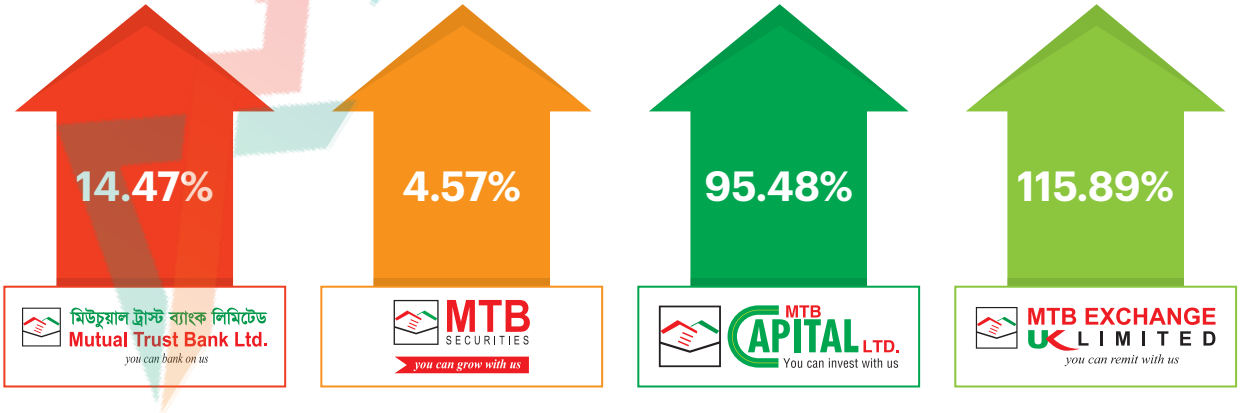


Market Capitalization BDT Million

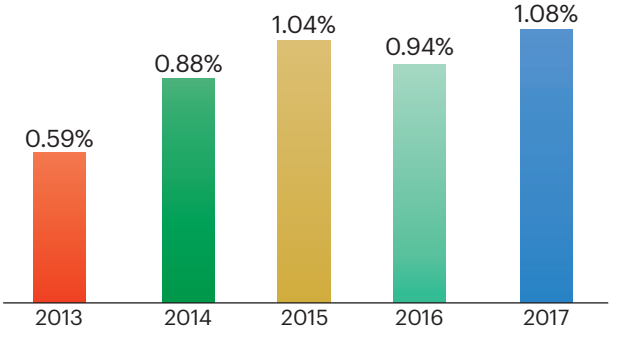


Over the years, MTB's successive management teams have demonstrated keen foresight into industry trends and have taken timely decisions regarding key strategic maneuvers. This has enabled us to gain foothold across a well-diversified range of businesses in the financial sector. Moving forward to current times, our multiple business verticals allow us to strategically balance our focus over different fronts to take advantage of potential opportunities, enabling us to maximize our Return on Equity (ROE).

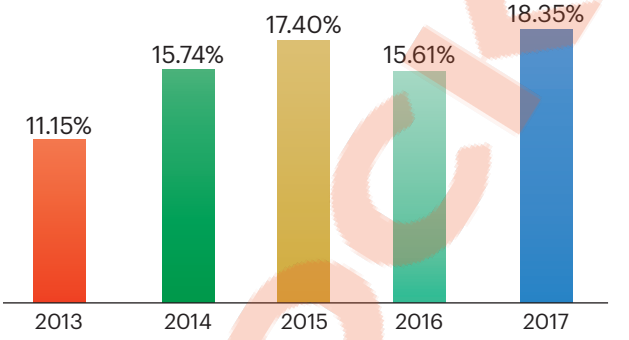
Growth in Operating Profit MTB & Subsidiaries



Return on Average Assets (ROAA)



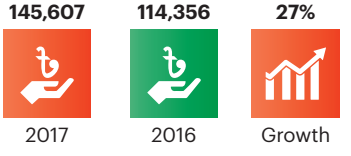
Return on Average Equity



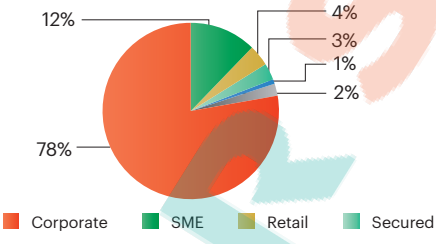
Lending Business Review

Our total loan book, the core driver of our lending business, has increased by 27.33% and now stands at BDT 145,607 Million. A total of 26,692 new clients were booked and we were able to grow our Net Interest Income by 11.07% to BDT 4,308 Million in 2017. This came despite a tightening of our margins, resulting from a 48 bps fall in our Loan Deposit Spread over the year.

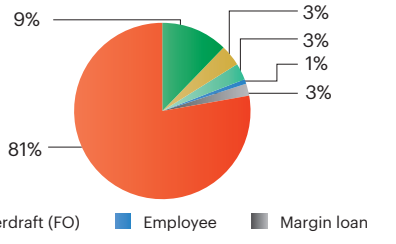
Total Lending BDT Million



Portfolio Mix 2017



Portfolio Mix 2016



In-Depth Review of Our Financial Capital

What it entails

Our financial capital includes our monetary resources, which have been contributed by our investors and are being enhanced through our business activities. Our key sources of financial capital comprise of equity, debt and term deposits besides other sources of funds.

What it entails

Returns generated by our business enhances our financial capital, which in turn is used to repay our investors with dividend payments and the rest retained to aid business operations and growth through enhancing other capitals.

Material Aspects

- Revenue Mix
- Cost Optimization
- Quality Asset Growth
- Funding Strategy
- Capital Management

Highlights

- Achieved **35.31%** growth in net profit
- Retained cost to income ratio at **53.82%**
- Restricted NPLs at **4.3%**
- Obtained Loans & Advances growth of **27%**
- Raised Tier-II capital taking CAR to **13.76%**

Challenges

- Competitive pressures affecting both asset and liability sides
- Interest rates bottoming out and lending rates being stickier than cost of funds, leading to poorer margins
- Management of operating expenses

Responses

- Added new products targeting different customer needs, further improved customer service and ensured efficient fund-sourcing
- Re-arranging deposit and advances portfolio mix for reducing cost of fund and increasing yield on advances respectively
- Improved operating efficiency through process optimizations

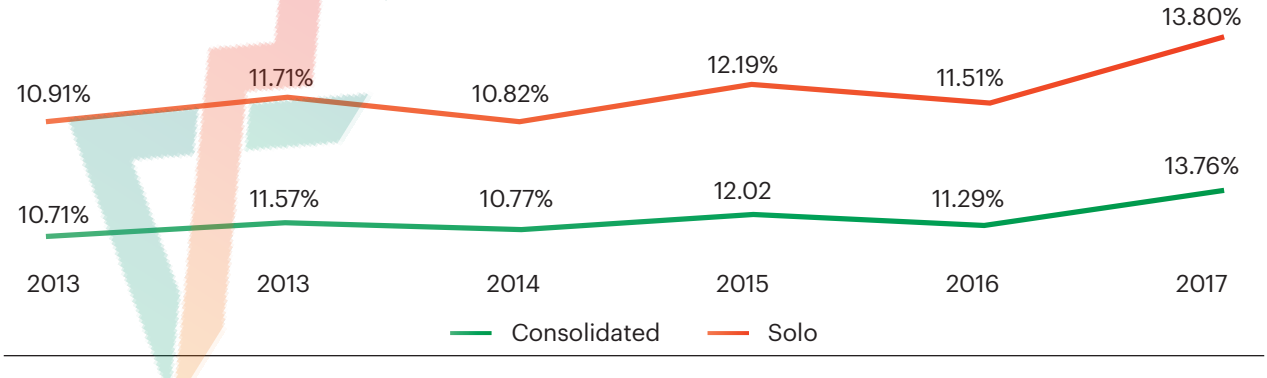
CAPITAL ADEQUACY RATIO

Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. As per the Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, At the end of 2017, capital adequacy ratio of the group stood at 13.76%.

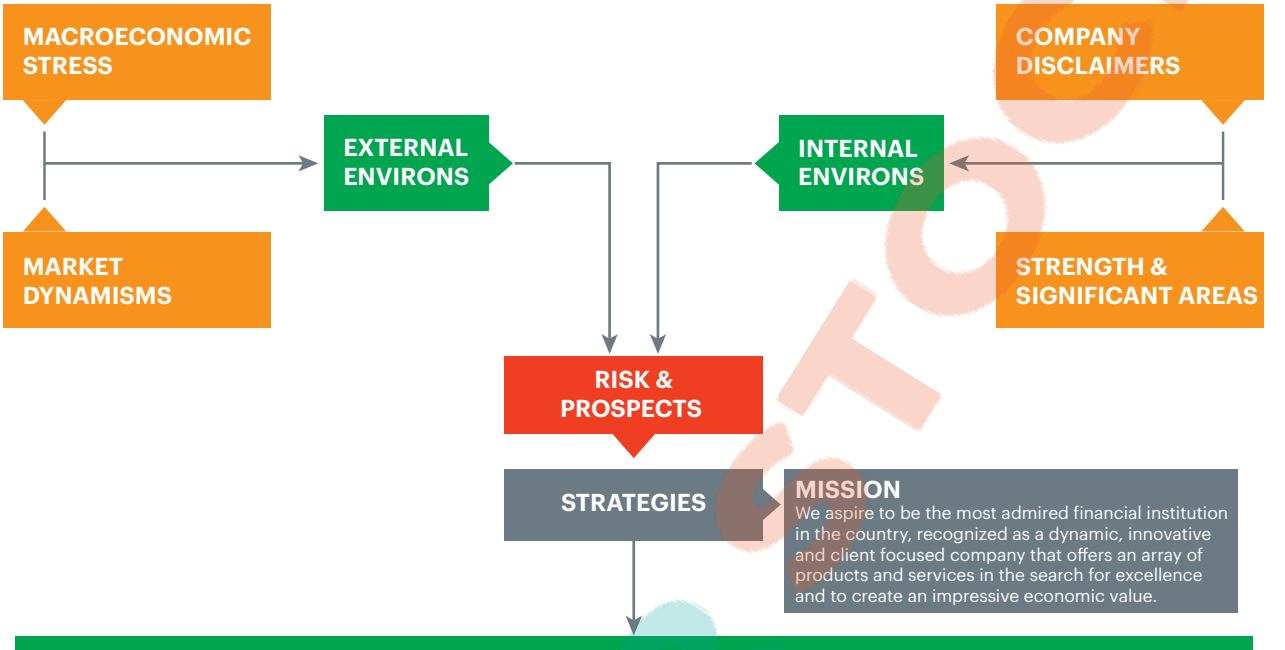
BDT Million

	Consolidated	Solo
Common Equity Tier-1 (Going-Concern Capital):		
Paid-up Capital	5,096.56	5,096.56
Statutory Reserves	3,622.22	3,622.22
General Reserves	616.78	616.78
Retained Earnings	1,722.35	1,632.48
Non-controlling Interest	0.12	-
Total	**11,058.03**	**10,968.04**
Regulatory Adjustments:		
Goodwill and all other Intangible Assets	101.35	101.35
Deferred Tax Assets (95% of DTA as per BB Guideline)	889.11	889.11
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.10	0.10
Total	**990.56**	**990.56**
Total Common Equity Tier -1 (Going-Concern Capital)	**10,067.48**	**9,977.48**
Additional Tier-1 Capital	-	-
Total Tier-1 Capital	10,067.48	9,977.48
Tier-2 Capital (Gone-Concern Capital) :		
General Provision including Off Balance Sheet items	2,605.73	2,605.73
Revaluation Reserve on Investment in Securities	260.14	260.14
Subordinated Debt	6,239.20	6,159.21
Total	**9,105.06**	**9,025.07**
Regulatory Adjustments:		
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	156.08	156.08
Total Tier-2 Capital (Gone-Concern Capital)	8,948.98	8,868.99
Total Regulatory Capital (Tier-1+Tier-2)	19,016.46	18,846.47
Total Risk Weighted Assets	138,224.49	136,597.10
Capital to Risk-weighted Assets Ratios (CRAR) (%)	**13.76%**	**13.80%**

Capital to Risk-weighted Assets Ratios (CRAR) (%)



OPERATING FRAMEWORK AND RISK MANAGEMENT



Remaining ahead involves constant review of our external as well as internal environs. Working in the financial services industry, MTB is exposed to several stress and risks both externally and internally. However, with around two decades of rich experience, the company has witnessed several industry cycles and hence has developed and fine-tuned a risk identification and mitigation framework that protects the company from adverse risks, enhances operating viability and ensure the sustenance of its business.

We have provided a detailed analysis of the competitive intensity we face while operating in Bangladesh's dynamic financial services industry and how the environment and competitive pressures evolved over the last one year. We have also articulated the strategies and programs that we have in place to successfully face those pressures and uncertainties in order to minimize, to the extent possible, the risks that we are exposed to.

MACROECONOMIC FEATURES AFFECTING THE INDUSTRY

Macroeconomic Dimension	Impact on the Industry	MTB's Front	Evident in
POLITICAL			
Stable political environment with looming uncertainty We have experienced relatively calm and stable political environment over the last 2-3 years. However, with the general election looming in 2018 there has been anticipation of potential political unrest Policy continuation on developing infrastructure With the stability in the political front, there has been continuity in government policies and priorities have been given on developing infrastructure including large outlay on building bridges, roads and power generation.	Investments expected to gain further traction amidst potential hiccups under short-term uncertainties While the investment to GDP ratio increased to 30.12% from 29.98% a year ago, it has largely been driven by public investments[1]. However, with most of these massive public investments going to the development of infrastructure, it is anticipated that private investments will soar as well. This means that the vibrancy experienced in the industry is expected to continue in the future with a few bumps and stresses along the way.	We have seen businesses on our coverage doing very well last year riding on low borrowing cost coupled with robustness in demand. Demand for retail financing (both consumer loans and small individual driven business loans) remained robust as well throughout the year. While real estate prices remained stable, demand for real estate financing increased on the back of a low interest rate scenario. Our focus will remain on quality acquisition, diversification of exposure and regularizing default accounts. **Long-term strategy:** Diversify sector exposures and focus on thrust sectors to go beyond leveraging current political stability and cushion against future uncertainties.	Message from the Chairman CEO's Statement Financial Capital (Portfolio growth, NPL) Risk (sectorial exposure) Strategy & Resource Allocation
ECONOMIC			
Continuation of strong GDP growth and expansionary monetary policy In FY17, GDP growth remained strong at 7.28% 1 amidst political stability and growth friendly policies and programs from the government. Monetary policy remained expansionary throughout the year. However, remittance growth declined and import bills kept increasing throughout the year 2017 as both import volumes and import prices increased with the rise of global commodity prices and in the aftermath of the devastating flood that massively damaged crop production.	Considerable excess liquidity in the system at the start of the year gradually decreased, with 19.6% credit growth in 2017 vis a vis only 11% deposit growth.1 On the back of a significant gap between the deposit rates in scheduled banks and the rates offered by National Savings Certificates (NSC), with the banking rates significantly lower, savings continued to flow to the NSCs. Some of the private banks extended lending activities aggressively despite not having enough growth in deposits and resultantly breached the regulatory limit of Advance Deposit ratio. This caused a scrap among banks and FIs for deposits in Q4 2017 and a subsequent increase in the deposit rates. This increase in Deposit rates is expected to continue till the market comes to an equilibrium whereby deposit rates of savings approach closer to the rates offered by NSCs.	MTB has been facing stiffer competition, takeover attempts and margin reduction as a result of too many institutions floating on excess liquidity and effectively starting a price war in the market. It therefore, makes even more sense for the bank to concentrate on growing strongly in the SME segment, which offers good returns, through improving its reach to those in financing need. If the deposit rates go up as expected, there will be massive pressure on the Net Interest Margins for all Banks and FIs. Most of the effect of this increase can be passed through as the majority of the lending book of MTB is of a floating rate. However, this will require to be executed with great caution and precision. **Long-term strategy:** Focus on improving value added to clients through service and product offerings.	Business Segment Review-SME CEO's Reflections (growth in credit vs. deposits) Performance Analysis with the Mgt. Committee Intellectual Capital

Macroeconomic Dimension	Impact on the Industry	MTB's Front	Evident in
SOCIAL			
Improved standard of living and access to information The country achieved lower middle income status in 2015, with a per capita income of $1,3141 and resultantly, the standard of living has improved. With the advancement in communication technology and increase in internet penetration, individuals are now becoming more aware of market variables.	The rising middle income population, expected to reach 35mn by 2025 , will be the driving factor for the increase in local consumption demand. With purchasing power increasing in this group, so will their needs for financial products grow in the form of requirements for Home Loans, Small Business Loans and other consumer finance products.	MTB's strategy to expand its SME business to further granular level dovetails very well with this development. The growth of the middle income segment will not only be concentrated in Dhaka or other large cities, but also throughout different other regions. MTB will address this demand through opening small distribution centers all over the target regions. MTB plans to introduce specific Home Loan products aimed at the middle-class segment in 2018 and distribute this product throughout the country to capture the opportunities thereby. MTB plans to introduce new products for student banking **Long-term strategy:** Focus on superior segmentation, targeting, product innovation and excellent customer relationship management.	Performance Analysis with the Mgt. Committee Strategy & Resource Allocation
TECHNOLOGICAL			
Opportunities, risks and impact in changing clients' expectation dynamics Technology has brought in new ways of process innovation and data-driven decision making. However, it also comes with risks and challenges. On the business end, its advancement has made customers more sophisticated and has altered expectation levels. Customers worldwide are doing away with physical interaction and are more comfortable to interact and be served digitally. However, such a transformation is taking place slowly in Bangladesh.	Improved technological platforms to meet customer demands with possibilities of disruption by Fintechs looming in the horizon So far, the technological improvements in the industry focused mainly on increasing control, bringing operational efficiency and managing scale. However, we have recently seen efforts from select institutions in digitizing customer interactions and customer experience management. This is expected to become the trend as more and more organizations try to adopt technological innovations to increase customer satisfaction. However, the threat of Fintech companies to enter the market in Bangladesh is not imminent due to the current stance of the regulatory establishments.	MTB has made great strides in building a holistic technology based platform to increase operating efficiency through the Core Banking System and the support systems that have enabled the total loan generation to disbursement process to be completed digitally. The focus for 2018 will be to implement new CBS for the bank and its customer facing employees by equipping them with all information and system access they need through hand held smart devices. MTB will also strive to introduce web based customer service platform to enhance service. Long-term strategy: Investment in technological advancement to continue going forward, while maintaining proper checks in weighing benefits over costs and ensuring adequate research on all possible alternatives.	Statement of Risk Mgt. Intellectual Capital Strategy & Resource Allocation

Macroeconomic Dimension	Impact on the Industry	MTB's Front	Evident in
ENVIRONMENTAL			
Increasing global focus on promoting green & environmentally-responsible businesses and sustainable financing This has shaped up as an outcome of the increasing threat on the environment.	Regulatory encouragement not always enough to spur the borrowers There has been a sharp increase in regulatory focus on sustainable financing. Separate refinancing fund earmarked by the Central Bank for green financing offers a good window of opportunity to strengthen our green financing activities. However, not all promoters/ factory owners are ready to accept greener technology as they, many of the times, do not necessarily realize the long term cost savings that accrues through the upfront investment in sustainable technology, and there is a sense amongst many that it is only feasible through an extremely low cost subsidized financing.	MTB is committed to sustainable development through the creation of long-term value - for our stakeholders, for the environment and for the community. Our focused green banking unit has been performing well since its launch in 2014, although it took a hit in 2017 owing to a slowdown of new disbursements under green financing schemes due to narrower interest rate difference amidst low lending rates in the market. However, it is expected to pick up pace again as interest rates are expected to see gradual rise. MTB improved its Environmental and Social Management System (ESMS), which was launched with support from the DEG of Germany in 2017. **Long-term strategy:** Grow portfolio through green banking efforts to reduce carbon footprint, leverage on soft loans and create a culture of responsible financing within the financial sector.	Natural Capital (Green banking, ESMS) Business Segment Review – Green Banking Strategy & Resource Allocation
LEGAL			
Improvements made towards regulatory compliance and control Industries are faced with tighter rules and regulations and application of laws are more uniform and stringent, translating into a more level playing field.	Financial institutions are, understandably, subjected to greater scrutiny by the regulators to ensure safety of the deposits made by the general public. The focus has correctly been on strengthening the foundation of Financial Institutions through strict implementation of capital adequacy parameters, stress testing and other ALM indicators.	MTB's history of strict legal and regulatory compliance places it in a good position within the financial services industry. Close communication is maintained with regulators and trade bodies to carry out a supportive and participatory role in policy discussion. Separate compliance team ensures compliance across the Group. **Long-term strategy:** Continue to set the benchmark as a compliant institution through assisting regulators and ensuring organization's values such as integrity, trust and respect are followed in practice by every employee.	CEO's Statement Performance Analysis with the Management. Statement of Corporate Governance

Supplementary details of the 2017 economy and business environment relevant to MTB:

- Private sector credit posted staggering growth of 18.13% in 2017 while deposits grew by 10.22%, such divergence in growth rates resulted in substantial fall in excess liquidity in the banking system and put an upward pressure on the interest rate in the later part of the year
- Inter-bank call money market remained stable throughout the year. Monthly average call money rate remained in the range of 3.50% to 3.93% in 2017
- Widened trade deficit due to sharp rise in imports, coupled with moderate growth in exports and remittances pushed the current account balance into negative territory which exerted downward pressure on foreign exchange rates. BDT depreciated by 5.08% against USD in 2017
- Foreign exchange reserves dropped marginally to 33.2 billion in Dec'17, after hitting record high of BDT 33.6 in Aug'17
- Point to point inflation increased to 5.83% in Dec'17 from 5.03% a year ago

OVERVIEW OF MTB DIVISIONS

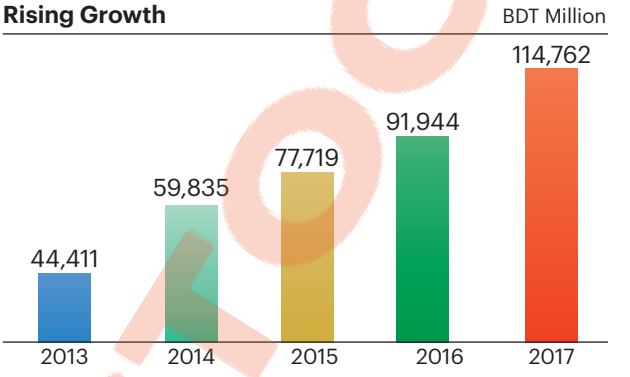
WHOLESALE BANKING

The economy of the country continues to show strength and is enjoying its brightest growth spell in over a decade. Bangladesh achieved 7.2% GDP growth in FY 2017, exceeding forecasts. The economy is expected to grow at 6.9% in the current fiscal year (FY 2018) while inflation will remain within 6%, according to latest reports of the Asian Development Bank (ADB). Growth in FY 2017 was higher than expected as consumption picked up in response to rising income, higher public investment, and lower than projected inflation. While consumption was a major positive macroeconomic driver, growing trade deficit and declining inward remittance adversely impacted the current account deficit. Foreign exchange reserves stood at USD 33 billion at the end of 2017.

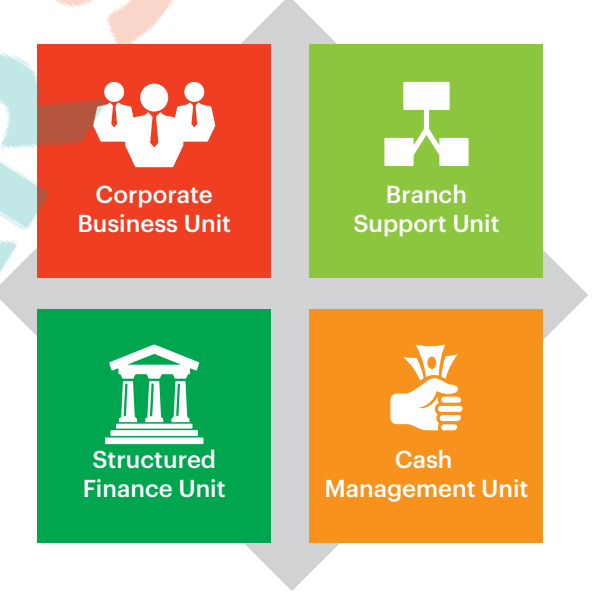
In the year 2017, major impediments to economic growth are similar to those of previous years - high income and wealth inequality, inflation on basic commodities, financing of budget deficit, rising non-performing loans (NPL), weak governance amid crisis in the banking sector, and lower remittance inflow. Alongside price and macro-financial stability, Bangladesh Bank's (BB) monetary policies embrace inclusivity and environmental sustainability in pursuit of creating employment aligned with the government's Sustainable Development Goals (SDG). Despite the central bank's attempt to improve performance of the banking sector, improvements are not visible yet.

Despite challenges in both the domestic and global markets, MTB's Wholesale Banking Division (WBD) has played a pivotal role in booking and nurturing corporate businesses since its inception characterized by innovative products and dynamic relationship management as well as branch banking network. They are marking their footprints from across a range of industries including RMG, Textiles, Manufacturing Industries, FMCG, Power, Poultry, etc. with wide range of banking and financial services provided to domestic and international operations of large local corporates and local operations of multinationals corporations. Services include access to commercial banking products, including working capital facilities such as domestic and international trade operations and funding, channel financing, and overdrafts, as well as domestic and international payments, term loans (including external commercial borrowings in foreign currency), letters of guarantee, etc.

Rising Growth



MTB's Wholesale Banking Division is comprised of four functionally-discrete units.



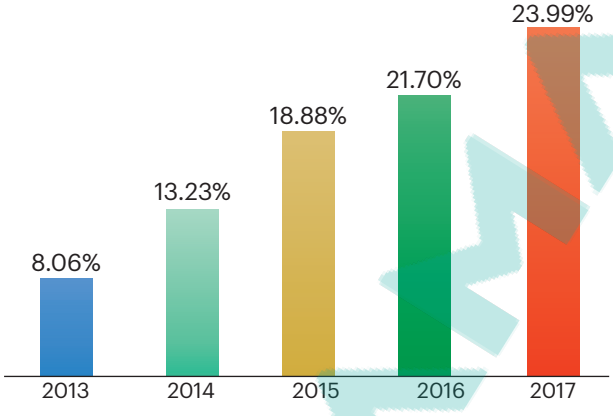
CORPORATE BUSINESS UNIT

The Centralized Corporate Business Units drive all marketing initiatives of WBD. Dedicated relationship managers follow a pro-active and integrated approach to not only book new clients but also service the various business needs of existing clients by collaborating with product, business, and service partners. This one stop business solution unit is an integration of several Relationship Managers (RM) units. Analyzing current economy, forecasting future business growth and setting up and whetting their business strategies accordingly are the key driving

aspects of the immense success of this business unit. They proactively communicate with the clients, negotiate and close-off deals and ultimately bring businesses to MTB. To ensure their vast business portfolio enlarges and prevails, they have to perform multitasking roles. They spot on the requirement of their corporate clients, prepare the conferred credit proposals by performing all the necessary analysis and successfully put through the business deals. Penetrating into emerging and sustainable markets is another essential attribute of this unit. Apart from ensuring a strong presence in the already developed corporate segments, they are quite aspirant to be the frontrunner in eco-friendly business projects. Results of which have propelled their enviable presence in this business segment marked by financing most of the LEED (Leadership in Energy and Environmental Desigm) certified indigenous textile projects.

Combined, the Corporate Business units contribute around 24% of the total business portfolio of MTB. Major bookings in 2017 include Palmal Group, Summit Group, MGH Group, Berger Paints, Hatil Group, Altech Aluminum Industries Limited, Renaissance Barind Limited, Pretty Group, and Shahriar Steel Mills Limited.

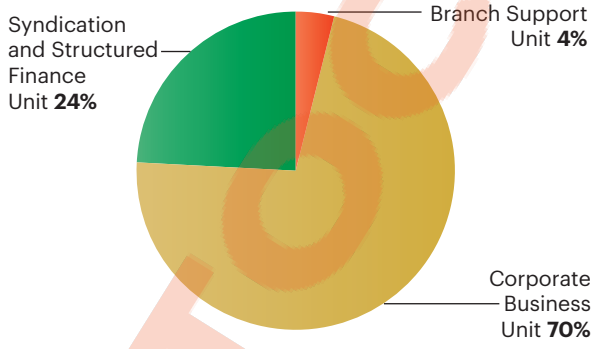
Year-Wise CBU Contribution



BRANCH SUPPORT UNIT

Historically, MTB has been operating through branch-banking business model and as such the branch support unit provides structuring, approval, monitoring and compliance support to clients booked in MTB branches in its business pursuits. This unit takes presence in its geographically diversified portfolio comprising of all major sectors across the country and act as the central processing hub for widespread branch network of MTB. Providing with state of the art services within shortest possible time has uplifted the image of this unit to the apex of success. Branch Support Unit is now successfully maintaining a staggering business portfolio of BDT 83,224M which is 70% of total corporate asset size.

2017 Funded Outstanding



STRUCTURED FINANCE UNIT (SFU)

Structured finance solution is the key driving aspect of this unit. SFU caters all corporate clients by offering tailored business solutions. Taking the role of Lead Arranger, Co-Arranger, Participant Lender, Agent or Trustee has accelerated the process of keeping their footprint in all major business sectors. They raise money through debt or equity instruments, diversify the risk of large scale investment and enable bank to earn big ticket funded and non-funded income by offering short term and long term facilities. This unit offers great flexibility in terms of maturity structure, security design and asset types, which allows issuers to earn augmented returns at a customized degree of diversification compatible with an investor's appetite of risk.

- Acting as Lead Arranger, SFU has arranged long term foreign currency loan of USD 36.0 million for financing a hotel project of Bengal Group which has been jointly financed by Multi-laterals such as IFC and FMO.
- Acting as Lead Arranger, SFU has arranged syndication term loan of USD 16.68 million for financing the expansion of garments project of Agami Apparels Ltd. (a concern of DEKKO Group).
- Under SFU's initiative, MTB is enjoying a total limit of USD 24 million from Asian Development Bank (ADB) under its trade finance program (which includes ADB's own limit plus limit from its risk distribution partners).
- SFU is working for arrangement of USD long term fund from different Multi-laterals like DEG, NORFUND, FMO, IFC, and others.
- MTB is actively involved in offering long term financing to its customers in USD under Bangladesh Bank's Financial Sector Support Project funded by the World Bank. So far MTB has

received approval for facility over USD 35.0 million for its various clients from Bangladesh Bank and disbursement is on-going.

- As part of the SFU's ongoing effort to increase liquidity/funding sources both in USD and BDT form, the unit signed (i) agreement under on-lending/refinancing arrangement with Bangladesh Bank for Green Transformation Fund (GTF) (ii) Agreement under on-lending/ refinancing arrangement with Bangladesh Bank for Urban Building Safety Project funded by Japan International Cooperation Agency (JICA) for strengthening factories of RMG sector and private commercial buildings in Dhaka District, Gazipur District, Narayangonj District and Chittagong city.

CASH MANAGEMENT UNIT

This unit is committed to provide best-in-call tailored cash management service to the corporate clients and institutions that truly complement their financial requirements. Leveraging on superior technological platform, we offer tailored banking services, using a variety of advanced collection and payment solutions, to achieve a balanced level of liquidity and return for business operations. With vast banking network, customized reporting and MIS, web based and internet banking facility, MTB Cash Management Service delivers effective management of payable and receivables with reconciliation ease. Distinguished services this unit offers are-

MTB Nationwide Sales Collection (MNSC) – This service is formulated to facilitate large corporate clients to collect their funds through MTB's own branch network and credit the same to their single collection account maintained with MTB. It facilitates the large corporate clients by providing faster funds availability in a cost-effective manner.

MTB Capital Market Operation – This dynamic feature is structured to facilitate any organizations or company to provide Lead Banker role for IPO and Right Share Collection, who is listed in DSE and CSE.

MTB Web-based Banking Service – This unique offer is formed as a middleware between service provider's core system and service receiver's core system. That is, once a transaction is done at any MTB branch, the entry will be directly reflected on receiver's core software. This service also includes management of information system, just-in-time transaction reflection, error-free and embedded reconciliation facilities.

PRIORITIES IN 2018

Although the economy will have to contend with some strong market determinants like liquidity crisis, volatile currency exchange rates, rising inflation, it appears unlikely that it will derail stronger economic momentum. To cope with these challenges following measures are to be taken:

FINANCIAL HIGHLIGHTS

LOANS AND ADVANCES
Growth + 27.33%

2016: BDT 114,356 M
2017: BDT 145,607 M

INTEREST INCOME
Growth + 6.85%

2016: BDT 11,381 M
2017: BDT 12,161 M

INTEREST EXPENSE
Growth + 4.66%

2016: BDT 7,503 M
2017: BDT 7,853 M

FEES & COMMISSION INCOME
Growth + 28.50%

2016: BDT 1,228 M
2017: BDT 1,578 M

- The foremost priority in 2018 is to ensure best possible services to the existing relationships by reviewing and reinforcing the internal business processes, capabilities and strengthening risk governance.
- To grow further with the good credit relationships – those are already on board according to their requirement. Likewise, WBD will take initiatives for forcing exit of poor asset relationships.
- To attract prominent and flourishing clients for booking new quality asset relationships through extending customized solutions.
- To focus on productive sectors on which our economy's growth is solely dependent, e.g. RMG, Spinning, Textile, Pharmaceuticals and Electronic product manufacturing, etc.
- With the forthcoming opening of a German desk in 2018, SFU can play an instrumental role in driving business not just for WBD but also for the bank. This in turn will further raise the profile of MTB.
- MTB CMU will play a vital role in accelerating inflow of funds, maximizing liquidity, facilitating automated payments and strengthening reconciliation.

Notwithstanding the challenges faced by the economy in 2017, MTB's dedicated resources possess the knowledge and skill to evaluate businesses, assess risks, and offer customized solutions in line with best practices. With focused drive and increased collaboration, MTBians can aspire to achieve MTB's vision, values, and goals in 2018 and beyond.

SME

The increasingly interconnected world economy is transforming rapidly for the companies, as well as for the goods and services they produce. The impact of such transformation is not only on what is traded and how, but also on who is trading it. Large companies continue to dominate international trade, because they have the critical mass, organizational reach and relevant technologies necessary to access and supply to foreign markets. But thanks to the Internet, the emergence of new business platforms, and the increasing openness of the global economy, many Small and Medium Enterprises (SMEs) now have the potential to become successful and important global traders as well. The SMEs have been playing a key role in the national economies, giving rise to the employment opportunities, uplifting the value addition, contributing to innovation and poverty alleviation.

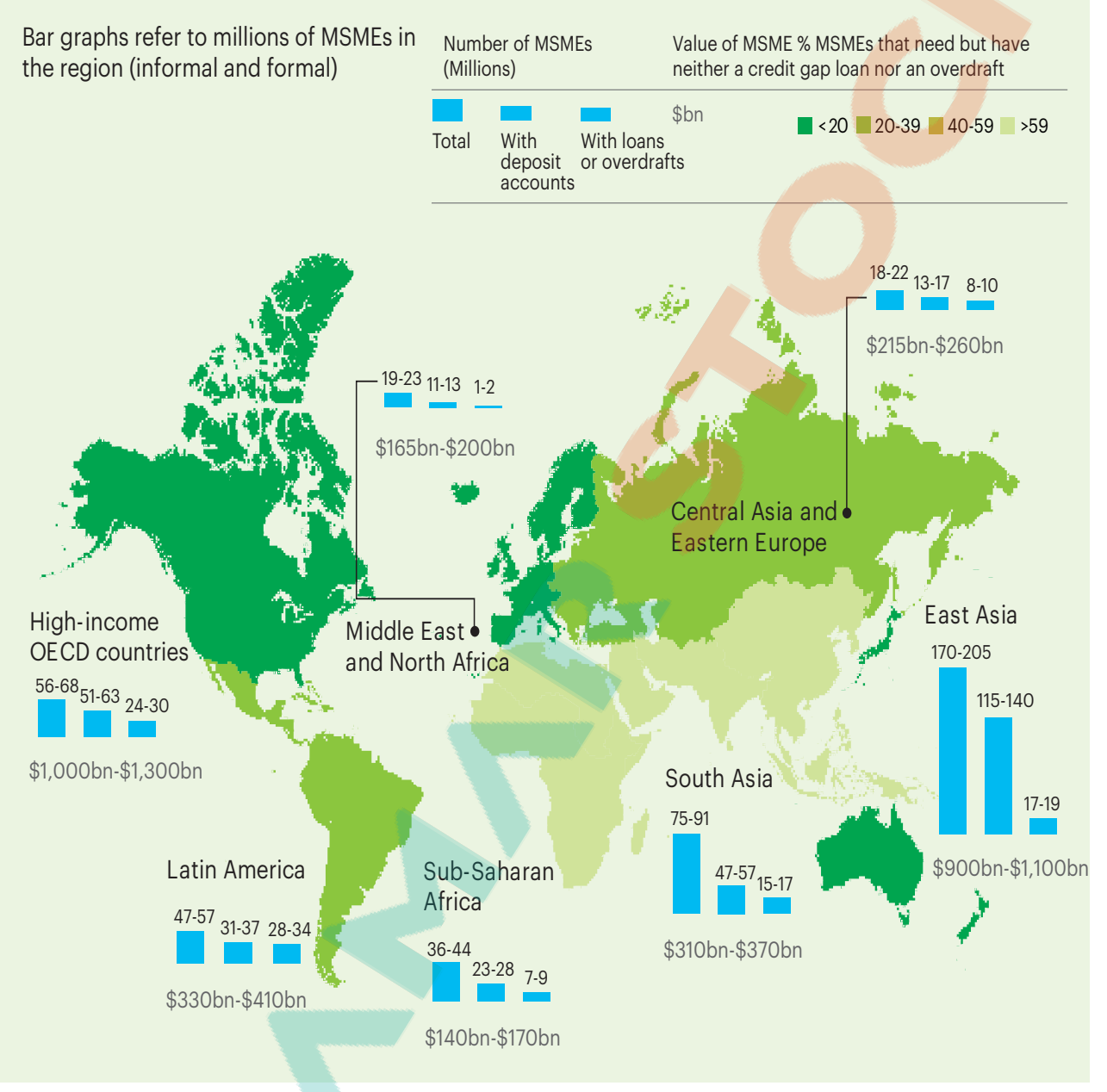
GLOBAL SMEs AT A GLANCE

- Micro, Small and Medium Enterprises (MSMEs) account for over 95% of all enterprises in OECD countries.
- On average, 83% of the more than 12 million firms covered by the IFC's MSME Country Indicators are micro firms.
- Most of the MSMEs (85% of micro firms and 72% of SMEs) operate in the services sector, and in particular in wholesale and retail trade.
- MSMEs account for around 70% of total employment in developing and developed countries alike.
- From 2003 to 2017, the SME share of total full-time employees in the formal sector increased to 34.8%.

Walmart started their journey in 1962 with only one retail outlet. Now, in 2017, they have presence in 28 countries with 11,695 stores and serve 260 Million clients per week. They had a total revenue of USD 485.9 Billion in 2017 fiscal year



Journey of Walmart 1962-2017



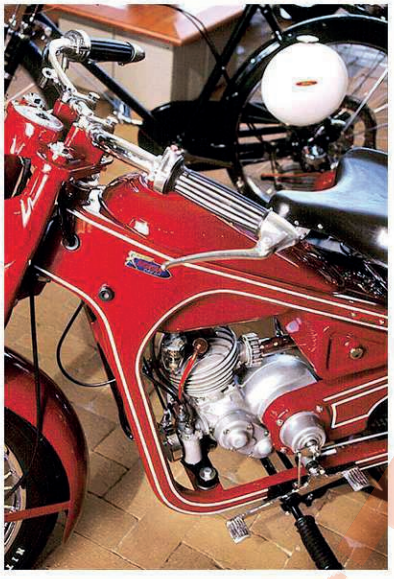
The significance of SMEs can be clearly observed if we take a look at the contribution of SMEs in different countries. For example, about 97.3% of enterprises in China, 97.3% in Malaysia, 97.5% in Kazakhstan, and 97.7% in Vietnam are SMEs. Furthermore, about 99.4% of enterprises in Singapore, 99.5% in Sri Lanka, 99.6% in the Philippines, 99.7% in Thailand, 99.7% in Japan, and finally, 99.9% in the Republic of Korea are SMEs.

There are a number of examples, where global giants started their journey as mere Confederation Micro, Small and Medium Enterprises (CMSME). The rise and growth of globally recognized Walmart, Honda and Panasonic is the perfect example of how the global operations and recognition of each of these giants started with one outlet or a humble workshop.





1948: The Honda Motor Co., Ltd. is incorporated with 34 employees, 1 million yen capital as a bicycle auxiliary engine manufacturer in a small factory in Hamamatsu.



1949: A iconic product of Honda



2015: Honda Jet deliveries begin

2016: Honda reached the 100 million-unit milestone in cumulative global automobile production.

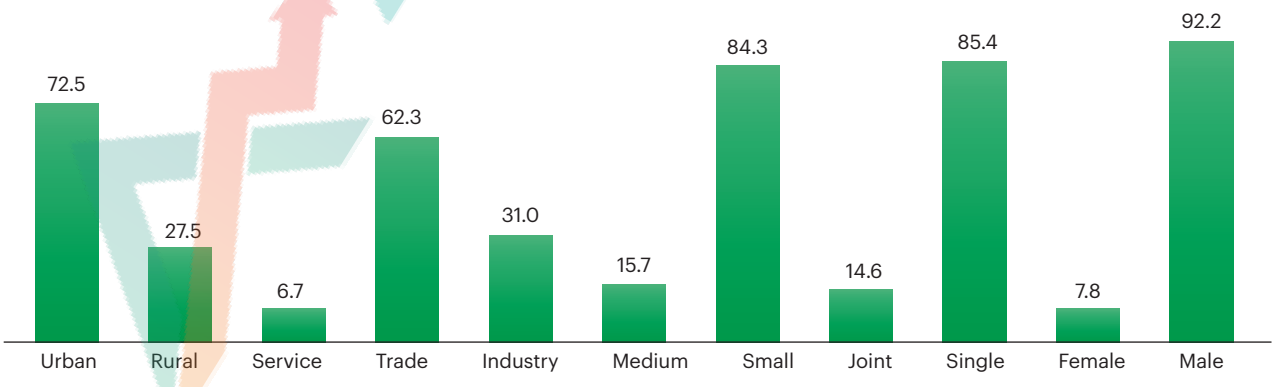


The economic growth of Bangladesh was underpinned by strong economic growth, with 6% plus growth over the decade and reaching to 7.24% in 2016-2017 FY. This rapid growth enabled Bangladesh to reach the lower middle-income country status. The CMSMEs have been contributing about 75% of non-agricultural employment and about 25% to the national GDP, which may reach up to 56.34% if trading and service are included. In Bangladesh, SMEs are playing a noteworthy part in driving economic advancement and generating employment opportunities. About 99% of the formal business enterprises in Bangladesh are SMEs (ADB Institute, 2016). Their total contribution to export earnings varies from 75 percent to 80 percent.

SME loans as percentage of total loans stood at 23.27% at the end of June, 2017 as compared to 23.63% of June, 2016. Total SME loans by the banks and nonbank financial institutions increased by BDT 222.12 Billion or 13.84% and stood at BDT 1827.05 Billion at the end of June, 2017 as compared to BDT 1604.93 Billion at the end of June, 2016. The increase of SME loans of different category-wise institutions at the end of June, 2017 (shown in the diagram) are in state-owned banks, private banks, foreign banks and non-bank financial institutions as compared to that of June, 2016. While for the specialized banks, it decreased by 49.92% during the same period.

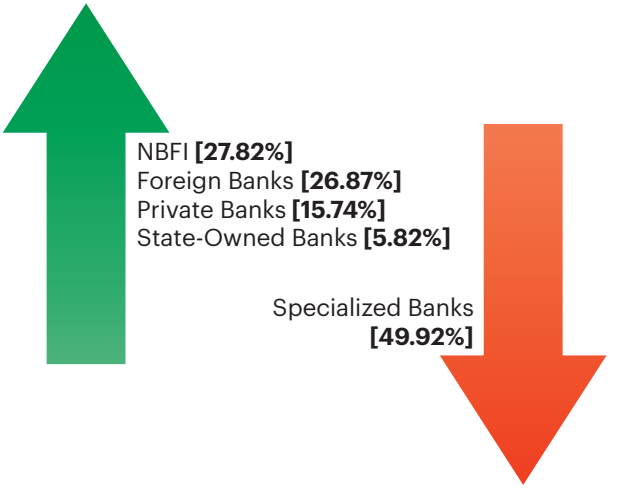
Cluster-based SME entrepreneurship development could be an effective tool to accomplish Vision 2021 which comprehensively paved the milestones for the country on achieving the middle income country status. The goal of touching the double-digit growth depends substantially on the performance of the small and medium enterprises.

Distribution of Enterprises Based on Location, Ownership, Size, Sector and Location (%)

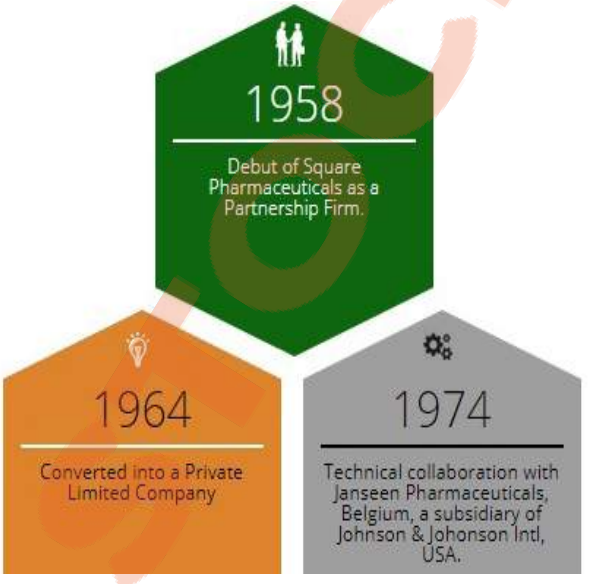


Source: A Survey Report 2016, Research Department, Bangladesh Bank.

In Bangladesh, most of the formal enterprises are small (around 84.3%) and with higher concentration on trade industry (62.3%) and the larger number is located within urban area (72.5%). A recent study shows that, most of the SME entrepreneurs (77.4%) do the banking transactions with private banks, where 72.5% of them are from urban area, specially, 44.6% of them were inhabitants of Dhaka Division.



Unlike the global trend, Bangladesh has seen uprise of group of companies, which started at a micro level but reached to global height within a very short period of time. Square Group is one such prominent example.





A modern factory of Square Pharma at present days

2016-2017 Business Performance and covergae

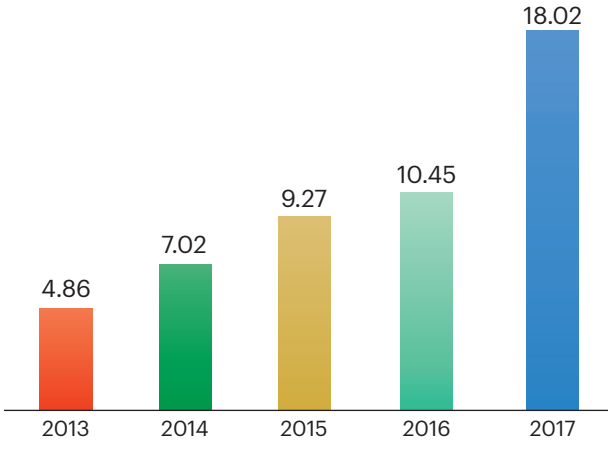
1958:
Mr. Samson H Chowdhury ventured into a partnership for pharmaceutical products manufacturing with three of his friends in Pabna district.



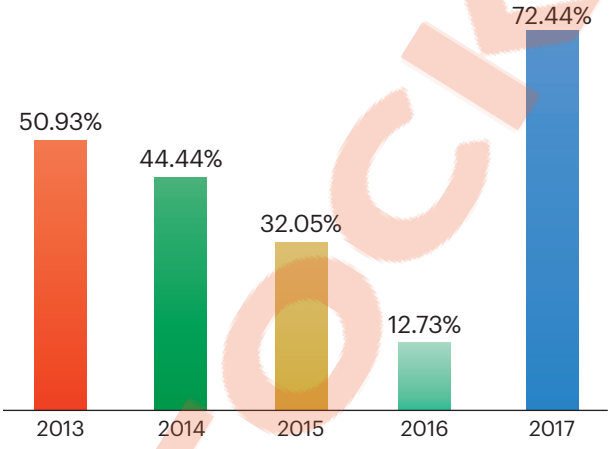
MTB believes that the present CMSMEs are the building blocks of the country's path to middle-income nation. MTB wants to be a proud partner of implementation of the nation's dream by sponsoring the CMESMEs at their early stage and remain a trusted partner throughout their graduation to national to international level. MTB SME Division provides a comprehensive array of loan products and solutions to small and medium enterprises (SMEs) across the country since its commencement in 2007, helping them meet their longing to accomplish the sustainable business growth.

For outstanding contribution to the development of SMEs in Bangladesh, MTB has secured two highly prestigious awards: Women Entrepreneur Friendly Bank of the Year 2014 and SME Bank of the Year 2014 at the SME Financing Fair-2014, organized for the first time by Bangladesh Bank and SME Foundation jointly

MTB SME Portfolio BDT Billion



MTB SME Growth



Major Strengths of MTB SME

- Dedicated SME business desk at 111 MTB branches
- Dedicated 14 SME/Agri branches across the country
- Financing to agriculture and cluster financing
- SME products specially designed to finance women entrepreneurs
- Dedicated SME Relationship Manager for each MTB branches with specialized training

MTB SME business growth has been outstanding, which stood at 72.43% at the end of 2017 compared to that of 2016. MTB SME Division has been focusing on business growth along with maintaining the quality of portfolio and strengthening the MTB SME brand in SME financing of Bangladesh. Recognizing the growing competition in the SME banking industry, the division has made significant investments in technology to ensure faster and more efficient services to SME clients.

MTB SME Banking Division has been working relentlessly with a diversified array of SME products, keeping in mind the needs of every type of SME business. MTB SME Banking business growth has reached a new height at the end of 2017 with tremendous SME business achievement.

Ettihad Plastic Bag Industries Ltd. located at Indoil, Santahar, Adamdighi, Bogra, was established in 2011 and started full scale operation in 2014. The firm is engaged in manufacturing of different types of PP woven bags (printed) which are mainly used in different agro processing industries, rice mill, flower mill, cement industries, fertilizer factories, chemical plants, poultry and fish feed industries, salt refineries etc. MTB started financing the factory at project implementation stage, which continues, till now, through working capital finance and non-funded import facility.. The factory is comprised of 30 sets circular looms where daily production capacity is 7067 kg pp woven bags per day.






MTB Agriculture Financing

The unrelenting effort of MTB Agriculture financing is continuing through 14 MTB SME/Agri branches across the country to fulfill varying financing needs of agro-enterprises. MTB Krishi, one of MTB's agricultural products, stood at BDT 398.28 million and the portfolio of MTB Krishijat (RL) was BDT 2,064.83 million at the end of 2017. MTB has been striving hard towards financing in the agricultural sector and, as a result, superseding the agricultural loan disbursement target set by Bangladesh Bank over the last few years.

MTB has been contributing to the agricultural sector through the branches and agent banking centers across the country. The batch lending proposition and disbursement through different clustered farmers' groups (Somobay Samity) for agricultural loan disbursement in the remote areas has been a phenomenal success. MTB is striving to make agriculture more attractive to young people and empower women so they can contribute more.

MTB's Collaboration with MFIs

Microfinance has built a solid track record as a critical tool in the fight against poverty and has entered the financial mainstream. Microfinance Institutes (MFIs) have a significant outreach to the unbanked or under banked population across the country and they have higher scope to extend the credit facilities to them. MTB has partnered with around 100 MFIs since 2007 in order to strengthen and maximize the cumulative agricultural and rural credit portfolio which is helping MTB to exceed the agricultural loan disbursement target set by Bangladesh Bank.

MTB Inclusive Financing

An estimated 2 billion working-age adults globally have no access to formal financial services delivered by regulated financial institutions. Bangladesh Bank is working relentlessly to increase the availability of modern financial services that meet the specific needs of users without discrimination which is the key financial inclusion objective. MTB bridges the gap between the bank and the unbanked people by extending financing to the marginal farmers around the country though 50 MTB agent banking centres. MTB is making modern banking services accessible to rural people offering cost-effective banking services in remote areas of Bangladesh.

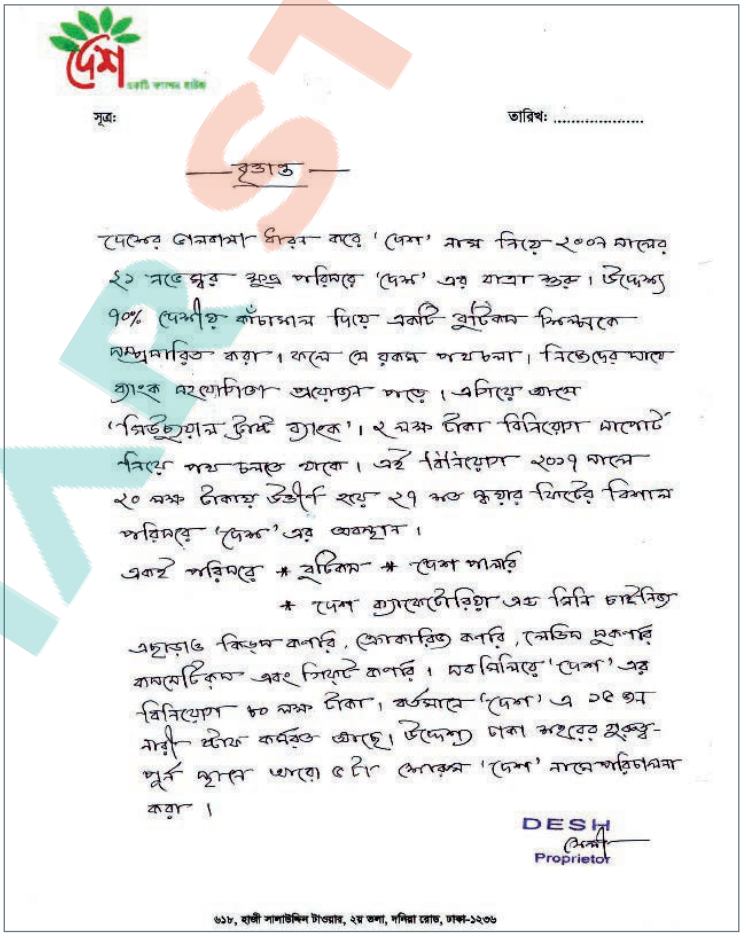
MTB Women Entrepreneur Financing



Throughout the world, in any development undertaking of a nation, women's empowerment is an inevitable part of economic development discourse. Women entrepreneurship has been recognized as an important source of economic growth, creating new jobs for themselves and others and providing society with different solutions for management, organization and business problems. MTB Bhagyobati and MTB Gunabati are two innovative financial products for women entrepreneurs and have a strong presence in SME credit market for their unique features and easy access to financing. MTB is the only bank that offers interest rate of 9% to the Women Entrepreneur under an MoU signed with the SME Foundation.



Mrs. Nahid Akter started her business in 2009 bearing the spirit of patriotism and love for the country (Desh) in mind. She planned to flourish the boutique industry through maximum use of local resources. MTB started financing her business imitative in 2011, with a loan of BDT 0.20 Million. She continued her business through dedication, and in course of time, MTB provided her with a loan limit of BDT 2.00M in 2017 under MTB Bhagyobati loan product . Now she is operating with 15 female employees, a large outlet of 2700 SFT encompassing boutique, beauty parlor, cafeteria and mini Chinese to provide one stop service to her client. She is planning to open 5 more outlets in Dhaka city in near future.



MTB Green Finance

As a responsible corporate entity, MTB has a strong commitment in developing the field of sustainable energy finance of Bangladesh. MTB has been playing an important role in the banking diversity through providing the access to finance for SMEs in the green economy. MTB has a dedicated product, MTB Green Energy Loan, which is an environment friendly Green Credit product that enables the prospective customers to set up renewable energy projects such as solar, biogas, wind, hydro and any other potential renewable plants covering environment friendly technologies i.e. modern technology in brick kiln, ETP in factories and help reduce the carbon footprint of the country.

MTB SME Banking Products

MTB SME Banking Division offers a number of diversified products as shown below keeping in mind the wide-ranging needs of micro, small and medium-sized enterprises (MSMEs) and special business segments like agro based industry, renewable energy, light engineering and MFIs.

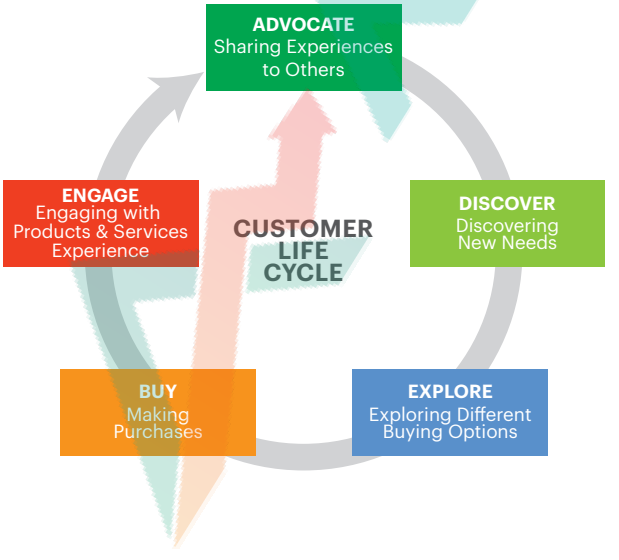
RETAIL BANKING

Rapidly increasing use of modern technology has enhanced both the reach and accessibility of banking services across the country. A significant part of the banking industry growth can be awarded to the surge in retail banking arena. Bangladeshi banking industry has been witnessing a steep growth in the uptake of retail sector for the past 5-6 years. Retail banking has been growing at double-digits for the past few years, riding on the growing middle-class.

Retail banking typically focuses on consumer oriented banking and financial service products, including checking, savings, money market instruments, personal loan, residential home loans, and business loans. Retail banks are typically located in areas that are accessible and convenient to serve a broad base of prospective and existing customers.



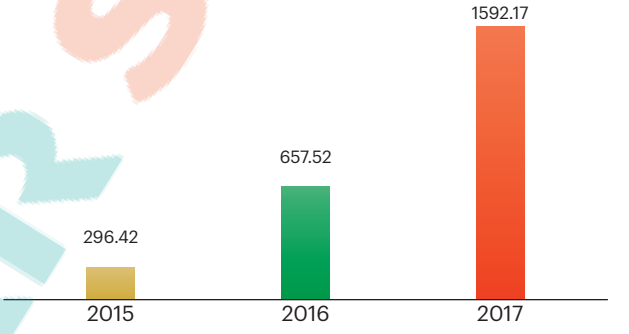
In recent years, the way consumers are discovering, analyzing, buying, and engaging with the products experience, has shifted significantly. Consumers have taken control of their purchase process. Specially in retail banking industry, the customers have a wide range of options of retail products and services with different features offered by the banks.



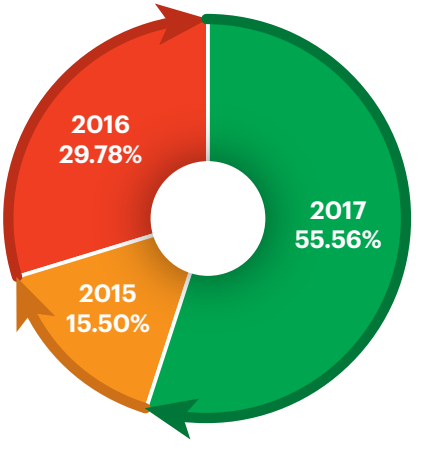
MTB Retail Banking Highlights

MTB has been maintaining a swift progress in becoming one of the paramount private banks in the banking industry of Bangladesh. MTB has invested significantly establishing more branches, ATMs, agent banking centres around the country in recent years focusing on the retail market base. Though the bank has been emphasizing the wholesale banking, a number of long term strategies were placed in motion with a view to increasing the retail banking growth keeping in mind the extreme competition in the market. With vigorous and relentless support from Retail Banking Division, MTB Branches, Retail Relationship Managers, Payroll and Privilege Banking network, MTB has achieved BDT 1592.17 million growth in its retail lending portfolio in YTD 2017.

MTB Retail Portfolio Yearly Growth Volume BDT Million

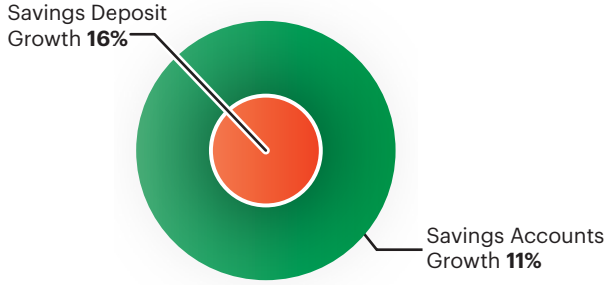


A continuous strive towards the excellence in the long standing customer relationship with tailor-made retail products and services has been helping MTB become one of the leading retail banks in Bangladesh. The Retail Banking Division will continue its pursuit of outstanding growth in the coming years introducing more retail products matching the growing needs of the retail clients.



The Retail Banking Division of MTB offers a number of deposit products, loan products and MTB cards to the customers through its 111 branches, direct sales team, payroll, privilege banking and 50 agent banking centres. MTB is providing non-stop customer services with the support of 24/7 call centre, one of the best internet banking services with mobile app, 250+ ATMs, POS and KIOSKs across the country.

The Savings deposit growth stood at 16% and Savings accounts growth at 11% at the end of 2017, which helped MTB in portfolio risk diversification and cross selling maintaining higher yields.



MTB NEER

Most of the people in our country still live in the urban and suburban areas with very little or no modern banking facilities. The "Semi Pucca" houses becoming



Inauguration of new retail product - "MTB NEER" on August 22, 2017

MTB NEER is an Equated Monthly Installment (EMI) based loan facility, and intending applicants can take up to BDT 4.0 million from any of the bank's 111 branches located across the country for construction, expansion or renovation of semi-pucca houses.

MTB Payroll Banking

MTB Payroll Banking Unit has been pushing its boundaries to excel further and have a greater market share for the last couple of years. This unit has been showcasing professionalism and team-work and consistent growth by providing expert banking solution with personal touch. It has been a year of continuous progress for MTB Payroll as the unit continued to accelerate the growth rate in almost every component of the portfolio composition. MTB Payroll Banking Unit onboarded a number of companies in 2017 which include MNCs as well as local companies. Payroll accounts contribute almost 13% of the total retail loan portfolio this year which is 60% higher than that of 2016.

To demonstrate the customized payroll products and services to the clients, this Unit arranges "Payroll Campaign" each year. MTB Payroll Banking Unit will continue its pursuit of excellence by offering a complete range of reliable and customized banking solutions with exclusive salary management products for the clients.

2017 Highlights:

- Company acquisition: MTB Payroll Banking on-boarded quite a few companies in 2017 which include MNCs as well as Local Corporates.
- Retail Loan Penetration: Payroll accounts contribute almost 13% of the total retail loan portfolio this yea,r which is 60% higher than that of 2016.
- Payroll Roadshow: MTB Payroll conducted 24 Roadshows in its top Payroll Companies in 2017 which increased the bank's visibility in the market and enhanced cross-selling of other MTB products.
- 2017 was a year of process re-engineering and improvement. As part of it, MTB Payroll introduced Payroll Categorization.

MTB Retail Strategic Plan for 2018

MTB Retail Banking Division has had a successful year with an accumulated growth of around 56% compared to that of last year. MTB will continue its focus on the Retail Banking Division to ensure the ceaseless growth in 2018 by:

Within 18 years since the bank started its journey, MTB Retail Banking Division has come a long way through relentless hard work in line with the long term strategic planning. Through continuous pursuit of excellence, MTB Retail Banking Division is working towards establishing itself as one of the most dominant players in the Retail Banking Industry of Bangladesh.

Reinforcing the CASA growth with the support of Online Account Opening (OAO) system using MTB website

Emphasizing on the long term strategic focus towards the retail portfolio management of MTB

Concentrating persistently on the superior customer service while contributing to the sustainable growth of MTB Retail Banking

PRIVILEGE BANKING

MTB always aspires to let its customers experience the best services in the banking industry. Since inception in 2010, MTB Privilege Banking Department, as a frontier of retail banking, strives to provide a 360 degree banking solution to its high net worth (HNW) clientele with its well-trained and dedicated industry-best relationship managers. The ambience of the well-decorated, furnished and stylish business suite of each privilege centre is a testament to the careful attention, which has been given in creating these modern offices with state-of-the-art technologies for our valued customers.

For better customer experience, MTB Privilege Banking Department follows a strategic selection plan while choosing location for privilege banking centres in order to ensure presence in close proximity to the highly valued clients. As the bank aspires to become the best amongst the premium banking service providers, it restructured its privilege banking in 2014 and added 8 new state-of-the-art privilege centres to provide a soothing experience to the high net-worth customers. Among them 7 are located in Dhaka and 1 in Chittagong.



The efficient relationship managers ensure high standard of services that enables the highly prioritized clients to build a long-term beneficial relationship with MTB. Any Bangladeshi citizen maintaining a minimum of BDT 4 Million with MTB is eligible for privilege services. MTB Privilege Banking Department operates having faith in 6 (six) core values- Customer Focus, Quality, Teamwork, Integrity, Respect for the Individual and Respectable Citizen. Moreover they act as the personal financial advisors, who help achieve high net-worth clients' financial goals. Through tailored products and services, MTB Privilege Banking Department ensures competitive financial return on the investment of the privileged customers for their banking relationship.

MTB Privilege Banking Department offers its customers attractive deals throughout the year on shopping, dining, travel and entertainment. To ensure premium customer service for affluent customers, MTB has come to agreements with a number of strategic partners- The Westin Dhaka, Amari Dhaka, Sayeman Beach Resort, The Peninsula Chittagong, Royal Tulip Luxury Hotel, Amin Jewellers, Purobi Jewellers, Spitfire, Saltz, Absolute Thai, UMAI, Tastebud, Bulls n Barrels, Asgar Ali Hospital, Apollo Hospitals, United Hospitals, Vibes, Biman Bangladesh, Air Asia, US-Bangla Airlines and many more. Apart from these, MTB, through partnering with more than 105 premium brands, has been offering attractive discounts and facilities of several fashion houses, hospitals and service providers like restaurants, hotel, resorts and airlines.

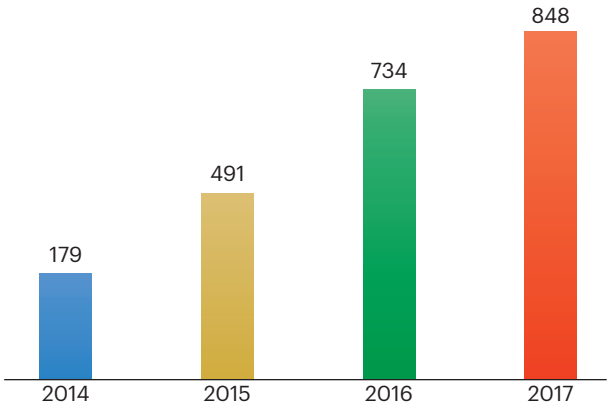
Complimentary Airport Pick-Drop Limousine Service from Europcar, complimentary access and complimentary food at MTB Air Lounge, complimentary Airport Protocol Assistance Service/ Meet & Greet Service, customized Health-Care Support at top hospitals of Bangladesh and abroad, celebrating special days with personalized wishes, gifts & specialized cakes, greetings in festivals and invitation to exclusive Privilege Banking events and seminars. To entertain the valued customers, other non-financial facilities include, but not limited to, free debit cards with higher withdrawal limits, Pre-Approved Mastercard World and VISA Signature Card, discount on locker service, SMS and Internet Banking Services with dedicated 24/7 call centre.

Performance of MTB Privilege Banking Department at a Glance:

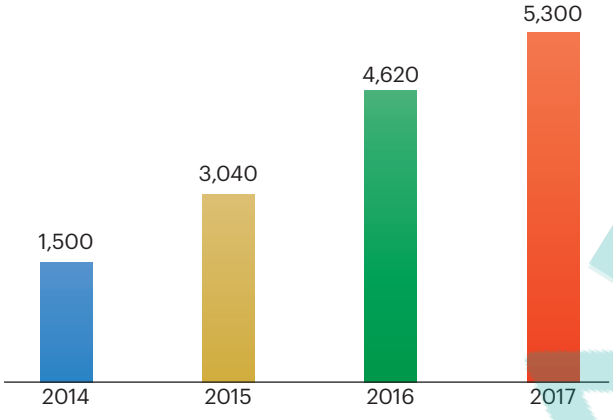
MTB Privilege Banking Department with its unique target marketing strategy has been catering affluent clientele for MTB. Since 2014, after facing a lot of challenges and overcoming various hurdles, MTB Privilege Banking Department through MTB Privilege Centres has been trying its best to provide industry-best premium services and win customers' satisfaction. The following numeric data and graphs highlight the comparative performance of MTB Privilege Banking Department:

In 2017, MTB Privilege Banking Department experienced a growth of 15.53% in the number of customers compared to that of the last year and it is almost 4.74 times greater than what the number was in 2014 as a positive impact of revamping the then Privilege Banking System. In addition to that, the total amount of deposit has been increased from the BDT 4,620 Million in 2016 to BDT 5,300 Million, registering about 14.72% growth.

No of Privilege Customers

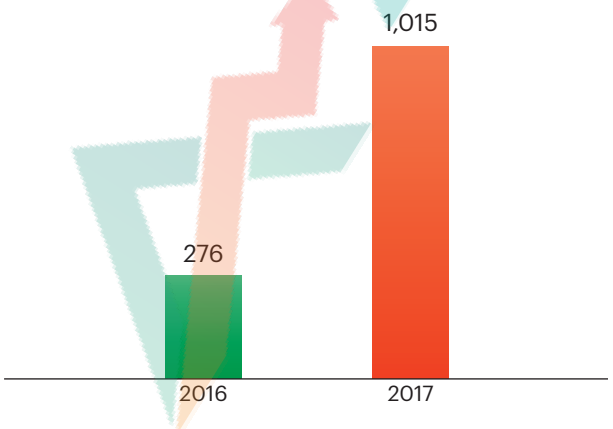


Deposit BDT Million

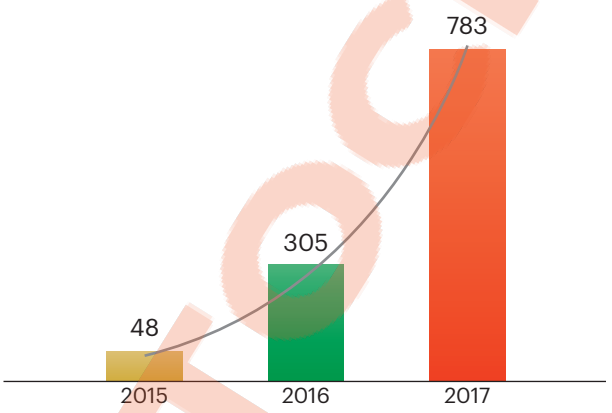


Along with the deposit, MTB Privilege Banking Department started to acquire assets since 2016. It was proved as a great initiative, as, in 2017, the MTB Privilege Banking Department booked assets amounting **BDT 1,014.57 Million**, which is **3.67 times higher** than what the figure was in 2016. The number of credit cards has increased to **783** and shows about **156.72% increase** from 305 in 2016. It has caused a great effect on the profit of MTB Card Division for the year 2017.

Rick Asset Privilege BDT Million



No of Privilege Credit Cards



Achievement in 2017

- A luxurious **MTB Air Lounge** has been established at Hazrat Shahjalal International Airport with a view to providing MTB customers with greater comfort and convenience when travelling in and out of the country.
- Credit facility has been extended at a large scale with several retail lending products to the reputed high net-worth customers appraising their financial needs.

Plan for 2018

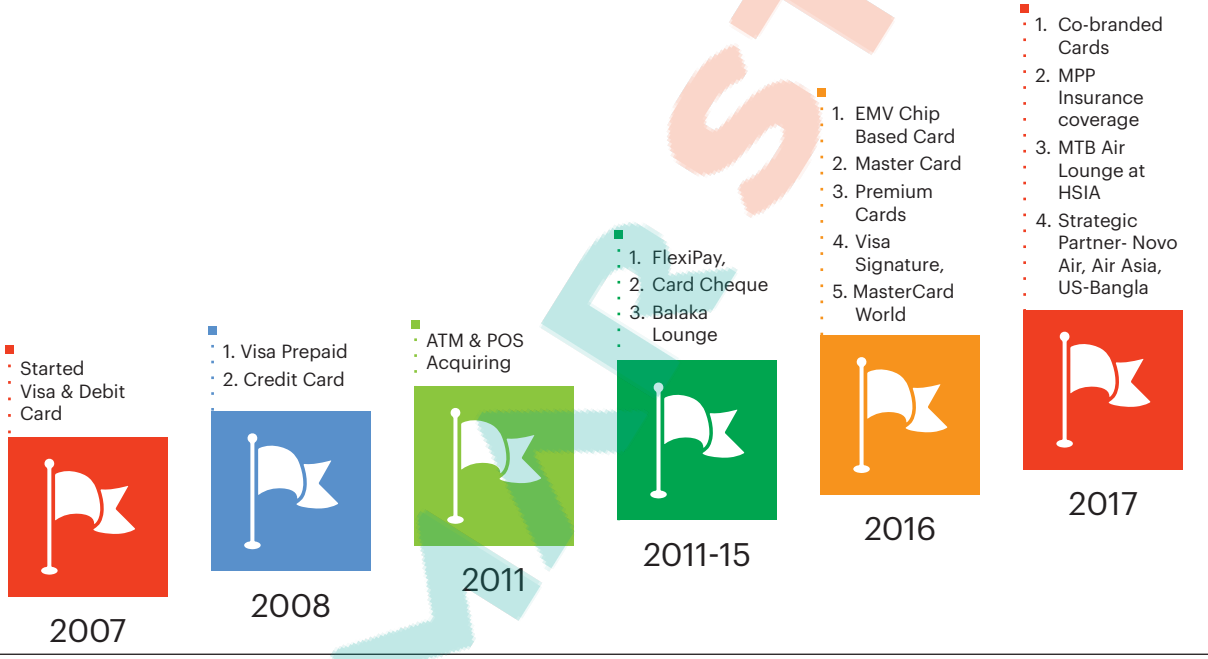
- To innovate customized products and services to let the customers have better experience.
- To increase the customer-base as well as the market share.
- To increase lending business along with deposit products.

MTB Privilege Banking Department is experiencing growing demand for privilege banking and the achievement of the last couple of years has been inspiring to come up with more privilege banking centres, which will increase the availability of such kind of priority banking services. Moreover, Privilege Banking Department of MTB strives to retain the client growth through acquiring new customers to increase its client base while continuing to provide the premium services to the existing clients as well. From its experience over the years, MTB Privilege Banking Department is now confident enough to seize a significant market share and drive to explore avenues, which it can optimize for sustainable growth and development while maintaining world class service quality to be **The Bank of Choice.**

CARDS

MTB Card Division has revamped its card services with state-of-the-art EMV technologies and has also launched premium products in the year 2016. MTB Cards always believes in continuous adaptation of changes and simultaneously new innovation in the market. This is the effective way to penetrate this card market being a late entrant one. Year 2017 was the year of shift of MTB card business and this success history will flourish in the upcoming days or years to come.

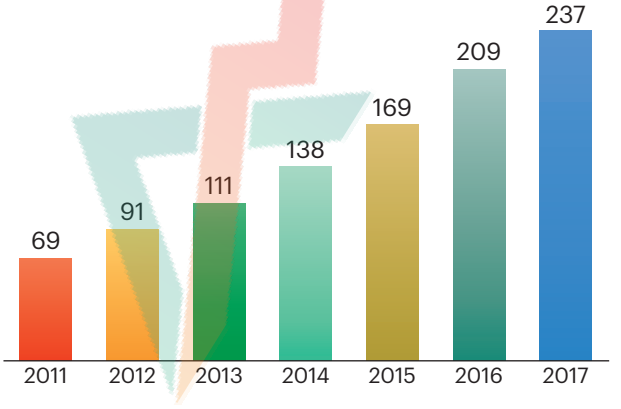
With the slogan of 'WORKING TOWARDS A CASHLESS SOCIETY', MTB Card Division with its skilled and dedicated professionals has adopted strategies with dynamism and, sensitivity towards changes. MTB Cards continuously striving to enhance customer satisfaction with best services and come up with innovations through state-of-the-art technology and products. That strives MTB Card Division to adopt EMV chip based **EUROPAY, MASTERCARD** and **VISA** in 2016, to ensure most secured mode of Electronic Transactions, as the 'Cyber Security' became the major concern due to some mischievous scams during that time. Obviously these allowed MTB Card Division to thrive in the market through providing **Safe, Fast and Hassle-free** services to the clients throughout the country. Since its inception in 2007, some of the major milestones achieved by MTB Card Division are being depicted here-



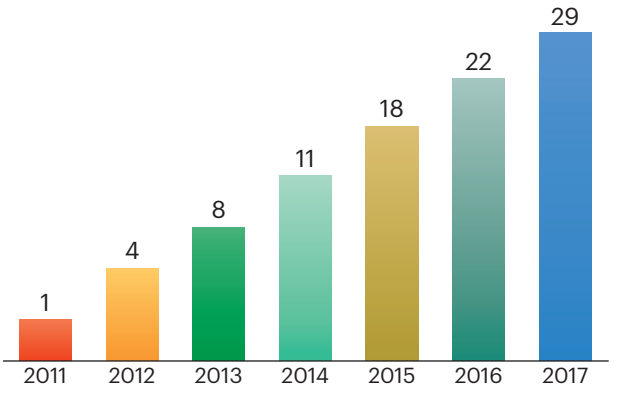
Performance at a Glimpse

During the last couple of years MTB Card Division has shown a remarkable performance which is helping MTB to become a BANK OF CHOICE in the Card Industry through Innovations, Value Addition and Customer Service. Here are the graphs depicting the year to year progress at a glimpse

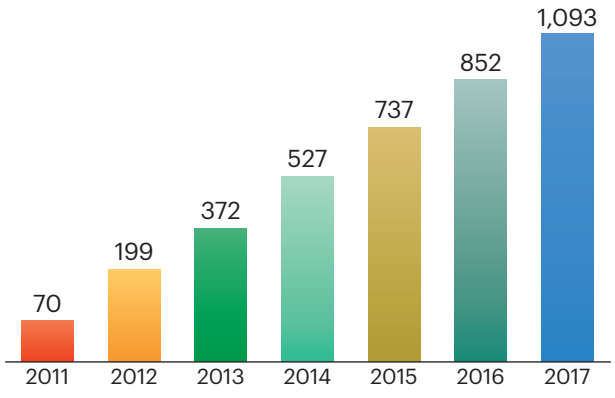
No. of Debit Card In Thousand



No. of Credit Card In Thousand

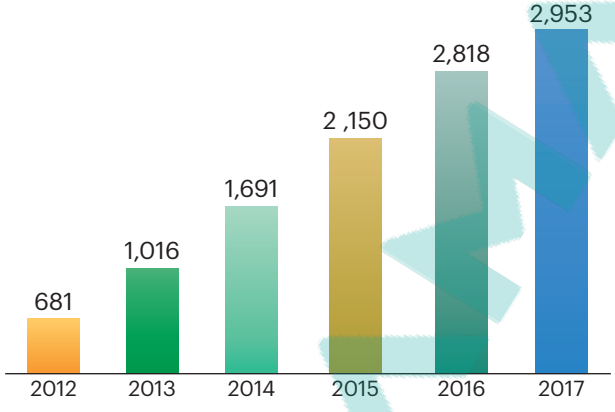


Outstanding of Credit Card BDT Million

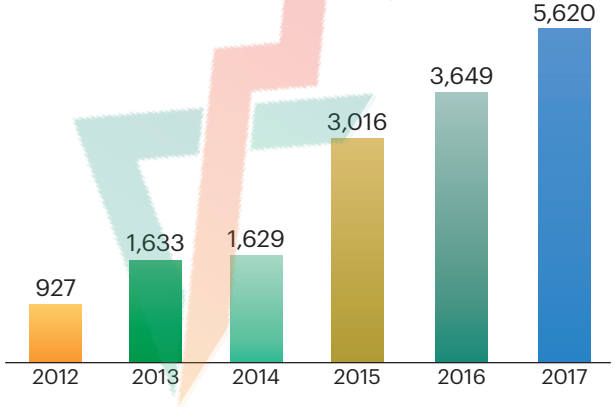


In 2017, MTB Credit Card has experienced 31.18% growth compared to that of 2016 and the number of credit card is almost 29 times greater than that of 2011. At the same time the number of MTB Debit Card has showed around 13.40% growth than that of 2016. Along with the number of cards, the outstanding balance has increased significantly about 28.29% than that of the last year and the amount is about 15.61 times more than that of 2011. It has caused a great effect on the MTB Card Division Profit for the year 2017.

No of POS



POS Transaction Volume In Thousand



Moreover though the number of POS has seen a slight growth. The volume of POS transaction shows the growth of 54% than that of last year and around 5 times bigger than that was in 2012. All of these have resulted in a great outcome in the year 2017. We have attained a Profit of BDT 80 Million which is about 100% greater than the profit earned in 2016.Products and Features

MTB Cards are now offering a range of products, e.g. Debit Card, Prepaid Card, Credit Card Visa and Credit Card Mastercard. MTB Card Division is proudly announcing that all types of cards we are now offering are EMV chip based, PIN enabled card, which requires PIN for a secured process in each transaction. MTB Card Division is proudly offering EUROPAY, MASTERCARD& VISA (EMV) Chip based Card. As the principal member of Visa and Mastercard, we are providing a wide range of card products which includes Visa Classic/ Gold/ Platinum/ Signature and Mastercard Classic/ Gold/ Titanium/ World.

Unlike other card products Visa Signature and MasterCard World is the premium product that are entitled with a lot of additional value addition and exclusive features and facilities like,

a. Complimentary Access to MTB Air Lounge (HSIA): Visa Signature/ Mastercard World cardholders will get complimentary access to our exclusive 'Oasis of Peace', MTB Air Lounge at Hazrat Shahjalal International Airport (HSIA), Dhaka, along with one adult companion and two kids below 12 years round the year.

b. Access to 1000+ airport lounges under Priority Pass: The cardholder will receive a complimentary 'Priority Pass' to access the exclusive 1000+ privilege lounges around the world. The first ten (10) lounge visits are complimentary in a calendar year with Priority Pass upon passport endorsement against MTB Card.

c. Complimentary Airport Pick & Drop Service: Complimentary Airport Pick-up & Drop Services, while travelling to and from Hazrat Shahjalal International Airport (HSIA), within Dhaka.

d. Complimentary Meet & Greet Service: Cardholders will be entitled to have complimentary Meet & Greet Service at HSIA, Dhaka.

e. Complimentary MTB Protection Plan (MPP): MTB Protection Plan (MPP) insurance coverage will be provided under the umbrella of Guardian Life Insurance Ltd, a renowned insurance service provider of Bangladesh. In case of natural, accidental death or permanent total disability, cardholder will be covered by a Complimentary insurance up to BDT 4 (Four) Million. Beneficiary (s) will be eligible to get this amount to continue their lifestyle, after deducting the remaining outstanding of the card.

Achievements of 2017

As MTB Cards committed last year to continue with innovation and broadening the customer base MTB Card Division has tried its best to perform in 2017 to keep the word. MTB Card Division has launched diversified, customized and unparalleled products for target customer and to create the stronger foothold in the card industry through capturing the market share. The following will poster the activities during 2017-

1. Co-branded Cards:

Through the year 2017, with some regular interval MTB Card Division has come up with new Co-branded Cards, new concept of value addition service to the target segments.

On 21 May, 2017, MTB launched Country's first-of-its kind 'Amar Prothom Easy Payment Card' a Prepaid Mastercard for the subscribers of Banglalink which is free for the lifetime and accessible for online shopping. In a simple ceremony, on 16 August, 2017, MTB-Sonali life insurance Co-branded Debit Card has been advented for the customers of Sonali Life Insurance Company.



Launching Ceremony-'Amar Prothom Easy Payment Card'

On 8 November, 2017 MTB Card Division introduced co-branded card for the member of e-CAB for making their legitimate expenditure which is Prepaid Dual Card. In an auspicious moment on 21 November, 2017 MTB came up with MTB-Cadet College Club Co-branded Credit Card with both Visa Signature and MasterCard World for the Permanent members of Cadet College Club. The Last addition to the rally of co-branded cards was MTB-Chittagong Club Mastercard World Credit Card for the Permanent members of Chittagong Club that took place on 14 December, 2017. MTB Card Division is expecting to see more addition to this rally in the coming years.



MTB Co-branded credit cards for the members of Cadet College Club



Launching ceremony Co-branded credit cards for Permanent members of Chittagong Club

2. MTB Protection Plan (MPP):

To make MTB Credit Card more beneficial and valuable, MTB Protection Plan (MPP), the unique insurance facility, has launched. Under MPP, Death (Natural/Accidental) and Permanent Total Disability insurance coverage will be provided by Guardian Life Insurance Company in Bangladesh. MTB Visa Signature or Mastercard credit cardholder will get an insurance coverage maximum of four-times of outstanding balance but not more than **BDT Four (4) Million** and for other cardholders maximum coverage is BDT **Two (2) Million.** Cardholder's beneficiary will be eligible to get this amount to continue their lifestyle, after settlement of outstanding at first place. This service is complimentary for Visa Signature and Mastercard World cardholders. For other credit cardholders a nominal charge of 0.30% per month on outstanding has been charged.

3. Partnership Benefit:

As of December 2017, MTB had over 110 discount partners with offers of up to 75% discounts for MTB cardholders and over **100 FlexiPay Partners.** Apart from this, year-round discount facility, in 2017 MTB Cards have presented a number of special offers in the midst of nationwide festivity to make life more colorful. During Ramadan and on the eve of Baishakh, Eid-ul-Fitr and Eid-ul-Adha, MTB had additional **20 Strategic Partners** and **25 lifestyle Partners** to offer discounts to card holders. The Partners like **Six Seasons, Platinum Suites,** and **Long Beach Hotel** have been catering free **Buy-one-Get-one (BOGO)** offers round-the-year. MTB has signed agreement with **Air Asia, US Bangla and Regent Airways** that will allow the card holders to get bundle of offers, discount and FlexiPay facilities.

Plan for 2018

With the advancement of affordable digital gadgets and availability of internet driven services, our customer's habits are rapidly changing. Financial industry is facing technological disruption in payments

in developed market with new payment concepts like NFC payment, QRC payment, wallet based payments, etc. MTB Card Division is very active in the digital payment space and wants to be pioneer in Bangladesh to thrive with customers' aspiration.

The year 2017 is surely a remarkable year for MTB Card Division considering a lot of achievements. In 2017 we built our strong platform to take off with a robust system and enhanced security. In 2018, we will offer many more new technological products. With the added features and products, we will further enrich and strengthen our partnership with other entities. Major initiatives planned for 2018 are as follows:

Upcoming Innovations:

1. **QR Code based payment:** MTB Card Division is actively working for offering QR code based payment solution to the customers. Customer will scan the QR using MTB mobile app installed in his phone at the merchant outlet and enter the amount, that's all. Secured payment will happen and both customer and merchant will get confirmation in SMS/email and also check in their mobile app.

2. **Contactless payment:** MTB card division is actively working for offering contactless payment solution to the customers. Customer will have **'Tap and Go'** experience at the merchant for a quick small payment. PIN will be required for transactions beyond a threshold amount. Contactless data transfer will be encrypted and secured by **EMVCo standard.**

3. **UnionPay International (UPI):** UPI is a subsidiary of China UnionPay and looks after the international business of China. UnionPay is the largest issued Card in the World including Mainland China. In 2018, MTB will tie up with UPI for contact, contactless, QR Code, e-commerce issuing and acquiring.

4. **2 Factor Authentication:** In 2018, MTB Card Division is looking forward to come up with 2(two) Factor Authentication, for secured E-commerce and online transaction. An SMS **OTP (one time password)** will be sent to the cardholder's mobile that the cardholder will insert into the merchant's payment Gateway for the particular transaction.

5. **Payment Gateway:** E-commerce transactions are increasing exponentially across the world compared to conventional contact POS transactions. In 2018, Mutual Trust Bank will set up payment gateway for acquiring merchant's websites.

More Business and Benefits:

1. Card business will also have vigorous sales campaign round the year by penetrating payroll customers, corporate customers, and so on.

2. MTB cards will try to be always in the mind of customers by celebrating each occasions of 2018 and will come up with Valentine's/Boishakh/ Ramadan/ Eid al-Adha campaign. Every occasion will have discounts, Buy one get one and so on to make MTB cards more lucrative.

3. During the year MTB Cards will launch Payroll Card, SME Debit or SME Credit cards to penetrate in the market in different ways.

4. To keep the existing cardholders and to cater new, all the year round, there will be different customer engagement plan which will be activation campaign, card up-gradation campaign, and Installment loan against available limit of card.

5. MTB cards being the pioneer in co-branded card will come up with enormous number of co-branded cards with different nature and with brand to keep surprising in card market which can be Hotel/Hospital/Travel Company / E-commerce/ Airlines/Clubs and so on.

6. Continuous onboarding of new FlexiPay or discount Partners to give cardholders something extra will be the main motto.

7. Exclusive campaign with partners will be always an ongoing process to strengthen the card business.

From the inception of 2007, it took years for MTB Card Division to gain strength to perform in the competitive market and now it is equipped enough to play a role at a large scale and compete with the current giants in card market. Year 2018 will be the year to put a strong step mark and exhibit our presence, which will definitely ensure bold and a substantial place in the card market.

GREEN BANKING

Sustainable Banking

Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development does imply limits - not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be both managed and improved to make way for a new era of economic growth.

The whole world are concerned about the environmental degradation, specially the rising of global temperature and thereby melting of glaciers and ice-berg in the polar region and consequently rising of sea level which will directly affect the low lying countries of the world like Bangladesh. The conscious people of the world are also concerned about the increase of Green House Gases and Chlorofluorocarbons (CFCs) and thereby depletion of Ozone layer. As such every person and specially the professionals must have greater role to check the environmental degradation. The contribution of the banking sector is playing significant role to save the environment through their CSR, investment or other activities.

Most prominent of all, to save the environment, Green Banking is the greatest initiative taken by the banks all over the world. The term Green Banking is popular worldwide now-a-days. It is for stopping the environmental degradation and making this planet habitable. The concept of Green Banking developed in the western countries has been replicated by many developing countries. It means the eco-friendly or environment friendly banking and it also refers to ethical banking or sustainable banking.

Green Banking

The term "Green Banking" in general refers to the efforts of the banking sector to keep the environment green and minimize greenhouse effects through rationalizing their strategies, policies, decisions and activities pertaining to Banking service, business and in-house operational activities. Green Banking is concerned with both human made disaster and natural disaster due to climate change risk or global warming or any other factors related to environment. Green Financing is playing a vital role to ensure the sustainable growth and development of the economy and to ensure a healthy environment for the present generation as well as the future generation.

Rapid industrial growth in Bangladesh over the last two decades brought economic benefits as well as environmental and social challenges. Examples of environmental issues Bangladesh is facing include discharge of untreated highly polluted waste water; air emissions from burning low grade fuel, land contamination from untreated chemical waste or uncontrolled industrial development damaging local biodiversity in ecologically sensitive areas. In line with global development and response to environmental degradation, the financial sector, bank as one of the key stakeholders in society, should play its due role.

A Green Economy promotes a triple bottom line: sustaining and advancing economic, environmental and social well-being.

Bangladesh Bank initiatives

The Sustainable Finance Department of Bangladesh Bank has been engaging and encouraging all banks and financial institutions (FIs) to step-up their green banking initiatives and standards. Policy guidelines and work plans for the banks and FIs have been put into effect by the central bank which encompasses policy formulation and governance, incorporation of environmental risks into CRM (credit risk management), in-house environmental management, introduction of sector-specific green finance, creation of climate risk fund, capacity building through training and awareness along with mandatory periodical reporting on green banking practices. With a view to incorporating sustainability in the financial sector; Bangladesh Bank undertook its first initiative in the year 2011 by introducing Green Banking Policy Guideline for the Banks (vide BRPD Circular No. 02 dated February 27, 2011) and later in the year 2013 it was made mandatory for the FIs (vide GBCSRD Circular no. 04, dated August 11, 2013). In the said policy guidelines, Bangladesh Bank instructed the banks and FIs to formulate Green Banking Policy and establish a separate Green Banking Unit/Cell with the objective to evaluate and manage the activities related to Green Banking.

Afterwards, Bangladesh Bank vide GBCSRD Circular No. 08 dated December 24, 2013 instructed banks to assign Risk Management Committee of the Board of Directors to supervise overall Green Banking activities of the bank. Subsequently, Government of Bangladesh also took initiatives with the objective of implementing the Sustainable Development Goals (SDG) at national level to comply with the United Nations efforts to implement the same globally. In line with the objectives, Honorable Prime Minister of Bangladesh also appealed to all concerned to join the movement in order to accomplish the SDG.

In this connection Bangladesh Bank also instructed the banks and FIs vide SFD Circular No. 02 dated 1st December, 2016 for the followings:

I. Establish a Sustainable Finance Unit under CRM Division

II. Establish a Sustainable Finance Committee chaired by senior most Deputy Managing Director.

III. Formulate Terms of Reference (TOR) as per guidelines set by Bangladesh Bank for the Sustainable Finance Unit and Sustainable Finance Committee in the bank.

IV. Make Risk Management Committee (RMC) of the Board of Directors responsible for undertaking required measures for formulation of policies, setting strategies and programs and monitoring the overall activities related to Sustainable Banking and Sustainable Finance (Green Banking and CSR) programs.

As a regulator of the banking business and activities, Bangladesh Bank introduced Environmental Risk Management (ERM) framework for banks and FIs in 2011. The framework includes environmental risk factors for ensuring sustainable development and protection of the surroundings from further deterioration. ERM aims at ensuring habitable environment and reducing climate effects.

Recently, Bangladesh Bank has widened the number of green products under several refinance schemes to widen their outreach in green financing. Now, 52 green products are being offered in 8 categories, namely - (i) Renewable Energy (ii) Energy Efficient Technology (iii) Alternative Energy (iv) Waste Management (v) Recycling Plant and Recyclable Product Manufacturing Plant (vi) Environment Friendly Brick Manufacturing (vii) Environment Friendly Building (viii) Others

To promote Green Banking, Bangladesh Bank has declared the following preferential treatments for the compliant banks:

I. Points to be awarded on 'management' component while computing CAMELS rating of the concerned bank.

II. Top 10 (ten) banks' name will be hosted on the Bangladesh Bank website.

III. Separate consideration while according permission for opening new branches of the bank.

IV. Bangladesh Bank also, vide GBCSRD Circular No. 04 dated September 04, 2014 instructed all scheduled banks to allocate 5% of its funding for Direct Green Finance to reap refinancing benefit against the 50 (Fifty) products/scheme declared by it.

MTB's Green Initiatives

MTB, one of the leading compliant commercial banks of the country, always try to comply with economic, environmental, social regulation for the betterment of our planet and the living being residing on it. In compliance with Bangladesh Bank guidelines, MTB formed Sustainable Finance Unit under the Credit Risk Management Division.

To ensure Green Banking practices in the bank, MTB has formulated Green Office Guide as well as Environmental and Social Risk Management (ESRM) Policy as instructed by Bangladesh Bank, covering areas that ensure sustainable environment, i.e. in-house environment management, green financing and awareness building among the employees and stakeholders of the Bank.

MTB Green Office Guide

As part of Bank's continuous effort for upholding Green Banking initiatives, MTB developed Green Office Guide to facilitate Green Banking objectives of the bank. The Green Office Guide comes up with pictorial demonstration for better understanding of the readers. This Guide is used in the offices to determine the style of daily functional behavior of all tiers of workforce.

Inclusion of Environmental and Social Risk Management (ESRM) Policy

The Executive Committee of the Board of Directors at its 98th meeting held on 04.12.2017 approved "Environmental & Social Risk Management (ERSM) Policy and Procedure of MTB – 2017". This policy and procedure is a modification / amendment of our existing "Environmental Risk Management (ERM) Guidelines".

Unlike the ERM guidelines issued in 2011, this document is a more dynamic and comprehensive in nature and accommodates social risks management issues in addition to covering latest developments in environmental risk management. This paper is based on the "Guidelines on Environmental & Social Risk Management (ESRM) for banks and financial institutions in Bangladesh" issued by Bangladesh Bank (BB) vide their SFD Circular No. 02 dated February 08, 2017.

MTB's Green Marketing System

MTB emphasizes selling products and/or services based on their environmental benefits. A number of such products and services like Debit Card, Credit Card, Internet banking, Internet recharge for mobile, SWIFT, Call center, Online banking, SMS banking, etc. are being promoted through vigorous advertisements in both the electronic and the print media. The virtual world of communication is also being used as the means of promoting the bank's environment friendly products and services. Brochure, leaflets, banners, flags, hard boards, festoons, danglers, billboards, and alike means of advertising are also used to popularize the Green products of the bank. MTB also uses the occasion of opening ATM booths and branches to popularize the bank's environment friendly products and services. Clients are also encouraged to modify their product lines, set up modern machinery from the environmental viewpoint.

Internet Banking Facilities

MTB Internet banking enables its customers to avail various services such as Fund Transfer to MTB as well as other banks, Credit Card bill payment, Utility bill payment, account statement checking, etc. through the bank's website. Our Internet Banking platform is secured by state-of-the-art two factors authentication system.

MTB Mobile Banking Application

With MTB's state-of-the-art mobile banking application, customers can avail banking services from their smart phones anytime, anywhere. This application allows users to monitor accounts in real time, transfer funds, pay bills, make credit card payments, check transactions, etc.

MTB's SMS Banking Facilities

MTB's SMS Banking is a service that allows customers to access their account information via any mobile operator from anywhere in the world. It allows to make balance inquiries without visiting the bank. Customers can receive mini statement of last 5 transactions. Transaction Alert lets users get informed whenever there is a cash withdrawal transaction in their accounts.

ATM with National Payment Switch Bangladesh (NPSB) Network

MTB's customers have been enjoying 24/7 service through ATMs located around the country. The bank has undertaken some programs to expand its ATM network through procurement of more proprietary ATMs and joining hands with the common platforms of ATM network.

In addition to the bank's own 246 ATMs, the bank has joined National Payment Switch Bangladesh (NPSB) network during the year 2014, which enabled the Debit Cardholders of the bank to enjoy cash withdrawal facility from other bank ATMs under NPSB Network. MTB has used the BACH and BEFTN mechanism for convenient payment activities which, to a great extent, supports the concept of green banking.

Agent Banking

The 'Agent Banking' concept is new and much talked- about issue in the banking sector. It is playing a pragmatic role in paving the way for financial inclusion. Bangladesh Bank has introduced a guideline for 'agent banking' to be followed by all commercial banks. Considering the importance of the matter, MTB has already 50 Agent Banking outlets with a view to bringing the un-banked population under banking services. MTB will open near about 50 new Agent outlets during the year 2018. The important aspect of agent banking is financial inclusion. Actually, financial inclusion is a tool for inclusive economic growth and financial development. About 15,000 new accounts have been opened within the year from the starting of Agent Banking Operation. This year we have a plan to open 30,000 new accounts having amount of Deposit BDT 1,000 million by the agent outlet. We have already disbursed foreign remittance about BDT 204.70 million by the Agent Banking outlets.

Capacity Building

For continuous capacity building of the human resource, all the foundation training courses organized by the HR-Training and Development Center have dedicated session to familiarize the participant with the concept of Green Banking and Environmental and Social Risk Management Guidelines. Moreover, MTB is planning to enlighten employees about sustainable finance through E-Learning Courses. In 2017, approximately 113 employees have been enlightened with 7 different training sessions on green banking. Furthermore, the bank nominated its officials for various external workshop/training/seminar related to green banking organized by different external bodies.

In House Environmental Management

Initiatives have been taken by MTB with a view to practicing Green Management in the offices. Efficient use of resources, reduction of waste, saving energy and money, improves our working environment.

MTB Green Building

MTB has designed its two corporate Head Office buildings named "MTB Centre" and "MTB Tower" as fully green buildings with motion sensor lighting system. Lights are automatically turned off if there is no human movement in the room. Solar power system has also been installed on the rooftop of the buildings. Both buildings are designed to reduce energy consumption significantly and make MTB a green and environment friendly bank in the true sense.

MTB Tower has introduced the facilities of rain-water harvesting and eco-friendly carpet, a carpet made of wool, a natural fibre processed without using any chemical treatment. The state of the art rain-water harvesting plant has a capacity of 10,000 litres.

Energy and Water Management

Energy and water are being used efficiently by all the MTBians with the encouragement of the management of MTB. Minimization of consuming gas, electricity and water has been advised. Energy saving bulbs as well as other products with eco-friendly features are also being used in the bank offices.

Fuel Consumption

MTB always tries to ensure economic use of fuel by buying energy efficient cars to reduce gas and petroleum consumption.

Paper Consumption Management

Green Paper Guideline is an integral part of Green Office Guideline. Internal communications are done through emails. All staff have dedicated email IDs for office use. Customer communications are being done through emails, SMS or ATM displays. Use of one side used papers for note pad has become usual practice in the workplace. One side used papers are also used for printing draft copies of the office assignments. All divisions and branches have been following very stringent policy to prevent misuse of papers.

In addition, all Board and Committee Meeting Agenda are printed on either side of the paper. Online Account Opening Form has been introduced and the Directors are encouraged to use Laptops/Tabs, etc. in the Board Room for review and decision on the Agenda instead of hard copies.

Renewable Energy Usage

The bank installed solar panels at head office, 9 branches and 9 ATM booths, as a part of its commitment to the usage of renewable energy resources.

Green Travel:

MTB always encourages the officials to consider the following green approaches while travelling:

I. Encourage employees to use Public Transport/ Carpool Program.
II. Encourage employees to use eco-friendly energy for private vehicles.

MTB's Financing in Green Projects

Green financing could be one of the suitable opportunities to diversify bank's businesses. It is also sensible initiative to keep our environment better. MTB is committed to promote sustainable growth in the economy. During 2017, the bank extended green financing under MTB Green Energy loans of BDT 5.8 million to green project in Hybrid Hoffman Kiln for brick manufacturing. In 2017, MTB implemented the ESRM Policy and Bangladesh Bank brought changes in conditions of Refinance Scheme. This will surely help to finance more in green projects in coming years. To explore new ventures in environment friendly projects, the bank has conducted several field visits, meetings with the existing and prospective entrepreneurs, consultants and central bank officials. The outcome is positive and we aspire to see the fruition of this endeavor.

MTB's Way Forward for Green Banking

MTB is devoted to building a sustainable business environment for the country that brings benefit to the society, its inhabitants and the economy. Some future planning regarding green banking is:

I. Increase both direct and indirect green financing. Special emphasis shall be given on Bangladesh Bank's listed 52 green finance products and banks own upcoming green finance products.
II. Creating Climate Risk Fund for supporting the environmental disaster like flood, cyclone, etc. MTB shall finance in the affected areas at the regular interest rate without charging additional risk premium. Regular financing flows shall also be ensured in these vulnerable areas and sectors.
III. Organize Green Events like observing World Earth Day, World Environment Day, etc. in a befitting manner for awareness and compliance.
IV. Adopt Biometric Smart Card in near future.
V. Introduction/addition of more Alternative Delivery Channel products and services.
VI. Bringing remote branches under Video Conferencing rather than undertaking physical visits.
VII. Emphasize increased usage of alternate available energy sources.
VIII. Continue to provide training and workshop on Green Banking to employees.
IX. Arrange more seminars to create customer awareness regarding Green Banking and to promote the Green Products.
X. Continuously monitor through inventories and records of the consumables like water, paper, electricity, gas, fuel, etc. to reduce consumption in an effort to protect environment.
XI. Arranging regular Training/Workshop, Seminars related to Green Banking activities and products for the employees and the entrepreneurs.

INTERNATIONAL TRADE

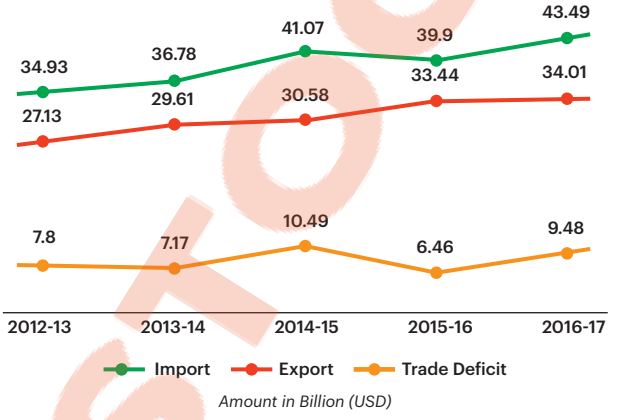
Global Perspective

Global and regional financial institutions are now more collaborative with others in order to benefit from the current and developing environment of the Fourth Industrial Revolution, which includes utilizing artificial intelligence (AI), distributed ledger technology (DLT), digital cloud-based databases, smart contracts, 3D printing, advanced robotics and Internet of Things (IoT) in particular. This paradigm shift from competition to collaboration will have an enormous impact on international trade in the years ahead. Replacing the traditional paper based process with the process of exchanging data in electronic platform under the banner of digitization of trade is now a reality, even for a developing country like ours. The year ahead will be a challenging one for trade finance as banks have to choose right technology to collaborate with partners in terms of costs, business prospect, compliance, etc. Although Bangladesh is predominantly using documentary credit's trade payment method for its import and export business, contract based trade methods like documentary collection and open account with its bundle of trade finance products like factoring, forfaiting, account receivable financing, account payable financing, etc. under the banner of supply chain finance, will start to capture the market share of documentary credit in the years ahead.

After the financial crisis of 2008, trade flow figures witnessed ups and downs in the following years. According to the ICC publication, '2017 Rethinking Trade & Finance", 'while a recovery in trade volumes is expected for 2017 and 2018, global trade growth in 2016 was the weakest (USD 15.8 trillion) since the global financial crisis, with goods trade stagnant for most of the year. This was driven by cyclical inventory drawdown across advanced economies and contracting imports in China and major commodity exporters.' The Boston Consulting Group (BCG) highlights the evolution of trade flows and estimates that trade flows will grow at an annual rate of about 4.3% to reach nearly USD 19 trillion by 2020. China's various collaborative steps including the Belt and Road (B&R) Initiative, which targets to recreate the old Silk Road with massive infrastructure projects to connect China to Europe and beyond, and American protectionism may re-shape the trajectory of the world trade flow in the coming days.

Bangladesh Perspective

According to Bangladesh Bank data, Bangladesh earned USD 34.01 billion with 1.70% increase in exports and spent USD 43.49 billion with 9% increase in imports in the fiscal year 2016-17. Consequently, the trade deficit in fiscal year 2016-17 was USD 9.48 billion which was 46.75% higher than the trade deficit of USD 6.46 billion of the fiscal year 2015-16.The deficit widened as import spending increased faster than export earnings. Import spending increased with the increase in oil prices and because of import of capital machineries for major projects.



Source: Bangladesh Bank

The top destinations for Bangladesh's export business are USA, Germany and UK. Bangladesh's export items consist of mainly knitwear, woven garments, frozen food, jute, jute goods, leather and leather products, etc. The Bangladesh government has set its export target at $41 billion for the fiscal year 2017-18 with a growth target of 7.87%. The country is expecting growth in the apparel export markets next year. Bangladesh's import items consist of mainly petroleum, oil, chemicals, fertilizer, raw cotton, yarn, textile materials, capital machinery, iron, steel and food grains. In 2017, the government had to import food grains in higher volume because of high rice prices, fast depleting stocks and floods destroying crops in the north of the country.

Source: Bangladesh Bank

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MTB Perspective – Export

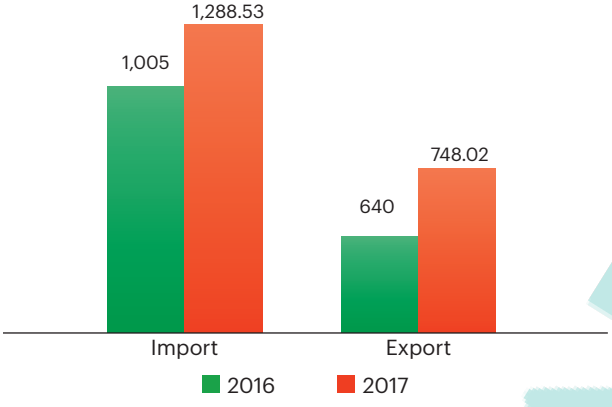
In 2017, MTB achieved a significant growth in both export and import business. MTB's export volume

grew from USD 640 million in 2016 to USD 748.02 million in 2017, an increase of 16.88% MTB's export business facilitation consists of items like ready-made garments, frozen foods, jute products, leather and leather products, etc.

MTB Perspective – Import

MTB's import volume was USD 1,288.53 million in the year 2017, an increase of 28.21% from USD 1,005 million of the year 2016. MTB's import business facilitation consists of items like capital machinery, industrial raw materials, food grains, consumer goods, etc.

MTB International Trade Business In Million (USD)



Business Outlook

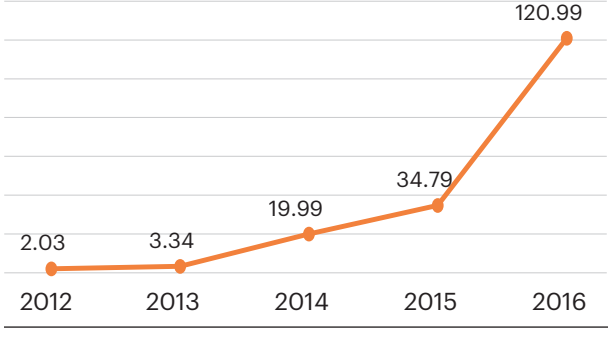
The global economy will continue to benefit from supportive fiscal policies and modern trade solutions next year. According to focus-economics.com, the global economy is expected to grow 3.2% in 2018. Both developed and emerging economies are expected to continue their positive growth trends. Bangladesh's business outlook in 2018 looks positive for international trade. Considering the ongoing and upcoming huge infrastructure development works, Bangladesh is expected to be more active in importation of capital machinery, generator sets and others in 2018 and onward. Moreover, the shifting of China's economic policy to concentrate on the production of sophisticated high value content products is providing a unique opportunity for the Bangladeshi exporters to grab a substantial market share of lower value content manufacturing products of global trade in the coming years. MTB plans to provide innovative trade finance solutions to customers to support the upward trend in the export-import business of our country in future. Therefore, MTB's international trade business is expected to continue its growth trajectory in the year 2018.

Offshore Banking Unit (OBU)

Offshore banking refers to international banking involving non-residents' foreign currency-denominated assets and liabilities. Offshore banking units conduct their deposit taking and lending activities with foreign investors without conflict with the domestic fiscal and monetary set-up and independent of the local commercial banking system. An efficient offshore banking system is imperative in ensuring the success of incoming foreign investment. Bangladesh's offshore banking market is well dominated by the foreign banks. However, Mutual Trust Bank Limited (MTB) has been striving really hard to make a strong foothold in the offshore banking arena by attracting a good number of customers. MTB is currently offering quality offshore banking products and services while maintaining highest levels of professionalism and excellent customer services.

MTB obtained the Offshore Banking Unit (OBU) permission on December 3, 2009 and commenced operation from December 07, 2009. The MTB OBU is governed under the rules and guidelines of the Bangladesh Bank. The MTB OBU has been offering Offshore Banking facilities through its office located at 26, MTB Centre, Gulshan South Avenue, Gulshan Circle 1, Dhaka 1212. The total loans and advances of the MTB OBU reached to USD 111.70 million equivalent to BDT 9.24 billion as on December 31, 2017 compared to USD 39.72 million equivalent to BDT 3.13 billion as on December 31, 2016 recording a staggering growth of 181 percent. However, in the year 2017, OBU made operating profit of USD 1.50 million equivalent to BDT 120.99 million as against USD 0.44 million equivalent to BDT 34.79 million in 2016 with an outstanding growth of 238 percent.

MTB OBU Operating Profit BDT Million



NRB OPERATION

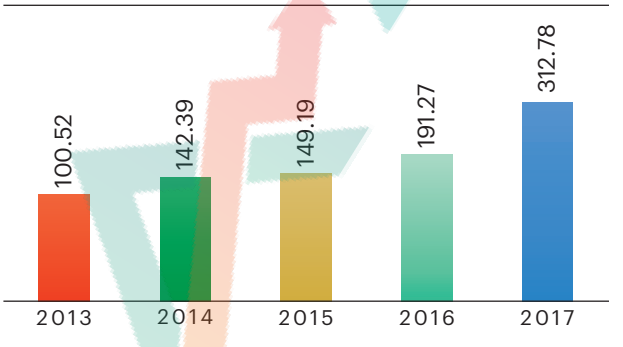
Remittances help in macroeconomic development process of our country as it delivers significant sources of foreign currency, surges national income, finances imports and contributes to improve the balance of payment situation. Banking the unbanked is crucial for higher remittances.

Mobilizing remittance as a source of foreign currency is pivotal for any bank. Inward Foreign Remittance plays a vital role in lessening the bank's dependency on inter-bank market for payment of import bills. In the last 5-years Bangladesh witnessed a GDP growth of more than 6.50 percent and achieved 7.2 percent in 2016-17. It has been largely driven by its remittances, exports of readymade garments and the domestic agriculture sector. The annual remittance earning of Bangladesh now hovers at around $12 billion.

MTB is a brand for its image among the non-resident Bangladeshis and their family members at home and abroad. Apart from providing premier services, we are facilitating the Bangladeshi workers by Account Opening programs. Furthermore, we are marketing different products of the Bank through our subsidiaries, correspondents and contractual marketing agents among the expatriates. MTB has been contributing to the growth of national economy by providing simple, quick and safe way to send money to Bangladesh through different distribution channels from abroad. MTB has a wide network of 111 branches and 50 Agent banking centres located at strategic places of commercial and business importance all over the country. Funds also can be directly credited into the accounts maintained with MTB.

MTB Introduced API (Application Program Interface), an automated process, to receive inward remittance faster from the Exchange Houses abroad. MTB has agency arrangements with 28 overseas Exchange Companies abroad along with the International Agencies like -Money Gram, Western Union, and Express Money through which it receives remittances from Kuwait, Oman, Bahrain, UAE, UK and other Middle-East countries.

REMITTANCE USD Million



There is broad consensus that access to a transaction account can help people better manage their lives and plan for emergencies, the first step towards financial inclusion, To bring the NRBs and their families into financial inclusion, we have developed deposit products in accordance with their needs. We help NRBs to open deposit accounts through our own representatives and correspondents abroad. Through our relentless efforts and exemplary services to the NRBs, we have managed to open 23,279 accounts up to December 2017 and the deposit balance in these accounts now stand at BDT 1.89 billion.

In 2017, MTB received remittance of USD 312 million through 28 overseas exchange houses around the world.

Business Highlights:

The bank has signed remittance agreements with 9 Exchange Companies in 2017 including BRAC SAAJAN Exchange, Trans Fast Remittance L.L.C, NEC MONEY TRANSFER LTD, etc.

Also, MTB introduced Non-resident Investors Taka Account (NITA). NITA is a current deposit product with no interest bearing for the non-resident investor (non-resident persons/institutions including non-resident Bangladesh nationals) to invest into Bangladesh Capital Market and Government Bonds and Securities.

Strategic plans (Thinking forward for future prospects):

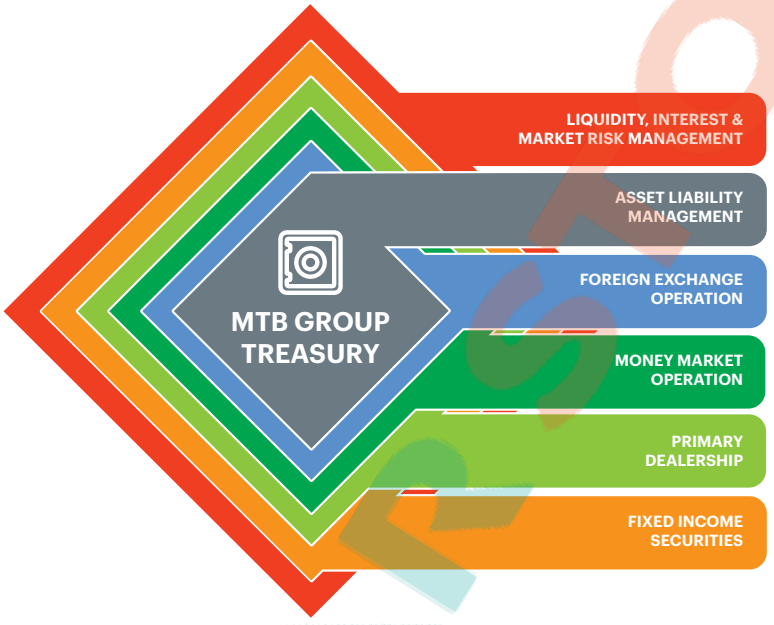
In order to be competitive and also to realize its vision into reality MTB NRB Division has the following action plans in mind:

- Direct integration with the leading banks of the beneficiary countries
- Expansion into Europe and United States
- Increasing the number of beneficiary countries by introducing new services with existing exchange houses and partnering with new exchange houses
- Introducing other related products (mobile phone top up, pre-paid card, foreign currency, etc.)
- Simplifying operational activities in order to offer the beneficiaries more expedient services.
- Use of latest technologies under digital payment systems to encourage non-resident Bangladeshis (NRBs) to send their hard-earned money through banking channel instead of 'hundi.'

We also strive to achieve the most competitive exchange rates for our consumers through relationships with our banks in our beneficiary countries, thus providing our consumers the best price as well as providing them with the best customer service possible.

TREASURY OPERATION

In line with the ever increasing pace of change to regulations and the increased globalization of the markets, MTB Treasury played a significant role for the overall fund management of the bank. Treasury performs a lot of functions including fund management, maintaining CRR and SLR, investing in Government securities and bonds, placing fund in the inter-bank market, etc. Apart from liquidity management, interest rate risk management and exchange rate risk management is also crucial for a treasurer due to the fact that a small change in the interest rate in the market causes huge losses on the investment in interest rate sensitive assets resulting in a decline in equity value.

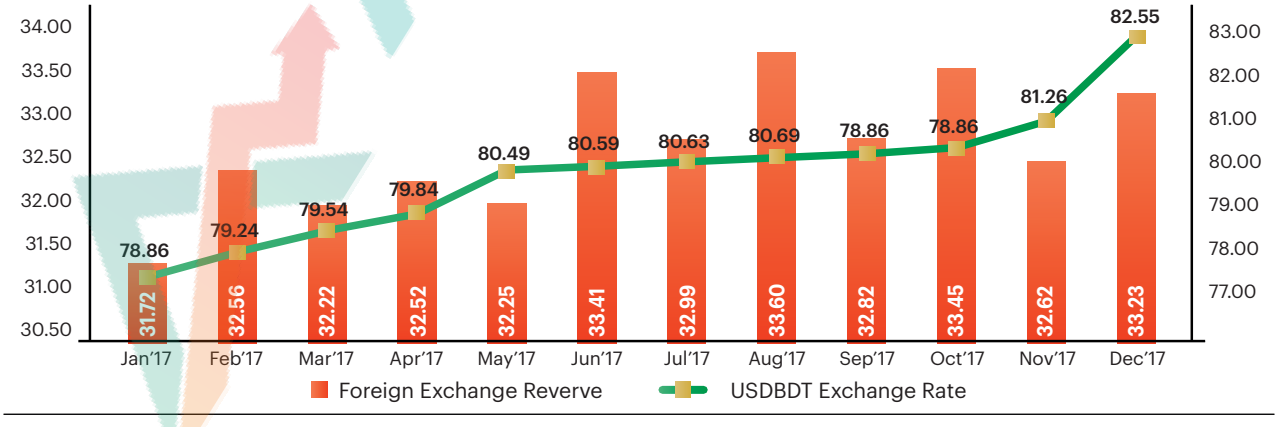


2017 has been a remarkable year for MTB Group Treasury, when it set new record of achievement in MTB's history thwarting various global as well as domestic challenges. It forecasted the market movement accurately and remained vigilant to gain from favorable events and to lessen risk from unfavorable ones.

Foreign Exchange Operation

The world could not come at peace even in 2017 and freshly, Bangladesh had to provide the asylum to Thousands of Rohingya after they had encountered extreme violence and torture. However, the oil price increased to around USD 59 as the slow increase in price continued since September 2017. The demand for USD also started to increase since May 2017 and the demand accelerated when the country experienced the urgency to import food grains as the flood in later period caused huge destruction of crops along with depletion in the silos of public food stock. In addition to those, the import of capital machinery, industrial raw materials and accessories put pressure of foreign currency market of Bangladesh.

USD-BDT Exchange Rate & Country's FX Reserve

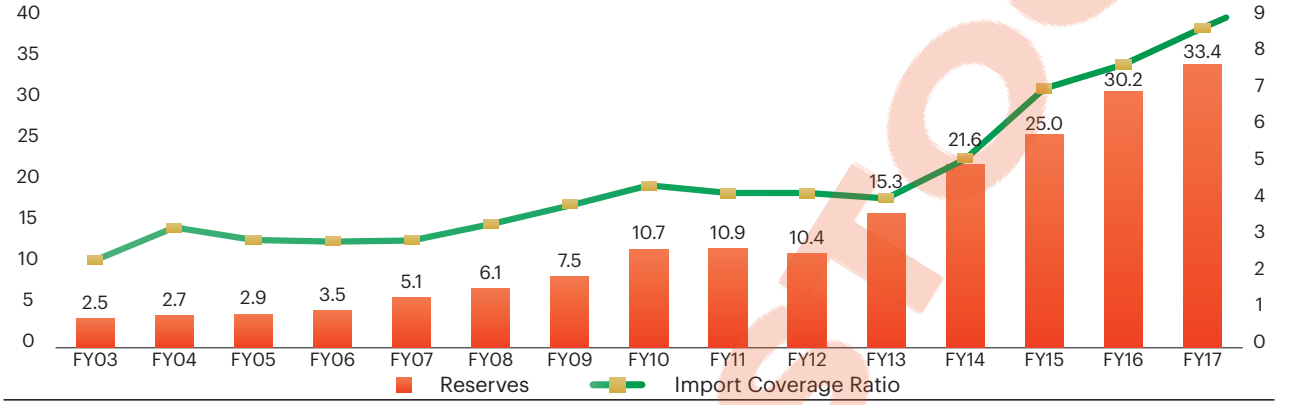


Source: *Bangladesh Bank website*

The exchange rate was BDT 78.80/USD in December 2016 and it soared high as much as to BDT 82.55/USD in last December. The country marked the foreign exchange reserve of USD 33.23 billion in December 2017 banking mostly on RMG export earnings, agro products and frozen food export earnings, jute export earnings, leather export earnings and remittance.

Later, the reserve dropped mainly due to making import payment for food grains, capital machinery, raw material and accessories. Though the remittance earnings hit some decline in the very beginning of the year which continued till the middle of 2017. The country has now the capacity to make import payment in foreign currency for around eight month without any worry.

Foreign Exchange Reserves and Import Coverage



Source: *Bangladesh Bank website*

The experienced treasury team remained observant of those major events and took enviously correct decisions which helped MTB to mitigate the foreign exchange rate risk and to optimize the return besides being compliant of the regulatory requirement. In 2017, all the regulatory compliance maintained efficiently.

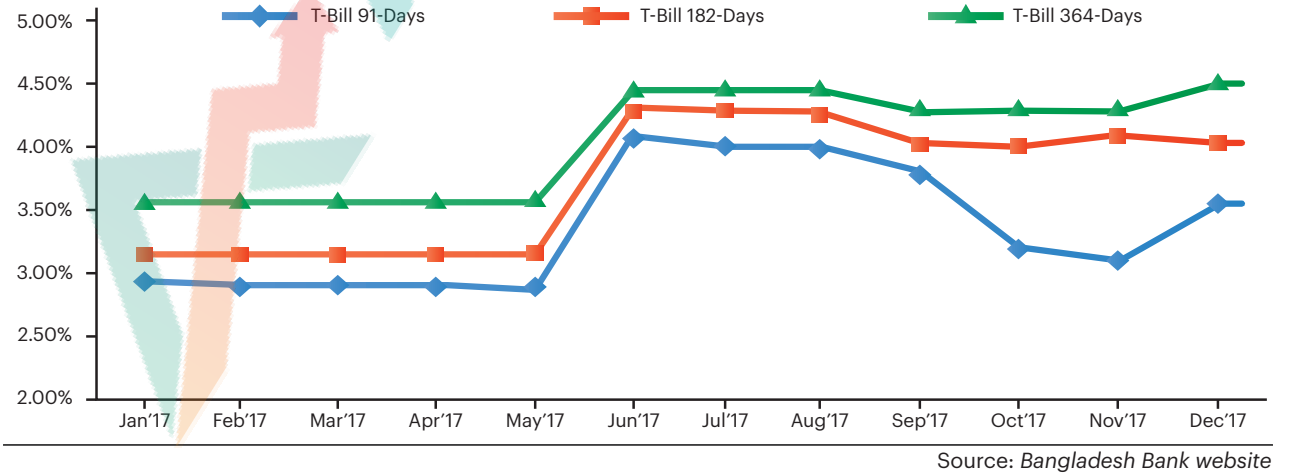
Money Market Operation

Money market activities refer to raising and deployment of short-term funds with maturity not exceeding one-year. Money market scenario of Bangladesh did not change much in 2017 and relatively stable like previous year. Throughout the year, interbank call money rate hovered around 3.00 to 4.50 percent indicating a very liquid money market. The repo rate was 6.75 percent while the reverse repo rate was 4.75 percent in the year 2017. Both the rates remained far above the interbank call money rate and it indicates the liquidity scenario of the year 2017. Despite this liquidity, the treasury team had been able to tap good return from the money market investment and fund mobilization while minimizing both interest rate and liquidity risk, due to their prudence.

Government Securities

In a well diversified financial system government securities market has a very important role to play. Bond financing allows diversification of credit and investment risks and thus reduces macroeconomic vulnerability to shocks and systemic risk. The available government debt instruments are the treasury bills and treasury bonds. Banks and financial institutions are the main buyers of treasury bonds. As a regulatory requirement, bank in Bangladesh has to meet SLR of 13 percent of average demand and time liabilities. And in compliance of the regulation by Bangladesh Bank, MTB maintained SLR of 13 percent throughout the year 2017. SLR has been maintained in the mode of Government Securities, i.e. Treasury Bills and Bangladesh Government Treasury Bonds.

T-Bill Yield Trend

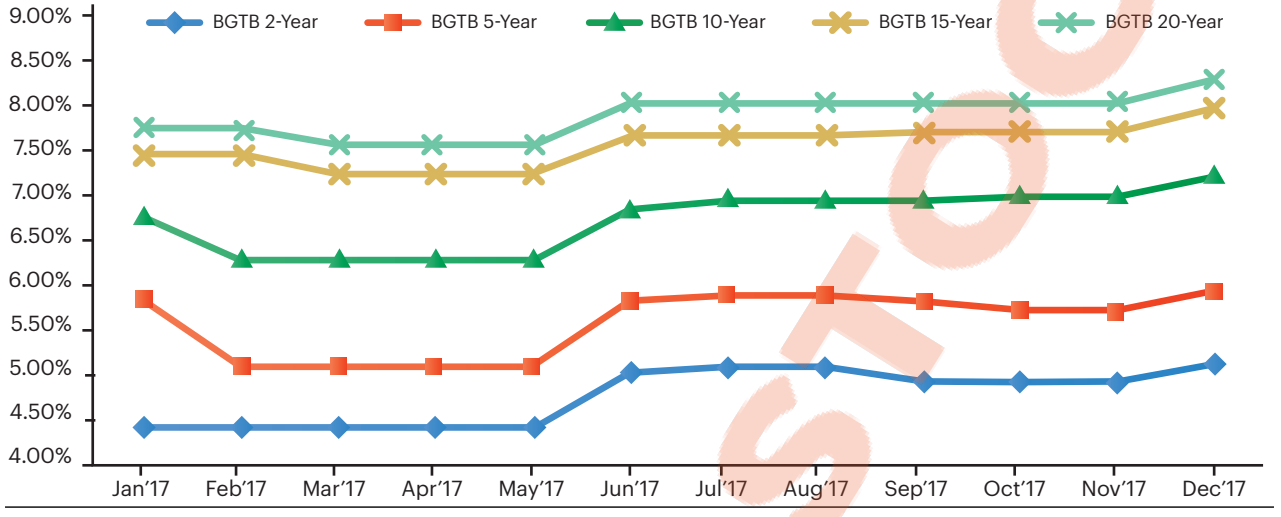


Source: *Bangladesh Bank website*

The yield from all types of Treasury Bill mounted in June 2017 from its stable point. Afterwards fourth quarter of 2017, the yield from 91-day Treasury Bill experienced huge fluctuation.

In case of Bangladesh Government Treasury Bond, the yield also increased since the month of June 2017. These upsurges were powered by new fiscal policy supported by Government's initiative to finance mega projects via these modes.

BGTB Yield Trend



Source: *Bangladesh Bank website*

Primary Dealership

MTB is one of the active members of primary dealers' of Bangladesh Limited (PDBL). Each member of PDBL has the obligation to perform as the underwriter of government securities which are used as a source of finance implementing national budget. Being a member of PDBL, MTB is a regular participant in the auction of government securities which takes place a specific calendar date. MTB has the obligation to underwrite a certain percent of government securities. MTB holds a significant amount of investment in government securities generating a healthy yield either in the mode of interest income or capital gain. MTB has been playing a dynamic role in developing an active and vibrant interbank secondary market of government securities from the very beginning. It also provides advisory services to its existing and potential corporate customers for making investment decisions on fixed income securities.

Asset Liability Management (ALM)

The responsibility of ALM Desk is to render judgments on overall balance sheet risk and to recommend effective way forward in terms of interest rate, business strategy and policy prioritization. MTB Group Treasury has done exceptionally well in this area by keeping management well-informed of crucial developments in the market and pricing techniques of liabilities and assets. ALM Desk analyses, evaluates and interprets the market scenario on a regular basis to ensure the right balance between product profile, cost and risk exposure. They provide valuable inputs in MTB Asset Liability Committee (ALCO). ALCO is comprised of senior management of MTB. MTB Asset Liability Committee meets monthly at least once to discuss the current local and global market outlook, major issues that may shake the existing interest rate, liquidity and to decide on policy regarding interest rates and thrust sectors. In 2017, ALCO took some imperative and judicious decisions regarding interest rates, liquidity positions and other various risks associated with balance sheet that helped MTB accelerate the pace of growth.

AGENT BANKING

Agent banking is one of the vital moves that Mutual Trust Bank (MTB) has made with a view to providing banking and financial services to the unbanked population across the country and contributing to the financial inclusion countrywide. The journey, which started with setting up the first MTB Agent Banking (MAB) Centre in Jahapur Bazar, Muradnagar, Comilla in June 2016, resulted in reaching the targeted milestone of 50 such centers across the country by the end of 2017. Out of the total 50 centers, 40 were set up in 2017 alone. Agent banking is a fairly new concept in the banking sector of Bangladesh through which customers, who reside outside of the periphery of bank branches, can get a limited scale of banking services. An agent, who is appointed under an agency agreement, acts as the representative of MTB and carries out the transactions on behalf of the bank. Agent banking thus creates an alternative delivery channel that provides convenient and low cost banking services to places, where a fully equipped branch is difficult, or not viable.

As of 31st December, 2017, MTB Agent Banking opened a total of 14071 accounts, the total deposit figure stood at BDT 393 million and BDT 185 million of cash disbursement was made against foreign remittance through this channel. MTB Agent Banking Department carried out a three-month long business campaign titled 'MTB Agent Banking Business Boost 2017' from August to October of the year and successfully achieved all the set benchmarks (figure 1). Under a joint program of Bangladesh Bank and Alliance for Financial Inclusion (AFI) of Malaysia titled "AFI-BB Joint Learning Program (JLP) on Digital Financial Services 2017", 32 foreign delegates from 22 countries visited MTB Bauniabadh Agent Banking Centre, Bauniabadh, Kalshi, Dhaka on December 6, 2017. MTB Agent Banking Department also ran Customer Awareness Campaigns in MTB Kudimpara Agent Banking Centre, Ishwardi, Pabna; MTB Bagherhat Agent Banking Centre, Feni; and MTB Khironshal Agent Banking Centre, Chauddagram. In addition to these, the department also arranged Discussion & Training Sessions in Chittagong and Sylhet, Orientation Training for new agents at MTBTI and Agent Searching Conference in Chittagong.

To facilitate and to make the services of agent banking secure, the Agent Banking Software (ABS) is used which enables the online transactions to be real time. The transactions are secured by a two-factor authentication (2FA) mechanism in which thumbprints of both the customer and the agent are used through a biometric device to validate transactions. The customer is notified through a system generated printed receipt of the executed transaction and an SMS alert as well.

At present, services that MTB offers through agent banking include:

- Collection and processing of forms for account opening
- Collection of small value cash deposits and withdrawals
- Inward foreign remittance disbursements
- Facilitating small value loan disbursements
- Facilitating utility bill collections
- Receiving clearing cheques
- Electronic funds transfer through BEFTN & RTGS
- Debit/Credit card request processing
- Facilitating mobile recharge
- Balance inquiry
- Cash payment under social safety net program of the government
- Collection of insurance premium & school fees
- Internet banking

MTB Agent Banking Department plans to add 75 agent banking centres to its fleet by the end of 2018. It also plans to introduce SME, agri and retail loan products and social safety net payment. MTB looks forward to expanding its agent banking network since it enables the bank to extend its services to the underserved people living in the remote regions, where traditional branch banking is difficult to perform. MTB also wants to make its services accessible in a cost effective manner to those who have little formal and financial literacy.

Performance Highlights of 2017

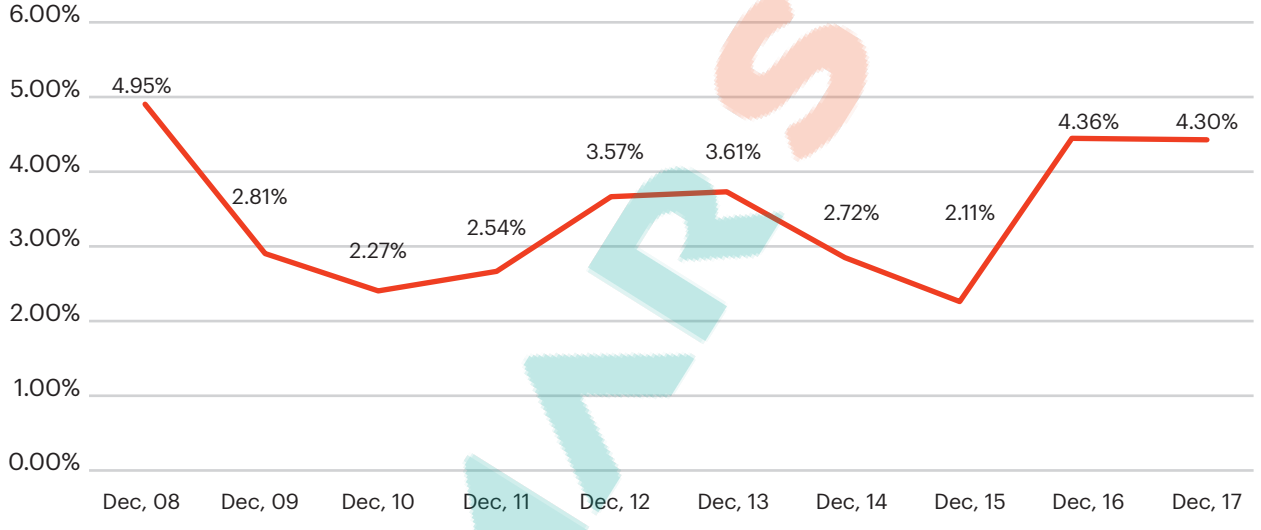
Total MAB Centers	Districts Covered	Rural Areas Covered	Urban Areas Covered	No. of Accounts	Customer Liabilities (BDT Million)	Remittance Count	Remittance Amount (BDT Million)
50	23	43	07	14,071	393	6,418	185

SPECIAL ASSET MANAGEMENT

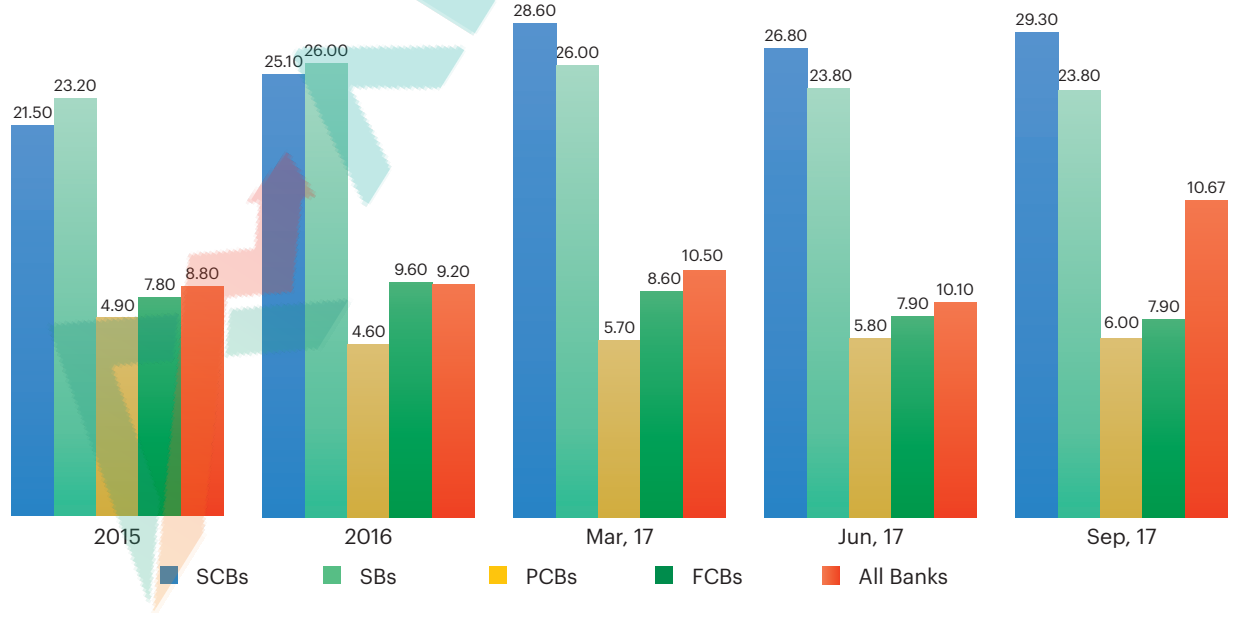
MTB is incessantly working to establish it as a viable economic enterprise and striving to increase stakeholders' value. In this regard, the bank has been trying to have solid earning capacity stemming from a vibrant, diversified quality credit portfolio backed by capital adequacy, low cost and stable deposit base, wide range of products and services along with competent and committed human resources. In order to keep the loans regular and performing and strengthen the recovery drive, Special Assets Management Division (SAMD) is in place to act as a team of warriors to make the book good as MTB declared 'War against NPL' as the top priority task. Keeping this objective in view, MTB had taken many initiatives to recover from classified and written-off loans towards minimizing provisions and maximizing profitability.

MTB CL TREND FROM 2008 TO 2017

It is an admitted fact that a bank's financial health is largely dependent upon the extent and size of performing assets. Credit losses are equivalent to capital losses. An increase in non-performing loans (NPL) has the multi-pronged adverse impacts on bank's balance sheet having consequential effect of erosion of capital impairing earning streams, profitability, liquidity and solvency. As such, MTB always strives harder to keep NPLs as minimum as possible.



Industry CL Trend *(Gross NPL percentage by Types of Banks)*



SPECIAL ASSET MANAGEMENT: WHY?

Striving harder for recovery/regularization of Special Assets i.e., Non-Performing Loans (NPL) A/Cs in order to have a sound and good portfolio, saving the bank from provisioning is the core function of SAMD.

Customer calling, following-up the promises/ commitments made by NPL clients while visiting their business premises/houses/factories/ eligible securities along with suits filed at different courts against those defaulted borrowers helping concerned branch officials are the important parts of ongoing pro-active and pragmatic measures for recovery/ regularization of NPL A/Cs.

ACTIVITIES OF SPECIAL ASSETS MANAGEMENT DIVISION:

In order to ensure recovery/regularization of NPL A/Cs and saving bank from provisioning, activities of SAM Division as per CRM guidelines are stated below:

- Overall Action plan/ Recovery strategy of the bank is determined on quarterly basis having its aim in front.
- Periodic action plans are prepared and filed properly on quarterly basis.
- Making of all out efforts to maximize recovery.
- For providing adequate and timely loan loss provision, branches are helped based on actual and expected losses.
- The status of CL is collected from branches after which, checking the same as per latest BRPD circular on loan classification.
- NPL A/Cs are rescheduled maintaining norms/ rules/circulars.
- Classified loan A/Cs are reviewed considering all possible ways to recover them.
- Legal actions are initiated as per norms/rules/ circulars, if required with the help of Legal Department.
- Court cases are followed up regularly ensuring that necessary steps are taken for early resolution.
- Classified Loan Review (CLR) Report are collected by SAMD from the concerned branches within 15 (Fifteen) days of becoming CL.
- Eligible Security value of mortgaged property is determined in line with Bangladesh Bank Guidelines.
- Ensuring that appropriate authorities approve exceptions, waiver of interest and reschedule/ compromise, settlement, where applicable Bangladesh Bank approvals are obtained.
- Ensuring that appropriate authorities approve write-offs in line with Bangladesh Bank Guidelines.
- Ensuring that appropriate authorities approve legal action against defaulted borrowers and foreclosure and sale of collateral.
- Helping the concerned branches to determine Forced Sale Value (FSV) of eligible securities mortgaged for accounts.

AMARSTOCK

RISK MANAGEMENT

Risks, the measurable uncertainties, are the events, we know, can happen and for being enabled to predict their future likelihood, we have necessary data. Mathematically, risk is the probability of an adverse occurrence multiplied by the impact of that adverse occurrence. Through systematic risk analysis, available information are objectively used to determine how often, specified events might occur, their magnitude and consequences. In MTB, we understand that risk is an inherent element of doing business. Since risk is innately embedded in every action of banking, utmost attention is given to analyze various risk factors from multiple avenues so that the probability of occurring unfavourable events could be minimized, and favorable return be maximized.

Risk and return are always inversely proportionate. Making perfect balance between these two aspects is a classical predicament to the successful growth of business. MTB focuses on transparency of contracts between the parties, accountability to the stakeholders and the proper mix of assets and liabilities to make sure that risk and reward are duly balanced.

MTB attaches the highest priority to establish, maintain and upgrade risk management infrastructure, systems and procedures. Adequate resources are allocated in this regard to improve skills and expertise of relevant employees to enhance their risk management capacity. The risk management guidelines and other policies and procedural guidelines are approved, and regularly reviewed by the Board of Directors of MTB to bring these up to the finest satisfaction level. The capacity to make forward-looking choices about risk in relation to reward, and to evaluate performances, lies at the heart of the management process of MTB.

Risk Management Framework

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholders' returns. The bank's enterprise-wide risk management framework provides the foundation for achieving these goals.

This framework is subject to constant evaluation to ensure that it meets the challenges and requirements of the global markets in which the bank operates, including regulatory standards and industry best practices. The risk management programs of the bank's subsidiaries also conform in all material respects, to the bank's risk management framework, although the actual mode of execution of their programs may be different.

The bank's risk management framework is predicated on three-lines-of defense. In this model, functional business line of management (the first line) incurs and owns the risks, while risk management and other control functions (the second line) provide independent oversight and objective challenge to the first line of defense. Internal Audit Department (the third line) provides assurance that control objectives are achieved by the first and second lines of defense.



	STEP 01 FIRST LINE OF DEFENSE	STEP 02 SECOND LINE OF DEFENSE	STEP 03 THIRD LINE OF DEFENSE
ROLE	Business Operations	Risk and Control Functions	Internal Audit
RESPONSIBILITIES	**RISK OWNERSHIP** Conducts business in accirdance with the agreed strategy and related risk appetite and limits. Establishes and operates business unit risks and control structure in order to ensure operation within the agreed policies and risk limits. Conducts rigorous self-testing against established policies, procedures and limits.	**RISK CONTROL** Establishes Risk management and prcedures, methodologies and tools, including risk appetite framwork. Facilitates establishment of risk appetite statement. Monitors risk limits and communications to the board regarding exceptions. Provids indepedent risk oversight, buisness units.	**RISK ASSURANCE** Testing proper functioning of risk appetite, risk policies and procedures and related controls. Performing independent testing and validation of business unit risk and control elements. Providing assurance to the management and the board related to the quality and effectiveness of risk management programs, including risk appetite processes



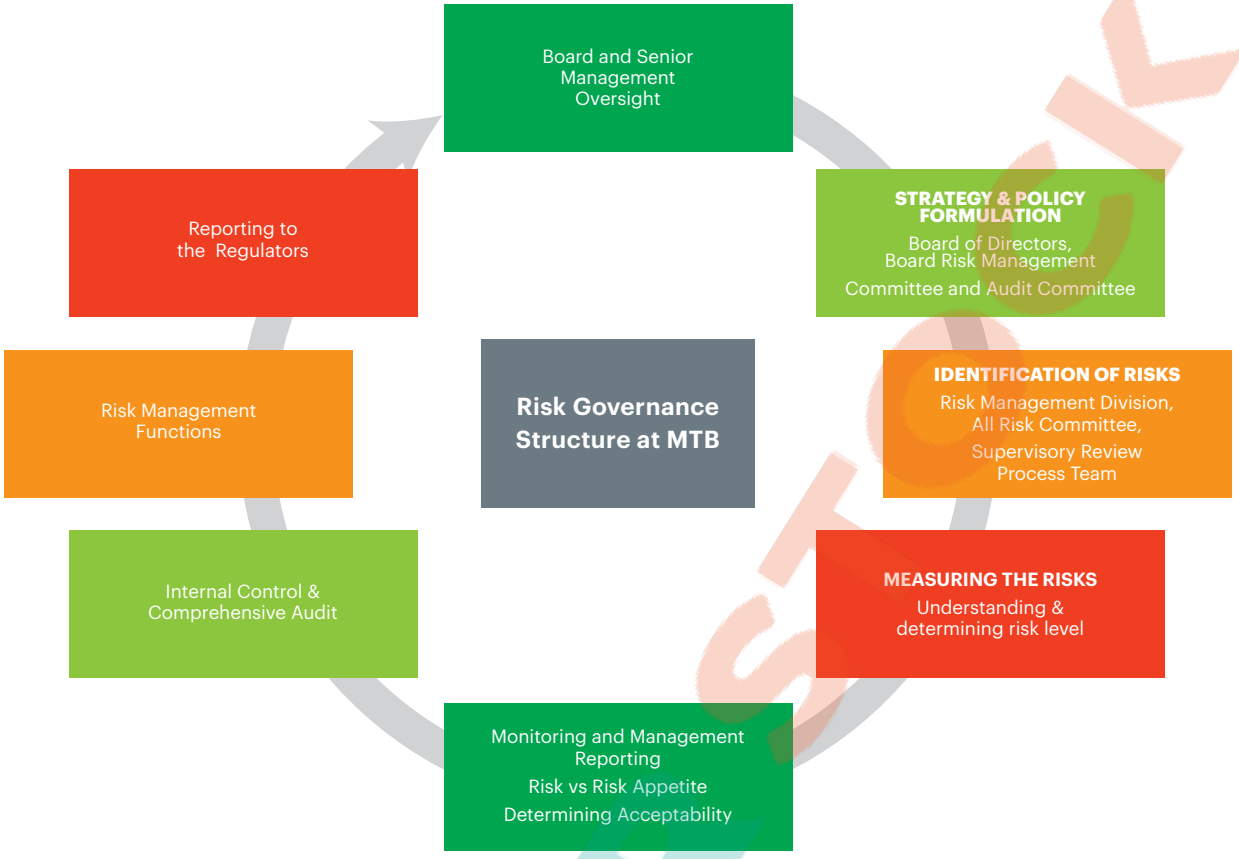
MTB's risk management framework is applied on enterprise-wide basis and consists of the following key elements:

- Risk Governance,
- Risk Appetite,
- Risk Management Techniques and
- Risk and culture

Risk Governance

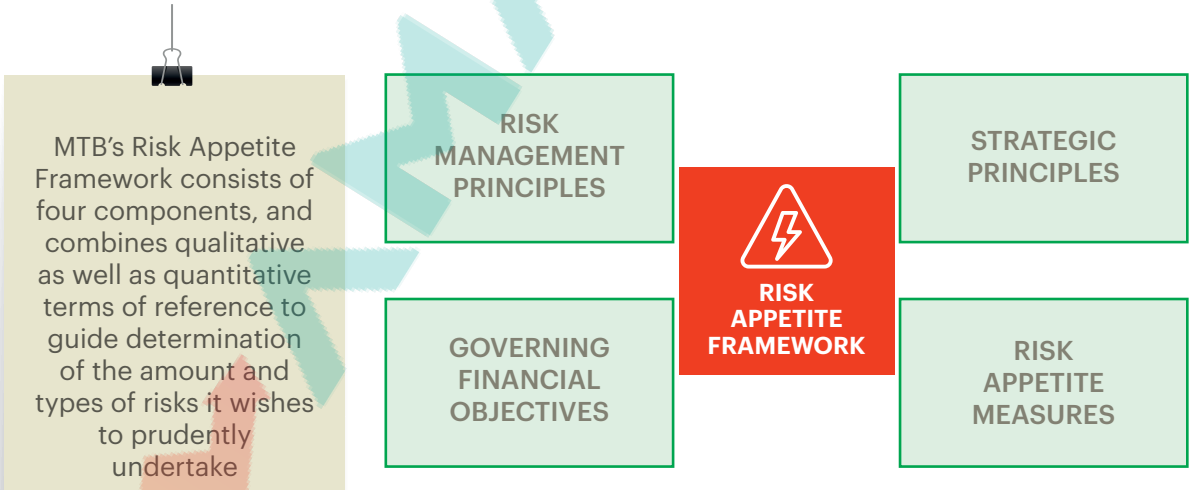
MTB's governance structure specifies the policies, principles and procedures for making decisions about corporate direction. MTB has a disciplined risk governance structure that facilitates oversight of and accountability for risk at all levels of the bank and across all risk types. Its risk governance structure follows the principles of transparency, fairness of key people, clear accountability, skill development and competencies, compensation architecture, etc.

The learned Board of Directors of MTB exercises oversight and provides guidance to the experienced Senior Management team that works closely with other teams in managing risks. Understanding the highly specialized nature of managing risks, decision-making is centralized, largely, through a structure of different risk management committees.



Risk appetite

MTB understands that effective risk management requires clear articulation of the bank's risk appetite and how the bank's risk profile will be managed in relation to that appetite. The bank's risk appetite framework governs risk taking activities on an enterprise-wide basis.



Risk management principles

MTB's principles of risk management are based on the qualitative foundation of risk appetite framework. These principles include:

- Promotion of a robust risk culture
- Determining accountability for risk by the business lines
- Avoidance of excessive risk concentrations, and
- Ensuring that the risks are clearly understood, measurable, and manageable

Strategic principles

Strategic principles outline qualitative benchmarks to guide the bank in its pursuit of the governing financial

objectives, and to gauge broad alignment between new initiatives and the bank's risk appetite. MTB's strategic principles include:

- Placing emphasis on diversity, quality and stability of earnings
- Focusing on core businesses by leveraging competitive advantages, and
- Making disciplined and selective strategic investments

Governing Financial Objectives

MTB always focuses on long-term shareholder value. These objectives include sustainable earnings growth, maintenance of adequate capital in relation to the bank's risk profile, and availability of financial resources to meet financial obligations on a timely basis at reasonable prices.

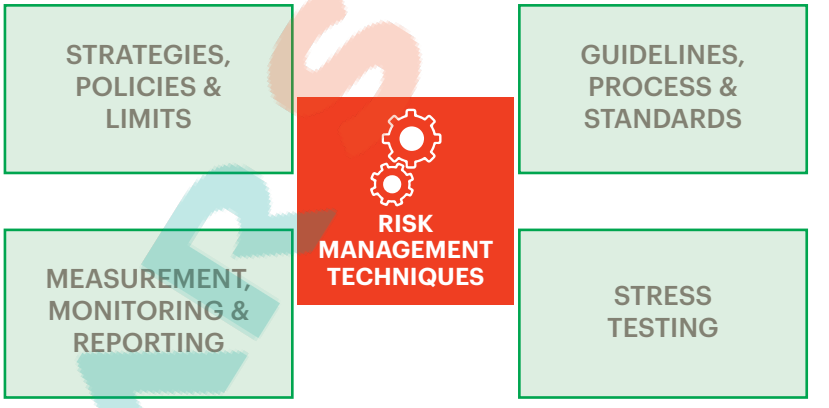
Risk appetite measures

Risk appetite measures of MTB delineate objective matrices that gauge risk and articulate the bank's risk appetite. They provide link between actual risk taking activities and the risk management principles, strategic principles and governing financial objectives described above. These measures include capital and earnings ratios, market and liquidity risk limits, credit and operational risk targets.

Risk management techniques

Sound risk management includes techniques that are guided by the bank's Risk Appetite Framework and integrated with the bank's strategies and business planning processes.

MTB's Risk Management techniques are regularly reviewed and updated to ensure consistency with risk-taking activities, and relevance to the business and financial strategies of the bank



Strategies, Policies and Limits

Strategies

Risk management strategies sketched by MTB provide quantitative and qualitative guidance. This guidance is, in turn, used to set limits and guidelines on the types of risk taking activities the bank is prepared to assume in pursuit of its strategic and financial objectives.

Policies

Polices apply to the specific types of risk or to the activities that are used to measure and control risk exposure. They are based on recommendations from risk management, audit, business lines, and senior executive management. Industry best practices and regulatory requirements also act as key factors of the policies. Policies are guided by the bank's risk appetite, limits and controls, within which the bank and its subsidiaries can operate. Key risk policies such as ICAAP (Internal Capital Adequacy Assessment Process) policies are approved by the Board of Directors, with prior approval of the Board Risk Management Committee (BRMC).

Limits

Limits rationalize risk-taking activities within the tolerances established by the Board and senior management. Limits also seek to establish accountability for the key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

Guidelines, Processes and Standards

Guidelines

The directives are provided to implement policies as set out above. Generally, they describe the facility types, aggregate facility exposures and conditions under which MTB is prepared to do business. Guidelines ensure that the bank has the appropriate knowledge of the clients, products, and markets, and also that, it fully understands the risks associated with the business it underwrites. Guidelines may change from time to time, depending on the market or other circumstances.

Processes

Processes are the activities associated with identifying, evaluating, documenting, reporting and controlling risk.

Standards

Standards, define the breadth and quality of information required to make a decision and the expectations in terms of quality of analysis and presentation. Processes and standards are developed enterprise-wide, and documented in a series of policies, manuals and handbooks. Key processes cover the review and approval of new products, model validation and stress testing.

Measurement, Monitoring, and Reporting

Measurement

MTB's risk management is responsible for developing and maintaining appropriate varieties of risk management techniques to support the operations of various business lines, and the measurement of enterprise-wide economic capital. The risk sections explain the application of these techniques.

Risk measurement techniques include the use of models and stress testing. The bank uses models for a range of purposes including estimating the value of transactions, risk exposures, credit risk ratings and parameters, and economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment. The development, independent review, and approval of models are subject to formalized policies where applicable, including the oversight of senior management committees.

Regular Monitoring

Continuous monitoring ensures that business activities are within approved limits or guidelines, and are aligned with the bank's strategies and risk appetite. Breaches, if any, of these limits or guidelines are reported to the senior management, appropriate committees, and/or Board depending on the intensity that might warrant.

Risk Reports

Risk reports aggregate the measures of risks across products and businesses, and are used to ensure compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types, and sensitivities of various risks in the bank's portfolio. Senior management and the Board use the information to understand the bank's risk profile and the performance of the portfolio.

Control and audit functions are also established that are independent of other functions in the organization. In functional discharges it is ensured that all the components of the risk management framework are effective and are implemented on a day to day basis.

Stress Testing

A risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement of a set of financial variables. This involves several shocking events e.g. increase of NPLs, adverse change of interest rates, and exchange rates, market price changes, decrease in forced sale value of collaterals etc. Each shocking events contains Minor, Moderate and Major levels of shock.

Objective of Stress Testing:

The Stress Testing report provides a structured way of assessing the vulnerability of a bank to extreme but plausible market conditions. The Stress Testing report also enables banks to accurately assess the impact of risks, and defines the 'risk appetite' of the organization and also provides critical information to the top management as well as to the Board of Directors for taking decisions on capital allocation and contingency planning.

Our stress testing framework is designed to:-

- Contribute to the setting and monitoring of risk appetite
- Identify key risks related to our adopted strategy, financial position and reputation
- Examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
- Ensure that effective governance, processes and systems are in place to co-ordinate and integrate stress testing information to the senior management
- Ensure adherence to the regulatory requirements

MTB conducts the stress testing of the bank on a quarterly basis and reports the same to Bangladesh Bank.

Risk Management Culture

MTB, focuses on effective risk management that requires a strong, robust, and pervasive risk management culture. The Business Lines of MTB are responsible for the development and execution of business plans that are aligned with the bank's risk management framework, and are accountable for the risks they incur. Understanding and managing those risks is a fundamental element of each business plan. In MTB, business units work in partnership with Risk Management framework to ensure that the risks arising from their businesses are thoroughly and clearly identified, evaluated, and appropriately addressed.

Decision-making on risk issues is highly centralized in MTB. The Senior Members of different committees are responsible for the review, approval and monitoring of transactions and the related risk exposures. The flow of information and transactions to these committees keeps them well informed of the risks the bank faces, and ensures that the transactions and risks are aligned with the bank's risk appetite framework.

Risk Management Levels at MTB

Strategic Level

- At strategic level, MTB Board of Directors (BoD) defines the risk appetite and approves overall risk policies, procedures, and guidelines for the bank.
- The Executive Committee (EC) approves loans and investments, and administers various functions assigned to them by the Board.
- The Board Risk Management Committee (BRMC) sets up risk governance structure, and risk philosophy to ensure adequate capital, and appropriate capital adequacy assessment process to accommodate the present, and future business operations. This committee also reviews risk policies and recommends to the Board.
- The Audit Committee (AC) is responsible for reviewing the adequacy of the bank's risk management processes, policies, and the effectiveness of implementation of the risk management system.
- All Risk Committee (ARC) continuously monitors policies, and the threshold limits of risks, that may be taken in line with the bank's risk appetite.

Managerial Level

- At managerial level, the policies and the strategies approved by the BoD are implemented by the management.
- The Credit Evaluation Committee (CEC)
- The Assets-Liability Committee (ALCO) works for managing market price risk, liquidity risk and interest rate risk in a better way.

Operational Level

- Operational level encompasses on-the-line risk management, where risks arise from front office, or from credit desk of the bank. At this level, MTB, with its various divisions and officers, work rigorously to combat those risks.
- MTB established Credit Risk Management Division (CRM), Credit Administration Department (CAD), Internal Control and Compliance Department (ICCD), and Risk Management Division (RMD) to mitigate risks in a better way.
- MTB also has Branch Anti Money Laundering Compliance Officer (BAMLCO) for every Branch under dedicated Chief Anti Money Laundering Compliance Officer (CAMLCO) to manage money laundering risks.

Focusing Capital on the long term

The bank's capital plan draws key inputs from the periodic strategic business plans. The strategic plan aims to create a holistic perspective on business outlook, funding needs, capital requirement as cushion and risk-return considerations. The long term strategic targets are translated into measurable short to medium term financial goals for measuring and monitoring performance. The strategic planning process combines both the approaches: top-down target setting and bottom-up substantiation. In the first phase, bank-wide key targets (asset growth, funding sources, profitability, liquidity, and solvency) are set by the Board of Directors. In the second phase, the objectives are substantiated by the management at different levels through careful review of business and economic outlook leading to the detailed business plans, which consist of month by month functional targets. The resulting strategic plan is finally presented to the Board for discussion and approval.

All financial targets are monitored on an ongoing basis by the respective committees (MANCOM, BRMC, SRP Team) and Board/Board Committees. Any shortfall from targets is discussed together with potential mitigating strategies seeking to ensure that MTB remains on track to achieve targets. Amendments to the strategic and capital plan are approved by the Board of Directors. Achieving targets ensures that MTB also complies with the Supervisory Review and Evaluation Process requirements as articulated by Bangladesh Bank.

Liquidity Risk Management:

Liquidity risk in MTB is assessed to measure risk arising from its potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of the MTB's liquidity risk management framework is to ensure that it can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant and significant drivers of liquidity risk, be it on-balance sheet or off-balance sheet.

An important aspect of measuring liquidity risk is making assumptions about future funding needs. While certain cash inflows and outflows can be easily calculated or predicted, the bank also makes assumptions about future liquidity needs, both in the very short term and for longer time periods. One important factor to consider is the critical role a bank's brand and reputation play in its ability to access to funds readily and at reasonable terms.

We have identified several key liquidity risk indicators, which are monitored on a regular basis to ensure healthy liquidity position. These ratios are:

- Statutory Liquidity Ratio (SLR)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Asset to Deposit Ratio
- Maximum Cumulative Outflow
- Medium Term Funding Ratio

The second and third ratios mentioned above have been introduced by Bangladesh Bank under Basel III guidelines in order to achieve two separate but complimentary objectives. The first objective of LCR is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. The second objective of NSFR is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis.

MTB is maintaining a strong liquidity base reflecting its sound position in the industry. Cash Reserve Ratio (CRR) and Statutory Liquid Ratio (SLR) of the bank are above the regulatory standard of 6.5% and 13% respectively. Short-term resilience of the bank is reflected through 127.92% Liquidity Coverage Ratio (LCR) against regulatory standard of at least 100%. MTB shows resilience over the longer time horizon as it is capable of funding its activities with more stable sources of funding on an ongoing structural basis. This is reflected in its Net Stable Funding Ratio (NSFR) of 100.85% in 2017 against regulatory standard of at least 100%.

MTB Risk Management Practice on Six Core Risk Areas

MTB conducts its operations by ensuring compliance with the Core Risk Management Guidelines, which covers the following risks:



Credit Risk Management

Credit risk is the probability that, a bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms. To manage these risks, MTB's credit functions are conducted in a compliant manner under strict, judicious and rational credit policies and principles in conformity with Credit Risk Management (CRM) guidelines of Bangladesh Bank. MTB approves credit to the eligible clients through credit processing system. MTB's international trade service operations are conducted through its three offices under Mutual Trust Bank International Trade Services (MITS). In MTB, renewal and extension of any credit facility require completion of pertinent due diligence processes including, as applicable, stock verification, rigorous need assessment, insurance coverage of the insurable objects, judicious collateral coverage, cash flow supported repayment capacity, etc. MTB panel lawyers examine the security related documents to reduce the residual risks. Other than these, the mechanisms and tools, through which MTB manages credit risks, are as follows:

Exposure Ceilings

MTB has its lending cap for different business sectors, industries, and locations, which is strictly tried to be adhered to. Lending cap is constantly reviewed in order to remain reasonably aligned with the business needs. The bank never exceeds the Single Borrower Exposure Limit set by Bangladesh Bank (BB).

Prudent Credit Sanctioning Process

Credit initiation and approvals, in MTB, are done in a segregated manner. Each and every sanction is done through a very stringent evaluation process, which, in fine, ensures quality of assets and minimizes losses likely to arise from potential bad loans. In order to make credit operations judicious, quality and rewarding, MTB has a strict credit policy in place. The policy, among others, requires:

- Clean and up to date Credit Information Bureau (CIB) report of the Client and their allied concern
- Verification of the collaterals by the enlisted surveyors and obtaining legal opinion on acceptability of the collaterals and protecting the bank's interest
- Ascertaining credit worthiness and need of the borrower, purpose and sources of repayment
- Conducting lending operations complying with the underlying norms and regulations
- Emphasizing maintenance of rational loan deposit ratio; Avoiding directed and name lending

Credit Monitoring

MTB Credit Monitoring Department (CMD) monitors the asset (loan) portfolio of the bank continuously. MTB's credit monitoring system provides an early indication/ alert about the deterioration in the status of the loans that allows immediate launching of effective management actions in a rational manner to prevent them from turning into Non-Performing Loans (NPLs). Statements on early alert accounts, delinquent and special mentioned accounts are generated timely. MTB's credit monitoring tools are effective to keep the overdue and SMA loans well below the industry average.

Portfolio Management

Credit concentration is against the spirit of diversification of portfolio in as much as it enhances credit risks. To avoid concentration, the principle of judicious credit diversification is followed in MTB, keeping in mind the essence of regional/ sectoral/ group concentration. Any exceptions in credit operations are considered for approval at appropriate level.

Review/Renewal

All credits approved on revolving basis are annually reviewed and renewed if found renewal worthy by the appropriate authority as per Credit Approval Discretion. Credits - continuous or term-based – are reviewed to ascertain the regularity in transaction and repayments as per covenants of the approvals.

Borrowers' Credit Rating

Under the Standardized Approach of Risk Based Capital Adequacy (RBCA) guidelines of Basel-III, prescribed by the Bangladesh Bank, rating of the borrowers is an effective and efficient tool to manage credit risks. Good rating (i. e. low risk weight) of the borrowers, which facilitates identification of the borrowers as quality/ rewarding one, also requires less capital. For achieving these, two fold objectives and also to comply with the requirements under Basel III, management has assigned priority on rating of all the eligible clients, by External Credit Assessment Institutions (ECAI).

In its constant effort to understand the risk intensity of the assets, extent of capital relief and also in order to be able to make appropriate choice in respect of selection of the borrowers, ECAI rating status is monitored every day at Risk Management Division. With laying of adequate importance on ECAI rating, the number of ECAI rated clients has increased significantly.

Non-performing Loans (NPLs) Management

Despite all out efforts by the Credit Monitoring Division (CMD), if any loan becomes classified, Special Asset Management Division (SAMD) takes immediate actions. SAMD operates independently to prepare and implement overall action plan and recovery strategies. The division works in coordination with the branches, concerned divisions and Legal Department of Corporate Head Office, and conducts door-to-door recovery drives for Non-Performing Loans (NPLs). The tools and strategies for NPL management as applied by SAMD are designed in a manner to keep the NPL much below the critical level as per recognized/ institutional standard.

Environmental Risk Management

Environmental risk is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

The overall purpose of Environmental Risk Management is to understand and manage risks that arise from environmental concerns. This brings a focus on planning and implementation policies and procedures to mitigate environmental risks. The specific purposes are to:

- Examine the environmental issues and concerns associated with potential business activities proposed for financing
- Identify, evaluate and manage environmental risks and the associated financial implications arising from these issues and concerns
- Strengthen credit risk appraisal process

Based on different environmental risk levels, MTB considers the following approval level as ideal and appropriate.

- If the Environmental Risk Rating (EnvRR) is high, the proposal for financing qualifies for approval by the Board or Executive Committee within its authority
- If the EnvRR is low or moderate, the financing decision is taken on the basis of usual credit risk management guidelines
- If the EnvRR is unclear, then it is required for the Marketing/Relationship Management to collect more information from the borrower so as to have an understanding of the inherent risks and arrive at a high/moderate/low decision. Should a risk factor not be applicable, it may be excluded from the environment risk rating process.

Asset Liability Risk Management

Asset Liability Management (ALM) is a mechanism to address the risk faced by a bank due to mismatch between Assets and Liabilities either due to liquidity or changes in interest rates. A comprehensive ALM policy framework focuses on the bank's profitability and long-term viability by targeting the net interest margin (NIM) ratio and Net Economic Value (NEV), subject to balance sheet constraints. Significant among these constraints are maintaining credit quality, meeting liquidity needs and obtaining sufficient capital. As per Bangladesh Bank (BB) guideline, MTB has a fully functional Asset Liability Committee (ALCO) headed by the Managing Director & Chief Executive Officer as the Chairman of the committee for prudent Balance Sheet Risk Management. Moreover, ALM Desk of MTB has developed an Asset Liability Risk Management Manual in the light of the BB guidelines on ALM risk management which is approved by the Board of Directors of the bank and reviewed annually. ALM desk of MTB Treasury prepares Asset Liability Committee (ALCO) paper at least once a month and conducts meeting accordingly.

Foreign Exchange Risk Management

Foreign Exchange Risk arises due to the adverse fluctuation in the exchange rates. In order to manage and mitigate Foreign Exchange Risk, MTB has developed a Foreign Exchange Risk Management Manual in the light of Foreign Exchange Risk management guidelines of Bangladesh Bank, which is approved by the Board of Directors of the bank. Moreover, MTB has Board approved different risk limits for meticulous Foreign Exchange dealing operations within regulatory framework. MTB has in place a well-defined internal approval and reporting procedures to report Foreign Exchange business activities on a regular basis to the senior management. In addition to different risk management practices, Net Open Position (NOP) limit assigned by Bangladesh Bank for conducting MTB's day to day Foreign Exchange business activities is strictly maintained.

Internal Control and Compliance Risk Management

MTB has an Internal Control and Compliance (ICC) Department which ensures internal control structure in the bank with appropriate assignment, accountability of the personnel and delegation of authorities to functional management to exercise control and create a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors. ICC Department has the following three distinct divisions, headed by a senior level executive:

- Audit and Inspection Division
- Compliance Division
- Monitoring Division

As a tool of Internal Control, the Audit and Inspection Division undertakes periodic and special audits and inspections on the branches and departments/divisions of the Head Office in order to find out the weaknesses and defects in the control processes, and it reports to the Audit Committee for corrective measures to protect the interest of the bank.

The Compliance and Monitoring Divisions of the ICC Department ensure timely and proper compliance with the relevant laws, regulatory instructions, and internal policies and procedures in the day-to-day operations of the bank by way of using various control tools. The concerned divisions assess the operational risks and take appropriate measures to mitigate the same for smooth operation of the bank.

Overall, the ICC Department reports on serious non-compliances issues detected by the internal and external auditors and Bangladesh Bank's inspection teams with up-to-date compliance position, large financial risk exposures, weaknesses in control mechanism and other risk areas to the Audit Committee of the Board, for review and taking appropriate remedial measures.

Money Laundering Risk Management

Money laundering (ML) and terrorist financing (TF) are global phenomena, apparent in almost every part of the world. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance programs more rigorous. MTB, as a compliant bank, is determined not to let money launderers and terrorists or perpetrators use the bank 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) strategy, based on which a program has been designed considering the range of activities, complexity of operations and the nature and degree of money laundering and terrorist financing risks faced by the bank.

MTB has taken into cognizance the relevant laws, rules, Bangladesh Financial Intelligence Unit (BFIU) issued guidelines, circulars and instructions, international standards and the bank's own policy while designing the program. The bank applies risk-based Customer Due Diligence (CDD) measures, monitors business relationships and transactions pursuant to the national regulations and international standards.

Information and Communication Technology (ICT) Risk Management

MTB wants to grow by ensuring the total security of the customers and all other stakeholders. In the backdrop of an increased reliance on complex IT systems and operations in the financial sector, the risk of cyber-attacks and system disruptions is high and the same is increasing alarmingly. In this regard, MTB has been in constantly deepening its technology risk management capabilities by adopting strong "Information & Communication Technology (ICT) Security Policy". The underlying principles in this regard define responsibilities and requirements for protecting information assets (e.g. hardware, network, operating system, database, application, storage and related technologies), and their use in providing financial services.

Cyber Security Management

Constant change, unpredictability, and uncertainty have made cyber security everyone's responsibility. Continuous awareness programs for the employees, suppliers, and the clients, about cyber security goes round the year in MTB. The bank reminds the employees of security in every possible ways as a continuous process. Cyber security has become imperative to our business process. Practice in building walls to thwart attempts to block all malicious attacks, and making organization cyber-resilient is going on side by side. In practice, a handful of initiatives including network and host firewalls, web application firewall, intrusion-prevention, anti-malware, layered security, vulnerability and penetration testing is in place for preventive, detective and corrective measures against cyber-attacks.

State of the art Data Centre (DC)

As part of effective centralized management of banking operations, a full-fledged Data Centre (DC) was established at "MTB Centre" in 2009. This DC is equipped with sophisticated technology including data replication to manage operation, and continuation centrally for proper business functions all over the world. In today's digital economy, MTB has taken the challenges of rapid growth of IT infrastructure, including information security that meets regulatory compliance regulations and protect the information of its clients.

Disaster Recovery Site (DRS)

As part of business continuation, the bank has established Disaster Recovery Site (DRS) at MTB's own premises at "MTB Tower". This DRS is equipped to protect loss of customer sensitive information, and their transactions in case of failure of primary Data Centre due to any disaster.

MTB IT Security Department (MITSD)

Information Technology Security Department was established headed by Chief Information Security Officer (CISO) was established to align with Bangladesh Bank ICT Security Guidelines and industry standards. To administer the ICT security policy, manage the ICT risks, compliance, handle the incident management, conduct awareness-training programs round the year and to thwart the overall security issues of the bank are the prime responsibilities of the department. Apart from strengthening ICT infrastructure platform, the department also focuses on identifying its security risks by conducting vulnerability, and penetration testing on its existing services. In addition, the department is on its way to establish 24/7 Security Operation Centre (SOC).

System Audit Team

MTB has established dedicated System Audit Team under the Internal Control & Compliance Department (ICCD) in order to comply with the directives of the Bangladesh Bank's guidelines. The team audits the branches and various divisions, departments, units of Corporate Head Office including subsidiaries, and reports to the authority, and suggests necessary actions.

INFORMATION TECHNOLOGY

Information Technology being the business enabler, focused mostly on the use of technology for the benefit of our customers, communities and our people, delivering what matters to create the best value over the year of 2017. The aim of our efforts was to reduce cost, increase profitability, improve internal efficiencies, use alternate delivery channels where appropriate and, ultimately, improve the internal and external customer service experience.

Through the year of 2017, we invested in our technology to create new ways for our customers to interact with us, generate efficiencies, and protect ourselves and stakeholders from risks of threats that are constantly changing at a global level. A number of standout features were delivered across our digital ecosystem through the financial year.

Transformation of Core Banking Solution (CBS)

As a part of strategic decision and in pursuit of acquiring a modern CBS, the bank engaged OPTINOVO Business Consulting Private Limited, India for rendering consultancy services to steer forward the CBS project in 2016. The farm helped MTB in preparing a number of documents like AS-IS Study, TO-BE, RFP and finally the tender documents for selection of a very suitable CBS. The CBS is the heart of transaction system in a bank.

In May 2017, the bank floated the request for proposal (RFP) where 8 reputed bidders were participated. Considering the strategy and high worth of CBS Project, the bank appointed Bangladesh University of Engineering and Technology (BUET) as Technical Consultant for evaluation of the bids. Eight (8) groups of officials in certain functional areas and a number of committees had been engaged to evaluate the features of CBS and the bank finally selected TCS BaNCS, a product of Tata Consultancy System (TCS), which has had a number of big installations in reputed banks like Bank of China, State Bank of India, etc.

Improvements in Agent Banking Capacities

As part of the bank's vision to extend its services to the unbanked segments of the population and thereby helping the country towards its journey to become the most financially inclusive emerging economy, MTB Agent Banking was initiated in 2016 where Information Technology played an elemental role in transforming the processes of traditional banking into techno driven work flows. As of December 2017, a total of 50 Agent Banking Centres were inaugurated across the country. In order to bring more services of the main stream banking services to the doorsteps of the customers of the Agent Banking, the Agent Banking System or the ABS was beefed up with a number of functionalities like Issuance of Debit Card, Issuance of MICR Cheque Book, Internet Banking, School Fees Collection, REB Bill Collection, Payroll Banking and even RTGS payment services.

Information & Cyber Security at MTB

Information and Cyber Security is a set of stratagems for governing the people, processes, and technology indispensable to thwart, discover, document and counter threats to digital and non-digital information to ensure its Confidentiality, Integrity, and Availability (CIA). MTB IT Security Department (MITSD) encourages all respective stakeholders to bring into line with comprehensive, and verifiable information security management strategy in accordance with internationally recognized standards to protect the information of valued clients and information assets of MTB.

ICT Security Governance

To strengthen existing ICT security governance and accountability culture, MTB has already established "MTB IT Security Committee" to ensure the implementation of information security throughout the bank in achieving the organizational goals. In sequence, MTB updates its ICT security policy regularly to deal with evolving changes in the ICT environment, regulatory / legal requirements within the bank. Besides, MITSD is working closely to ensure that all users are aware, understand and perform their roles and responsibilities as stated in the policy.

ICT Risk Management

It is saying that, ICT risk is also a business risk which may lead to a failure in the CIA of an information system. To reduce the risk or be in an acceptable range, MTB is performing ICT Risk Assessment (RA) on people, process and technology especially before any new product (s) / service (s) go-live or any significant change on existing systems.

ICT Security Compliance

When MTB comes to retain regulatory compliance for ICT systems that follows the regulations set forth by Bangladesh Bank, it ensures continued compliance with the business objectives, regulatory and legal requirements related to Information and Cyber Security. Meanwhile, MTB aspires to obtain Payment Card Industry Data Security Standard (PCI DSS) certification to protect its entire Cardholder Data Environment (CDE). MITSD has kicked off the PCI DSS project by forming an implementation team and expects that MTB would become a PCI Compliant Bank, which might augment MTB's payment card business even higher and supports to go ahead as scratched. Ensuring SWIFT infrastructure security is another crucial part of Cyber Security program. This year, for the first time, MTB has submitted self-attestation report on SWIFT infrastructure security engagement.

Multi-Layered Security Approach

Multi-layered security approach is the keyword for cutting-edge security technology. By working in concert, these layers of security offers a better chance

of stopping intruders from breaching. Recently, MTB has adopted Web Application Firewall (WAF) for all public facing applications through MTB, which enhances secured transactions. Moreover, to face out Advanced Persistent Threat (APT) attacks, organizations need a range of security technologies to protect them from threats both known and unknown. To overcome such challenges, MTB is implementing Anti-APT solutions to analyze, understand, and take action on the threats those are undetected by conventional security measures.

Fostering an Awareness Culture

An Information and Cyber Security awareness program is a significant requirement for any organization that wishes to ensure privacy, legitimacy, effectiveness and availability of information assets. To ensure the business operation even more secured, MTB IT Security Department (MITSD) keeps conducting awareness training program on Information and Cyber Security for all employees. Such training programs help the employees in managing and protecting the valuable information using ICT systems. To make the employee more aware of the cyber security, MITSD publishes security Quizzes and circulates latest information security tips, techniques, and Security Bulletins regularly on MTB Corporate Intranet (MNet) portal.

Training and Awareness Programs

To develop skill and awareness on the latest technology trends, the core IT officials were introduced to various local and overseas training programs and conferences throughout the year. Apart from grooming up its own experts, computer related training was also imparted to the general users on an ongoing basis to empower them to handle the technology platforms. Trainings like Web Application Firewall, Digital Banking & Cyber Security, Information & Cyber Security are the few examples of such training programs that helped the bank users become aware of the risks of using digital technology and the new technology initiatives in the offing.

In-house Developments

Apart from outsourced solution, there have been a number of efforts from MTB's own development team that was elemental in augmenting bank's progress towards digitalization of services. Following are a few examples of such developments.

Money Exchange Software (MExchange)

The money exchange operations of MTB's 2 (two) booths at Hazrat Shahjalal International Airport were automated to ensure smooth customer service as well the monitoring of the operations of the said booths by the NRB Division.

Electronic Loan Documentation Check List (E-LDCL)

This work-flow based E-LDCL system was designed and developed in-house to expedite the process of conveyance of the loan documentation check list electronically, narrowing down significantly the turnaround time of accomplishing the loan processing procedure. The archival system built within has proved to be the most efficient one to recover any document by the business units.

Maturity Alerts

Apart from sending regular SMS alerts on transactions, MTB took proactive initiative for its depositors in 2017 to send more SMS alerts like maturity of the deposit products like FD, Brick By Brick, Millionaire Plan etc. prior to the day of the maturity.

Open and Account Online (OAO)

This service was introduced to take the A/C opening service to the doorstep of the customers, who now do not need to reach out to MTB branches to collect the A/C Opening Form and fill them out manually. Using OAO, short for 'Open an A/C Online', the customers can now prepare the A/C opening forms Online and visit a branch with an E-Token and get the A/C opened immediately. The information preserved on the OAO profile can be reused every time a customer wants to open an A/C.

Bill Collection Solutions

In a bid to broaden its spectrum of avenues of Utility Bill Payment services, a number of developments have been made in-house to enable the customers to pay their bills comfortably using their Internet Banking or the Mobile Apps. The bill collection services include Karnafuli Gas Distribution Company Limited (KGDCL) and DPDC. Developments were also made in the branch collection module to receive Gas bill of Titas Gas Transmission and Distribution Company Limited (TGTDCL).

Missed Call Mobile Recharge

This innovative service was introduced this year for the MTB customers to recharge their mobile phone(s) at the ease of a missed call to a particular MTB number. The service was endeared by its users considering the convenience of recharging the mobiles of their own as well as of their near and dear ones. The registration process was also taken to the Internet banking so that the service can be easily availed.

API Based Instant Remittance to bKash Wallet

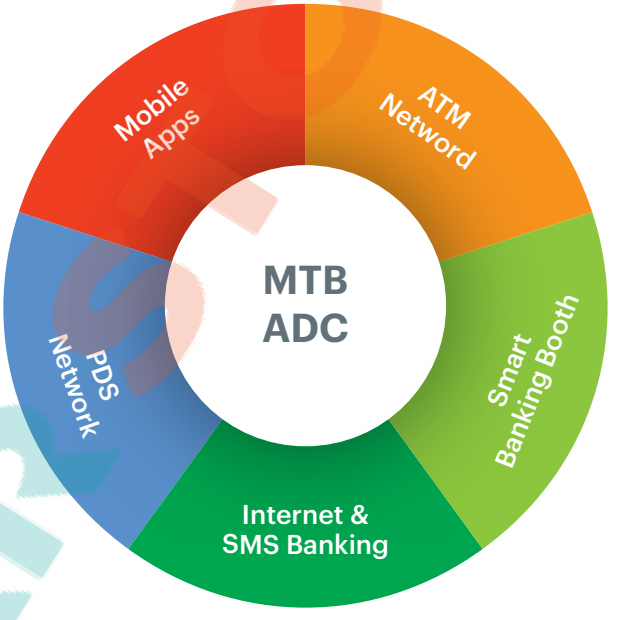
As part of its continual effort towards expanding arms of remittance disbursement channels, MTB NRB Division has opened up a new avenue of remittance disbursement through bKash Wallets using API driven automated connectivity. The complete suit of technological development of the necessary APIS to connect with the Exchange Houses and bKash wallets was done by the in-house developers of MTB. Using this service, the hard earned remittances are being sent to beneficiary's bKash wallets in real times.

ALTERNATIVE DELIVERY CHANNEL

Alternate delivery channels are those channels that expand the reach of financial services beyond the traditional branches. MTB ADC have emerged as a result of innovations in information and communication technology and with the vision of the bank's top management to become a world class bank.

MTB Alternative Delivery Channel offers a broad range of options through which our valued customers can access the bank's financial services without visiting a branch. The channel of MTB ADC are:

- Automated Teller Machine (ATM)
- Smart Banking Booth
- Internet Banking & SMS Banking
- Point of Sales (POS)
- Mobile Apps



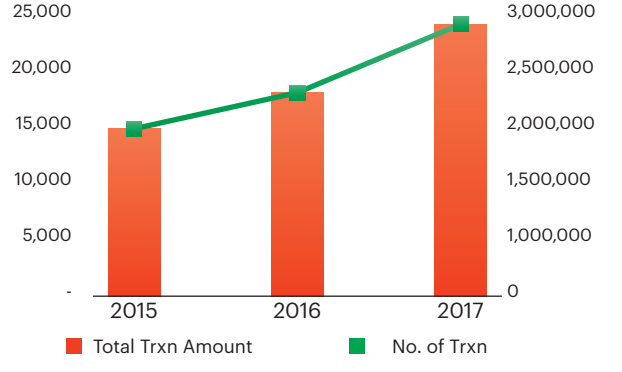
Automated Teller Machine (ATM) Network:

MTB's 1st ATM was introduced in the year 2011 with 24/7 automated cash withdrawal facility. Now, the Bank has 246 ATMs across the country in 201 strategic locations, making MTB as one of the top ATM service providing banks in the country. MTB ATMs also connected to the VISA, Mastercard and NPSB (National Payment System Bangladesh) channel to offer the facility to a wide range of cardholders including those of other banks as well. All our ATMs are complied with the EMV (Euro Master Visa) regulations and equipped with Encrypted PIN Pad and CC TV surveillance. MTB ATMs are widely used for cash withdrawals. It also offers services like balance enquiry, fund transfer, PIN change, mobile top-ups, etc.

In the year 2017, MTB ATMs have been used for cash withdrawal amounting BDT 2.01 billion which is 27% more than that of the year 2016.

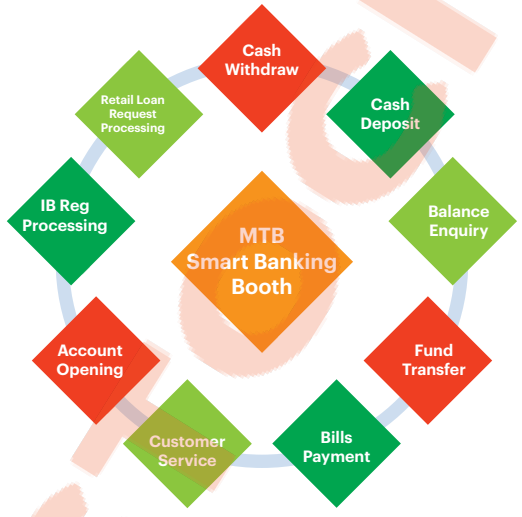
Year	Number of Transaction	Total Transaction Amount
2015	1,718,731	13,103,032,700
2016	1,998,374	16,504,356,816
2017	2,406,672	20,969,391,000

YoY Gorwth in MTB ATM Transaction



Smart Banking Booth:

MTB Smart Banking Booth was introduced in 2012. Till 2017, MTB has 10 Smart Banking Booths with CDMs (Cash Deposit Machine) in 4 located major cities (Dhaka, Chittagong, Comilla and Barisal) making MTB as one of the early starter in offering banking service through Smart Banking Booths (KIOSK) among the banks in Bangladesh. MTB Smart Banking Booths are offering a wide range of services including cash withdrawal, cash deposit, balance enquiry, fund transfer, bills payment, customer service, account opening, retail loan processing, internet banking registration, etc outside the Bank's conventional branch network. It is the vision of the management to expand the MTB Smart Banking Booths at different prime locations across the country to offer more dynamic services from these booths.

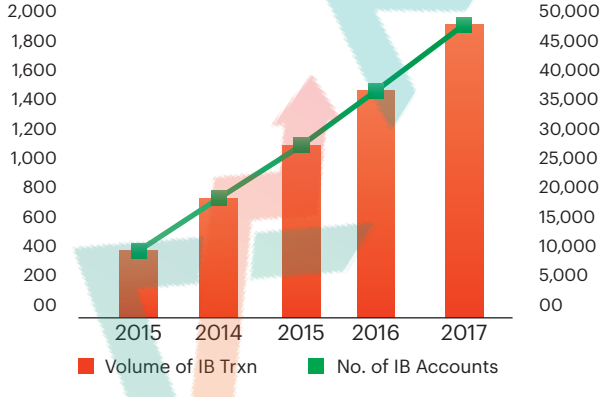


Internet and SMS Banking:

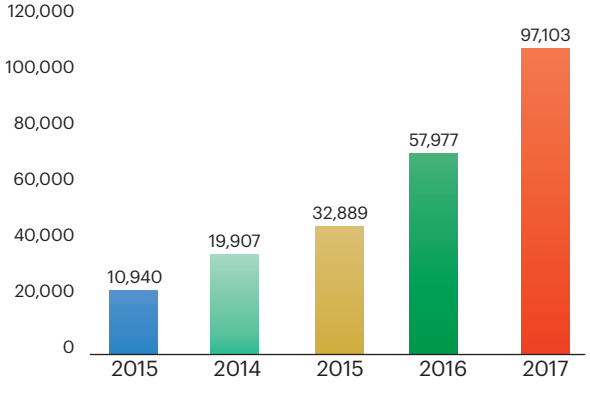
MTB Internet Banking is another electronic payment channel that offers facility to conduct a range of financial transactions through the Bank's website. Starting its journey back in the year 2012, MTB Internet Banking is going through a phase of continuous improvement to offer dynamism and convenience to valued customers of the bank in getting services through this channel. This service offers 2(two) factor authentication to secure the online transaction as per international standard. MTB Internet Banking is currently offering services like balance enquiry, fund transfer to other MTB account or other bank's account, mobile top-up, bills payment, transaction summery check, account statement check etc. In the year 2017, MTB customers have made account transfer of BDT 1,835 million through the MTB Internet Banking channel.

Year	No. of IB Accounts	No. of IB Trxn	Volume of IB Trxn
2012	4,986	2,810	26,490,935.16
2013	13,520	97,866	282,414,622.58
2014	22,073	171,300	587,082,036.94
2015	31,020	235,894	1,013,407,354.81
2016	37,891	268,583	1,282,005,349.59
2017	46,425	331,148	1,834,926,206.50

YoY Gorwth in Internet Banking Users & Trxns



YoY Gorwth in SMS Banking Accounts



MTB SMS Banking facilitates the customers by sending instant transaction alert with transaction details. MTB customers can also check their last 5 transactions through the SMS option. Starting its journey in 2013, MTB SMS Banking service has been marked as a unique service for the account holders of the bank.

MTB Mobile Apps:

Mobile Apps is an extended platform of MTB Internet Banking which offers one touch window of the internet banking services through a pre-installed mobile app in the customer's cell phone. MTB offers this mobile app for both Android and IOS mobile handsets. Services offered through MTB Internet Banking can also be accessed by MTB Mobile Apps.

- DPDC & Other Utility Payment
- Mobile Recharge
- Credit card Service
- Money Transfer (BEFTN)
- Fund Transfer
- Account Information
- MTB Branch/ATM Location
- e-Commerce



Point of Sales (POS) Network:

MTB also offers card acquiring service through it POS Network covering a wide range of merchants across the country. MTB started its POS acquiring service in the year 2011 and till the end of 2017 has installed around 3,000 POS terminals at many major merchant points all over the country. MTB POS are capable to accept EMV Chip based VISA, MasterCard and cards accepted through NPSB channel. MTB's POS network is spread at over 60 districts facilitating cashless transaction at different merchant points.



HUMAN RESOURCES

MTB ensures the right number of people and right kind of people, at the right place, at the right time with the right skills set for doing the right things that are aligned with its mission, vision, and strategy.

At MTB Group Human Resources (GHR), we believe that, successful organizations are made up of passionate leaders who can articulate vision; gain understanding for specific business initiatives; and energize those whom they lead. We know that, delivering our best to MTB's customers takes men and women who give us their best every day. To that end, MTB's Human Resource philosophies and policies are an integral part of MTB's overall business strategies. Here, we pay special attention to managing people as our most important resources and important stakeholders. MTB Human Resources are the critical channel for expressing its brand to its customers and prospects alike.

MTB GHR serves as regular forums to communicate and implement policies, processes and other activities across MTB, from top to bottom. It oversees all activities that impact hiring talent, entry, mid and late career training and professional development in the search of excellence. It emphasises performance evaluation, establishes benchmarks for competitive compensation, allocation of right human resources, career development and succession planning.

Empowering MTBians to Protect & Surge Ahead

The implementation of 2017's strategy titled "Protect & Surge" entails far-reaching changes in the Bank. GHR is supporting this in its activities by providing professional advice and assistance to its management and employees. Through the value-oriented and binding guidelines on management conduct in the Bank, GHR is creating a uniform standard for fair interactions between employees and managers. The vision "MTB3V" and the "Code of Conduct" on which MTB's corporate culture is based, mean all are well positioned to successfully implement the Bank's change process.

GHR also plays a key role in implementing compliance measures. These range from the recruitment process to compliance training and the long-term anchoring of its Code of Conduct, thus helping to forge a "culture of integrity" in the Bank.

In 2017, MTB took capacity development efforts to the next level. MTB arranged a large number of high value internal awareness campaigns, seminars and workshops on integrity, professional values, moral ethics and beliefs. Last year, MTB also arranged training programs in divisional cities to reach the MTBians working at the outskirts of the city. The topics include basic banking, MTB Code of Conduct, MTB business ethics, Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT).

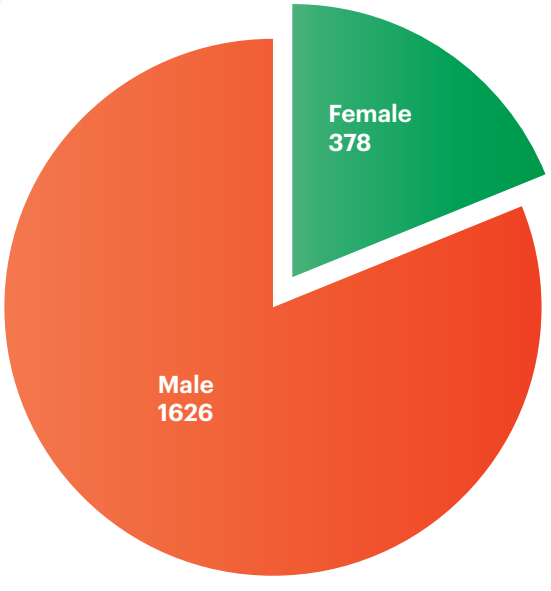
A Working Environment Free of Prejudice

Diversity is the cornerstone of our corporate culture and an integral component of our HR work. We encourage the diversity and individual development of our employees, as we firmly believe that, this also benefits us as a company. We want to maintain our clear position on these issues and anchor them even more strongly among our managers and employees.

Women in Management Positions

In the previous year, putting women in management positions was a key target for MTB in 2017. The Bank was able to employ more women in management positions in compare to the year 2016. Our aim is to increase the further proportion of women in management positions. We therefore, pursue an approach whereby a position should be filled solely on the basis of an employee's qualifications and expertise.

The work force of MTB Group stood at 2004 by the end of 2017. Gender-wise position of MTBians as on December 31, 2017:



Male employees represented 81% of total MTB workforce, the rest represented by the female counterparts.

The female employees have diversified ranks ranging from Officer categories to Executive Level. The breakdown of female employees is shown as follows:

Particulars	No. of Male Staffs	No. of Female Staffs	Total Staffs	Composition in %
Executive	238	18	256	13%
Mid-level Officer	498	75	573	29%
Junior Level Officer	872	283	1155	58%
Non-Officer	18	2	20	1%
Total	**1,626**	**378**	**2,004**	**100%**

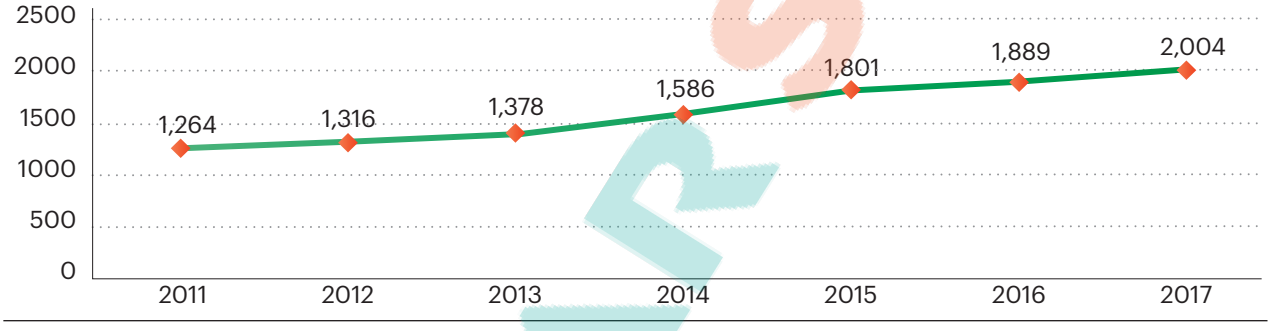
Though the percentage of female employees remained unchanged, the number of female staff grew by 22% in 2017 compared to that of 2016, while the number of male employees grew by 93. The composition as on December 31, 2017 is shown as follows:

Deployment of Manpower

The size of manpower is raised every year to match the increase in the volume of operations. MTB had 1264 employees back in 2011. As on December 31, 2017, MTB family has 2004 members.

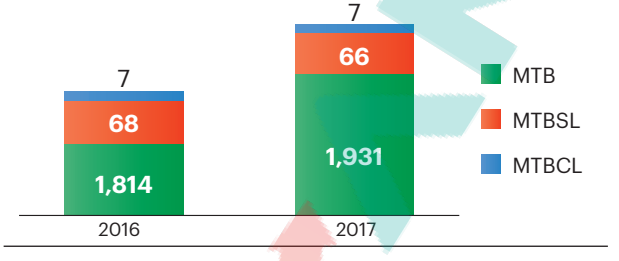
Trend in manpower size from 2011 to 2017

Trend of Total Workforce



Out of 2004 employees, 1931 are serving MTB, 66 MTBSL, and rest 7 are contributing to MTBCL. As illustrated by the year on year position, MTB raised its employment by 115.

Deployment of Total Employees



Employees' length of Service at MTB

MTB group has a strong team of experienced young bankers. This young pack is guided and supervised by very renowned, well qualified, diversified, experienced, seasoned bankers who act as pillars of the organization. This allows MTB to streamline the succession planning.

Employee's length of Service at MTB as on December 31, 2017:

Particulars	No of Employees	Composition in %
Below 1 Year	256	13%
1 Year to 5 Years	729	36%
5 Years to 10 Years	705	35%
10 Years to 15 Years	260	13%
Above 15 Years	54	3%
Total	**2,004**	**100%**

MTB's Employee Governance

GHR reiterates its employee governance by ensuring merit-based hiring practices for all target groups. The employee governance policy of MTB has improved further and paved the opportunities to control the hiring, appointment, compensation and retention of MTBians. GHR remains vigilant to mitigate the risk associated with human factors. It also makes excellent effort to comply with the regulatory requirements.

Performance Management Process

Our newly redesigned performance management model aims to be transparent and understandable, objective in its measurement, and a driver to align efforts of the network with the MTB's strategic objectives and encourage cooperation within and between teams. The performance of each MTBian is judged based on self-declared objectives which are SMART (Stretching, Measurable, Agreed, Realistic, Time bound). These SMART objectives are set and scripted on the corporate intranet portal (MNet) at the very beginning of the year and reviewed twice a year; one in mid-year and the other at the end of the year. The appraisal process has been worked out taking into account four key elements: ongoing job requirements, operational efficiency, business development, cost deduction, system redesigning to simplify any service, contribution in projects and assignments, people development and self-development. Evaluation of each element has two parts, self-assessment and assessment by the reporting boss or line manager. MTB GHR, with assistance of MTBTI, promotes continuous in-house training opportunities for capacity development. In addition, MTB supports the professional certification for being self-driven, which can render valuable addition to the Performance Management System (PMS).

Our Approach to Hunt Talent

MTB has adopted a balanced approach to talent acquisition. It relies both on leveraging the skills and experience, already available within the organization, while bringing in the necessary capabilities that will help position the Bank for long-term sustainable performance.

MTB has transparent selection process which is free from any influence. The pool of talent is attracted to MTB via circulars for the purpose of filling entry level posts. After the filtering applications, the potential candidates are asked to sit for the exam. Toppers are then interviewed by the top management who finalize the selection.

MTB, however, does not solely rely on entry levels. It also focus on the grooming existing MTBians who are sufficiently skilled and experienced to take more responsibilities. The existing MTBians are facilitated with career mobility and job rotation, which in turn, help MTB to attain sustainable operating performance.

Identifying and utilizing potentials

The changing and challenging banking sector having an effect on the work environment. Life-long learning is the key to long-term success. In an industry marked by upheaval, we need employees who continuously review and expand their skills. With development-oriented procedures and individually customized training, GHR has been applying new approaches to the selection, appointment and development of managers and divisional heads. It has created uniform Bank-wide standards for employee training and development in the form of a dialogue. Each employee meets with her/his line manager to consider the employee's specific competencies. This enables to determine training and development needs at an early stage for developing and expanding the competencies required by employees. GHR thus lays the foundations for identifying and promoting potential in the best possible way.

Nurturing Future Leaders

The success in the service industry is much more dependent on the people associated to providing the service. Believing and holding this in heart, MTB puts its employees first! MTB aims to attract a pool of latent talents for all its entry to top level positions. The talents are further sharpened in on-the-job, off-the-job, in-house and outsourced training opportunities.

MTB offers a fast track career avenue under "MTB Management Trainee (MMT)" program. It is an "Acceleration Program for individuals who have the potential to be future leaders, preparing them for the next stage of their development and ensuring the amalgation of the right skills and experience to accelerate their careers. Upon successful completion of one year's rigorous training, management trainees absorb the workforce as Junior Assistant Vice President (JAVP). The MMT program consists of in-house training at MTB Training Institute (MTBTI), job rotation at branches and different divisions/ departments of Corporate Head Office. All these mold the MMTs arsenal full of confidence, operation exposure, adaptability and leading capabilities.

Training and Development

The management put an emphasis on training in the development of the employees. The most taught subject matter remained foundation of banking, cyber security, AML and CFT issues, regulatory compliance issues and banking operations as their importance is soaring. The number of total training rose to 281 in 2017 from 263 in 2016, registering a growth of 6.84%. The number of participant also increased significantly this year. By the end of 2017, the number of training participants stood 1786 against 1626 in the previous year, marking a remarkable growth at 9.84%, compared to 6.27% in 2016.

The Bank maintained an admirable schedule of 114 in house training programs, all of which were delivered in an impressive learning environment at MTB's own state-of-the-art training institute.

The number of training programs held from 2012-2017 is as follows:

(Yearly Number of Training)

Training Type	2012	2013	2014	2015	2016	2017
In House Training	52	70	74	131	113	114
Local/Outsourced Training	33	66	70	80	140	132
Foreign Training	06	03	13	18	10	35
Total Training	**91**	**139**	**157**	**229**	**263**	**281**

Year-wise number of participants in the training programs is listed below: (Yearly Number of Training)

Year	2012	2013	2014	2015	2016	2017
Number	858	1,187	1,467	1,530	1,626	1,786

MTB HR Benefits

Attraction and retention of the most capable MTBians are central to the MTB's compensation strategy. With that in mind, MTB sponsors a number of post-employment benefit and contribution plans on behalf of its employees. The plans consist of good compensation packages, fringe benefits and perquisites. MTB follows its own policies regarding the compensation and benefits for its employees. Benefits other than remuneration to MTBians includes but are not confined to the following:



Towards Achieving MTV3V!

MTB GHR has taken an action plan and accordingly set priorities to target the achievements of MTB3V! The strategic priorities include but not confined to the following:



In fine, GHR would like to thank all MTBians for all their hard work in 2017. They showed exceptional commitment in a difficult market environment and under conditions those were not always easy. We, the Team HR express our gratitude to all staff, managers, heads of all divisions/ departments/units and other representatives who assisted in HR initiatives in 2017 in a trusting and constructive manner.

SERVICE QUALITY

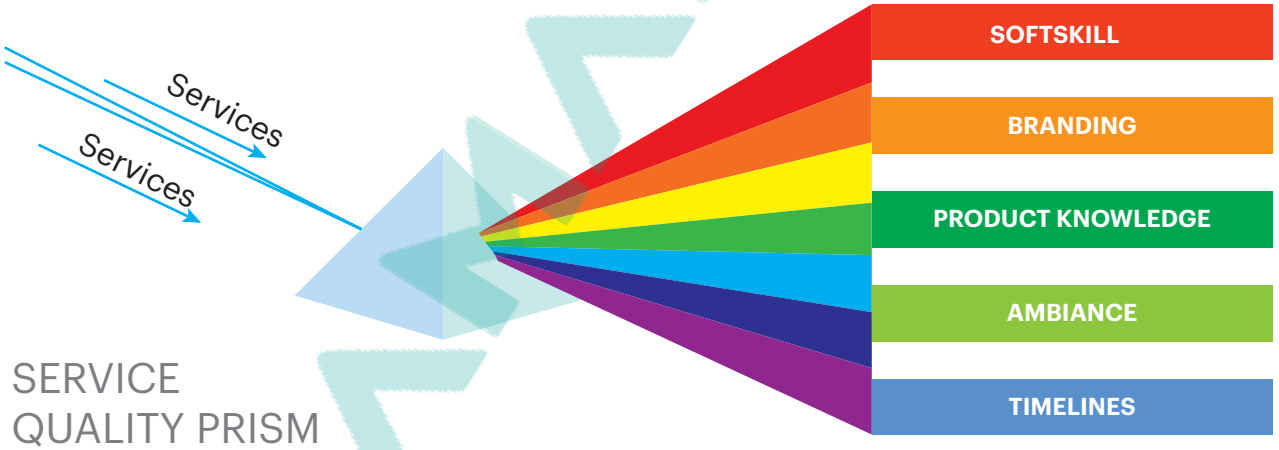
SUPERIOR SERVICE -THE KEY to tie it all together

In a service industry, customer service is what differentiates us from other players. New technology, excellent products and innovations are important attractors for customers but superior service is the key to tie it all together. There has been a high correlation between customer satisfaction and profitability in a range of industries. Customer satisfaction is still one of the single strongest predictors of customer retention.

"QUALITY IN A SERVICE OR PRODUCT IS NOT WHAT YOU PUT INTO IT. IT IS WHAT THE CUSTOMER GETS OUT OF IT." - **PETER DRUCKER**

Customers' perception of service and quality of product determines the success of the product or service in the market. With better understanding of customers' perceptions, organizations can determine the actions required to meet the customers' needs. Having this belief in heart, MTB Service Quality Department (SQD) has been formed with a view to elevating the already superior service-standard of the bank to a height, where MTB's service quality would be considered the benchmark in the entire financial services industry. In line with that, MTB SQD is working towards further improving and upholding the overall customer service standard of the Bank. Developing a customer-centric workforce is one of the key strategies of this department. To attain the MTB3V, the philosophy upon which the vision of the bank is based, MTB SQD has sketched a roadmap – the scope of work.

To deliver superior quality customer service, continuous monitoring is essential in identifying the flaws and gaps so that corrective measures can be taken accordingly. MTB SQD has adopted in-house mystery shopping survey as an effective tool to measure the current service standard of the Bank, as a part of its scope of work.



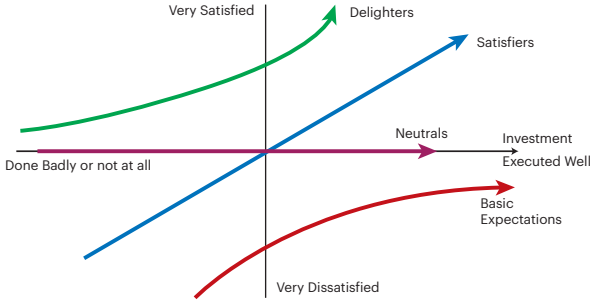
SERVICE QUALITY PRISM

Mystery Survey on Branches and Contact Center: Mystery surveys are being conducted in different branches by MTB SQD employees on a monthly basis. These surveys mainly focus on measuring employee soft skills (service etiquette), product knowledge as well as overall ambience such as cleanliness, dress code and branding of the customer touch points. The department also plans to engage third-party surveyors from time to time to perform such mystery surveys to get comparative views.

Customer Satisfaction Survey: This survey is being done over the phone. Customers who recently availed services from MTB touch points, are contacted by MTB SQD and requested to evaluate the services and rate the same from 0 to 10, where 0 being the lowest and 10 being the highest score. Finally, an elaborate report derived from the collected feedback is submitted to the management for yearly performance appraisal.

Benchmark Survey: Leading competitors' services will be evaluated through this survey, which will be conducted by MTB SQD. An elaborate report will be presented to the management to adopt the best practices from the competitors.

Customer Satisfaction



Training on Product Knowledge and Service Excellence: This is a comprehensive learning and development framework to build an appropriate and long-term mindset about delivering superior service excellence.

MTB SQD has been conducting workshops for the employees so that they follow the service standard, mentioned in MTB Winning, an in-house guideline for etiquette and service excellence.

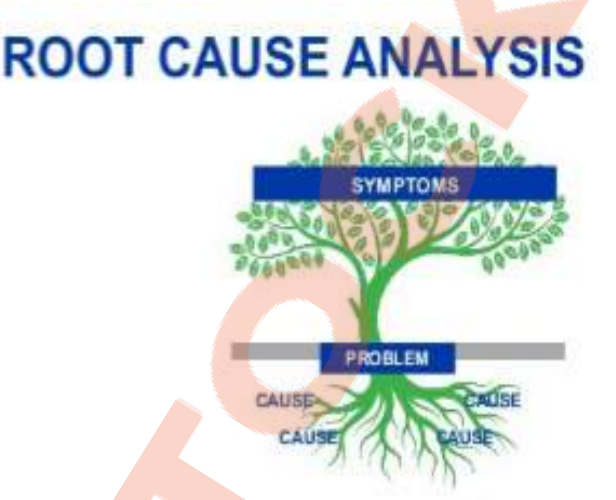
This training program intends to create the right mindset and to build the competency of the frontline employees who serve the customers face-to-face to ensure superior customer experience through their day to day activities. Our goal is to make our customer interactions consistently professional, efficient and productive. MTB is committed to investing in every employee in order to help them develop the skills they need and hone those skills so that they can consistently deliver the best-in-class service.

An e-learning module is underway for the frontline employees where all types of information such as product detail, FAQ, policies, processes, SLA (service level agreement) will be available. There will be a web based quiz module, where every frontline employee will appear in the quiz on monthly basis to update and enhance their product knowledge.

Complaint Management System: Having a structured complaint management system is of paramount importance for addressing complaints with specific emphasis on resolving such complaints fairly and expeditiously.

The complaint management is a series of activities such as facilitating complaint lodgment, developing complaint recording system, complaint resolution process, root cause analysis of the complaints raised and necessary policy formulation. MTB SQD has a separate wing to handle and manage all types of complaints received through different channels. The complaint management team follows a systematic procedure to settle the complaints against any product or service of the Bank. As per Bangladesh Bank (BB) guidelines, our Complaint Resolution Process (as showed in Figure 4) consists of five stages.

Root Cause Analysis and Policy Formulation:



Customers' feedback, information and complaints actually reveal the flaws or gaps in existing products, policies, system and services of a bank. On this stance, effective root cause analysis can be an important tool to identify the problem areas and need for improvement.

MTB SQD is constantly working on identifying the loopholes through in-depth root cause analysis from the complaints' data mining and places those findings to the management for taking remedial actions.

Future turns positive when effort is given to create it. We put our best efforts in 2017 and will continue to do so in the coming years to establish a culture, where people will move around with a mindset and purpose of delivery that will reflect the established culture. Our dream will be shaped up with the creation of a culture of accountability, and, SQD, with the assistance of other departments and guidance from the senior management, will put all sincere efforts to build the culture to make our customers as repeat customers with full satisfaction, always!

As part of our commitment to differentiate ourselves from other competitors, we designate 2018 as the "Year of Action". We have empowered our team of experts to not only create strong relationships with our customers, but also to find new ways to act on feedback in order to enhance the customer experience.

Your suggestions, comments and criticisms are what will help us better understand the areas in which we can act in order to truly bring you the best-in-class level of support and service.

ANTI-MONEY LAUNDERING (AML) & COMBATING FINANCING OF TERRORISM (CFT)

Money laundering (ML) and terrorist financing (TF) are global phenomena, apparent in almost every part of the world. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance program more rigorous. MTB, as a compliant bank, is determined not to let money launderers and terrorists or perpetrators to use the bank 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) strategy, based on which a program has been designed considering the range of activities, complexity of operations and the nature and degree of money laundering and terrorist financing risks faced by the bank.

MTB has taken into cognizance the relevant laws, rules, Bangladesh Financial Intelligence Unit (BFIU) issued guidelines, circulars and instructions, international standards and the bank's own policy while designing the program. The bank applies risk-based Customer Due Diligence (CDD) measures, monitors business relationships and transactions pursuant to the national regulations and international standards.

Some of the highlights of 2017, as part of the bank's AML & CFT program, are as follows:

- A Central Compliance Committee (CCC) has been formed as per regulatory requirement. A number of senior executives, who are heads of different divisions/departments are the members of the committee headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO).
- The former Central Compliance Unit has been renamed as MTB Anti Money Laundering and Combating Financing of Terrorism Division (AML & CFT Division) in line with regulatory instruction. The division has a total of 11 employees.
- Every year, the Managing Director & CEO of the bank issues a statement of commitment in writing to all the employees of the bank. The statement clearly sets forth MTB's policy against money laundering, terrorist financing and proliferation financing of weapons of mass destruction. In 2017, the Managing Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance.
- MTB revised its policy guideline in line with the laws of the land, guidelines, circulars and instructions issued by BFIU and international standard. The revised guideline includes updated MTB Customer Acceptance Policy and MTB ML & TF Risk Assessment Guideline.
- MTB introduced revised account opening form in line with BFIU instruction.
- AML & CFT Division conducted inspection on AML & CFT compliance status of 31 (thirty one) MTB branches.
- MTB further accelerated its monitoring endeavors with system-based monitoring tools, available at all the branches and the head office.
- MTB continued its screening process with the help of automated tools against United Nations Security Council Resolution (UNSCR), Office of Foreign Assets Control (OFAC), adverse media and domestic sanction lists.
- As part of Know Your Employee (KYE) program, MTB performed reference check and background check in the process of employee screening.
- MTB conducts daylong AML & CFT workshops throughout the year, with the support of the Group Human Resource Division, and state-of-the-art MTB Training Institute to train the staff members of the bank irrespective of their functional areas.

In 2017, MTB arranged a total of 25 workshops/training programs, out of which 15 workshops were on ML & TF Risk Management, where a total of 1070 MTBians participated to enrich their knowledge on AML & CFT measures.

In February 2017, MTB arranged a BAMLCO Conference, which is a congregation of the Branch Anti Money Laundering Compliance Officers, heads of divisions/departments/units and senior management to discuss the achievement in terms of AML & CFT compliance during the past year and strategies to overcome the challenges in future.

5 workshops on ML & TF Risk Management as well as on AML & CFT were arranged for MTB agents. 96 participants, mainly agents and agent employees from across the country attended the workshops.

5 workshops were arranged on "Account Opening & Operating Procedure", where 416 account opening officials of MTB were present.

Apart from the above, MTB, under the guidance and overall supervision of BFIU, coordinated a lead bank training program in Sylhet, where a total of 60 participants from scheduled commercial banks operating in Sylhet participated.

CSR REPORT

A business can only become sustainable when it conducts its operations keeping in mind the development of the environment and the community in which it operates. Corporate Social Responsibility (CSR) is a way towards sustainable business by creating long-term value for the stakeholders, the environment and the community as a whole. MTB believes that a responsible and sustainable business organization is one that does its business responsibly by keeping in mind the interests of its stakeholders - both internal and external. We believe our conscious choice of protecting the environment today will lead to a better and sustainable tomorrow.

MTB's priority sectors for initiative are education, healthcare, environment and disaster management. Our CSR strategies are based on the fundamental conviction of sustainable business that integrates good governance and social priorities with a view to enhancing community empowerment in a sustainable manner.

MTB CSR in 2017:

"Swapno Sarathi" (The Dream Chariot): MTB's Free Bicycle Distribution Program for Underprivileged Meritorious Students (Female and Male)

In accordance with the bank's policy to nurture the primary education sector in the rural hard-to-reach areas, MTB launched a special campaign titled "Swapno Sarathi" in 2015. The campaign aims at motivating students (mainly female) with the motto, "School-e jete durotto jeno badha na hoy" by providing them with bicycles with a view to facilitating their movement to and from school. Till date, almost 1,581 bicycles have been distributed in different regions of the country, namely, Panchagar, Bogra, Dhorkora Bazar, Dinajpur, Joypurhat, Kadair Bazar, Ramchandrapur Bazar, Rangpur, Sirajganj, Thakurgaon, Lalmonirhat, Tangail, Comilla, Ishwardi and Feni in addition to different former enclaves of Bangladesh.

MTB "Bravery & Courage" Award:

The bank had presented "Bravery & Courage" award in 2012 and since then, has been recognizing different acts of bravery.

MTB, with a view to recognizing acts of bravery and rewarding selfless individuals and their families, provides financial support to self-sacrificing individuals and / or their family members. In 2017, following act of courageousness has been recognized.

- **LATE BADAL MIA**
  Saved a five-year-old girl and her mother from being hit by a fast-approaching train near Kuril Biswa Road in Dhaka on Friday, January 27, 2017.

- **LATE NABI HOSSAIN**
  Saved most of his community people by alerting them about the landslides in Rangamati. Unfortunately, he could not save him and his family during the landslides.

- **HOSSAIN ALAMGIR**
  For displaying exemplary bravery and courage in saving Gaia Guarnotta, a 25-year old Italian female photographer from indecent attacks by a group of unruly men in Florence, Italy in October 2017.

The Mangrove Children:

This CSR activity aims at creating awareness among children about the importance of mangrove forest. Also, educating them about the impacts of climate change, disaster management and giving vocational training and developing them to be involved in making conscious in the community. This ground-breaking project aims at raising awareness amongst the secondary level students of Kolbari Nekjania High School in Munshiganj under Shyamnagar upazila in Satkhira district who reside near the world's largest mangrove forest, the Sundarbans, to conserve and sustain this natural habitat, and mitigate the challenges faced due to climate changes. An Eco-Library has also been set up at the school in addition to solar-powered teaching aids like laptop, multimedia projector, etc. The library, the first of its kind and the only one in the area, will feature books and publications related to ecology, biodiversity, etc.

"Shobuj Ishkool Gori" (সবুজ ইশকুল গড়ি):

MTB is the first bank to partner with `Poriborton Chai' and launch the "Shobuj Ishkool Gori" campaign in the city. MTB's unique CSR campaign aims to bring about an environmental makeover at schools through active participation of the students and teachers by educating them about waste management, making organic compost, the use of dustbins and greening of their playing fields. MTB inaugurated the project with Pallabi Majedul Islam Model High School in Mirpur. The project will be implemented in three (3) other schools across the country in upcoming days.

Livelihood Program for the women and health clinic for the community of Char Patila at Char Kukri Mukri of Bhola:

This project is initiated to provide livelihood and health care services to the people living in the offshore areas of the country. MTB is providing fund for setting up a women's training cum health centre at Char Patila of Char Fashion, Bhola. Through this project, women of the remote villages will be provided training on sewing and stitching through the training centre, so that they can contribute to the well-being of their families. The health care centre will provide primary

services including knowledge about safe motherhood practices to the villagers. The centre will also be linked with Char Fashion Upazilla health complex for referral services.

MTB presents Ambulance to Dr. Zahed Memorial Child Hospital, Faridpur:

MTB, as part of its CSR program, has recently presented an ambulance to Dr. Zahed Memorial Child Hospital, a Maternity and Child Welfare Hospital located in Faridpur.

MTB hands over cheque of BDT 30 million to the Prime Minister's Relief Fund:

MTB Chairman M. A. Rouf, JP and Director Md. Wakiluddin handed over a cheque of BDT 30 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina, for the Prime Minister's Relief Fund to support the flood-affected people of the country.

MTB hands over cheque of BDT 40 million to the Prime Minister of Bangladesh:

MTB Chairman M. A. Rouf, JP and Vice Chairman Md. Hedayetullah handed over a cheque of BDT 40 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina, for the "Prime Minister's Education Assistance Trust" and the "Jatir Janak Bangabandhu Sheikh Mujibur Rahman Memorial Trust" at a simple ceremony held at Gonobhaban in Dhaka.

MTB establishes Girls' Rights to Education by supporting the "Girls Not Brides" Campaign of Action Aid International Bangladesh:

The education sector of the country has always been a priority for MTB's initiatives related to CSR. MTB and Action Aid International Bangladesh (AAIB) recently signed a Memorandum of Understanding (MoU) to bear the expenses for education and vocational training of vulnerable girls residing in the "Happy Homes" hostel supervised by AAIB. Farah Kabir, Executive Director, AAIB and Anis A. Khan, Managing Director & CEO, MTB signed the MoU on behalf of their respective organizations. As part of the MoU, MTB will be engaging in participatory development and empowerment of women in Bangladesh through quality education.

School for Intellectual Disabled at Tarash (Chalanbil Area), Sirajganj:

MTB is supporting autistic children ensuring their access to the education in a remote area like Tarash (Chalanbil Area), Sirajganj through School for Intellectual Disabled. MTB is providing School for Intellectual Disabled with financial aid for purchasing various supportive medical and education items for the autistic children.

Annual Contribution to two families of Martyred Army Officers killed in BDR carnage:

MTB has been providing two families affected by BDR tragedy namely, Mrs. Kamrun Nahar Maksum, widow of Shaheed Major Mohammad Maksum Ul Karim, and Mrs. Shirin Akhter Mukta, widow of Shaheed Major Md. Khalid Hossain with an annual contribution of BDT 9,60,000.00 since 2010 through Bangladesh Association of Banks (BAB).

MTB donated BDT 50 million for the incoming Rohingya refugees to the Prime Minister's Relief Fund

MTB Chairman, M. A. Rouf, JP, and Managing Director & CEO, Anis A. Khan, have handed over a cheque of BDT 50 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina, for the Prime Minister's Relief Fund as donation for the Rohingya refugees, at a simple ceremony, held at Gonobhaban in Dhaka on November 9, 2017.

MTB distributes Scholarships amongst Students of Kushtia through MEDHA:

MTB, as a part of the bank's CSR activities, has been supporting the underprivileged meritorious students of Kushtia for the last couple of years. The bank distributed scholarships of BDT 200,000 among the underprivileged meritorious students of Kushtia through MEDHA focusing on the participatory development in the society.

MTB distributes blankets to the Cold-affected People:

As part of its CSR Program, MTB, like previous years, distributed blankets amongst the cold-affected people of various regions of the country.

MTB supports Rohingya Refugees through Jhenidah Ex-Cadets Association (JEXCA) and Old Faujians Association (OFA):

MTB has recently distributed relief items at different Rohingya refugee camps situated mainly at the country's Cox's Bazar region through Jhenidah Ex-Cadets Association (JEXCA) and Old Faujians Association (OFA). The bank, as part of its CSR initiatives, provided financial support for distribution of food items and drinking water in addition to providing health support to expectant Rohingya mothers.

MTB supports students through Faridpur Muslim Mission:

MTB, as a part of the bank's CSR activities, has been supporting the underprivileged meritorious students of Faridpur for the last couple of years. The bank handed over an amount of BDT 1,200,000 to Faridpur Muslim Mission for one year starting from July, 2016 to June, 2017.

KEY HIGHLIGHTS

BDT 100 MILLION INVESTED IN DISASTER MANAGEMENT





1,581 BICYCLES DISTRIBUTED AMONGST THE UNDERPRIVILEGED STUDENTS ACROSS THE COUNTRY.



BDT 16,456 MILLION FINANCED IN SME SECTOR

20,912 INTERNET BANKING USERS



246 ATMs AND **111** BRANCHES ARE OPERATING ONLINE AMONG WHICH 09 BRANCHES AND 09 ATMS ARE POWERED BY SOLAR ENERGY





148,302 E-STATEMENTS DELIVERED TO CUSTOMERS



USD 312 MILLION FOREIGN REMITTANCE RECEIVED BY HOUSEHOLDS OF RURAL AND SEMI-URBAN AREAS THROUGH MTB CHANNEL

797 NRB DEPOSIT ACCOUNTS OPENED



Defining the report contents, Aspect Boundaries and implementation GRI Indicator <G4-18>

GRI Reporting Framework

The year 2017 reporting is MTB's fourth sustainability report based on GRI reporting framework G4 Guidelines. This report describes the economic, environmental and social impacts originating from our business process, together with our key sustainability initiatives over the last 12 months, our plans for the future and helps us to share our experiences with our customers, our people and the community.

The Purpose and Scope of This Report

Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. This report addresses the economic, environmental and social impacts resulting from MTB's activities in the financial year 2017. We aim to provide a balanced and reasonable representation of the sustainability performance of MTB including all types of contributions for apprising our stakeholders.

PROFILE OF THE REPORT

GRI Indicators <G428> to <G433>

Reporting period	**GRI Indicator <G428>**	Date of most recent previous report	**GRI Indicator <G429>**
January 1, 2017 to December 31, 2017		Sustainability Report 2016 Date: September 13, 2017	
Reporting cycle	**GRI Indicator <G430>**	Contact point regarding the report	GRI Indicator <G431>
Reporting cycle: Annual		We welcome any feedback on this sustainability report. For further information and comments, please contact Sustainability Reporting Team of the Bank through following address: e-mail: sustainability@mutualtrustbank.com	
GRI 'in accordance' option	**GRI Indicator <G4-32>**		
In this report, MTB has complied with the reporting framework of Global Reporting Initiative (GRI). Application level of the framework applied in this report is GRI 4.0.			
External Assurance	**GRI Indicator <G4-33>**		
External assurance is under consideration by management. We are optimistic to have external assurance from the next report. External Assurance Report: Nil			

UN GLOBAL COMPACT

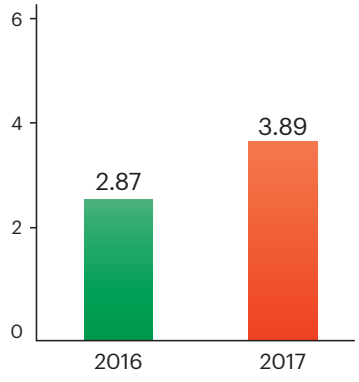
WE SUPPORT

FINANCIALS AT A GLANCE

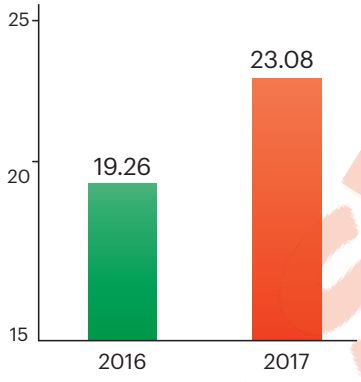
GRI Indicator <G4-08>

SL	Financial Indicators	2017	2016
1	Earnings per Share (BDT)	3.89	2.87
2	Net Asset Value (NAV) per Share (BDT)	23.08	19.26
3	Market Value per Share (BDT)	35.00	23.10

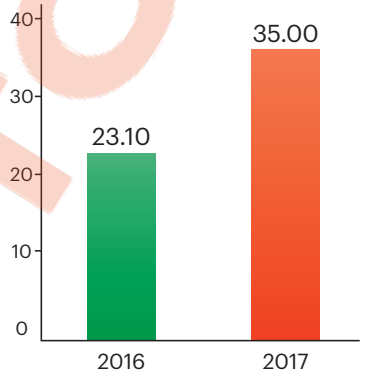
Earnings Per Share (BDT)



Net Asset Value (NAV) per Share (BDT)



Market Value per Share (BDT)



Location wise Loans and Advances

Amount in BDT

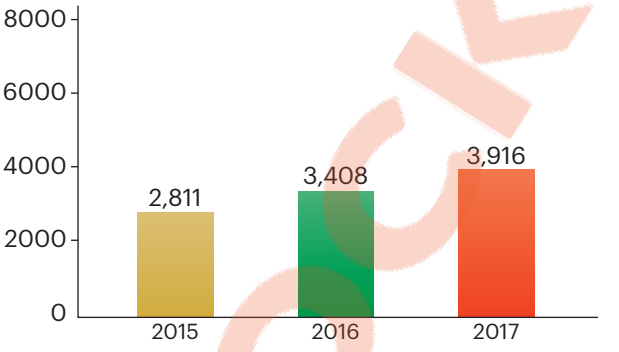
Inside Bangladesh	Geographical Location wise Loans and Advances		
	2017	2016	2015
Urban			
Dhaka Division	103,836,882,559	79,178,134,280	68,265,987,623
Mymensingh Division	691,921,411	562,111,203	492,995,033
Chittagong Division	25,754,190,653	22,474,593,473	18,511,541,543
Rajshahi Division	4,716,804,055	3,908,852,578	3,704,740,334
Sylhet Division	1,075,366,732	845,476,356	742,933,912
Khulna Division	1,632,445,333	1,177,172,773	1,302,235,100
Rangpur Division	2,898,119,496	2,269,236,684	1,720,922,849
Barisal Division	436,166,243	209,242,417	80,882,877
	141,041,896,482	**110,624,819,764**	**94,822,239,272**
Rural			
Dhaka Division	2,665,640,514	2,103,806,136	1,472,451,542
Mymensingh Division	122,006,566	101,457,883	63,642,233
Chittagong Division	1,548,763,979	1,396,770,143	1,157,934,713
Rajshahi Division		-	-
Sylhet Division	131,360,048	128,908,916	72,507,930
Khulna Division		-	-
Rangpur Division	97,326,193	-	-
Barisal Division		-	-
	4,565,097,300	**3,730,943,078**	**2,766,536,418**
Outside Bangladesh	**-**	**-**	**-**
Total	**145,606,993,782**	**114,355,762,842**	**97,588,775,690**

Growth of MTB in terms of Income

BDT Million

Income Summary	2017	2016	2015
Income (Revenue)	3,916	3,408	2,811
Year on Year % Change	14.89%	21.25%	7.98%

Income Summary BDT Million

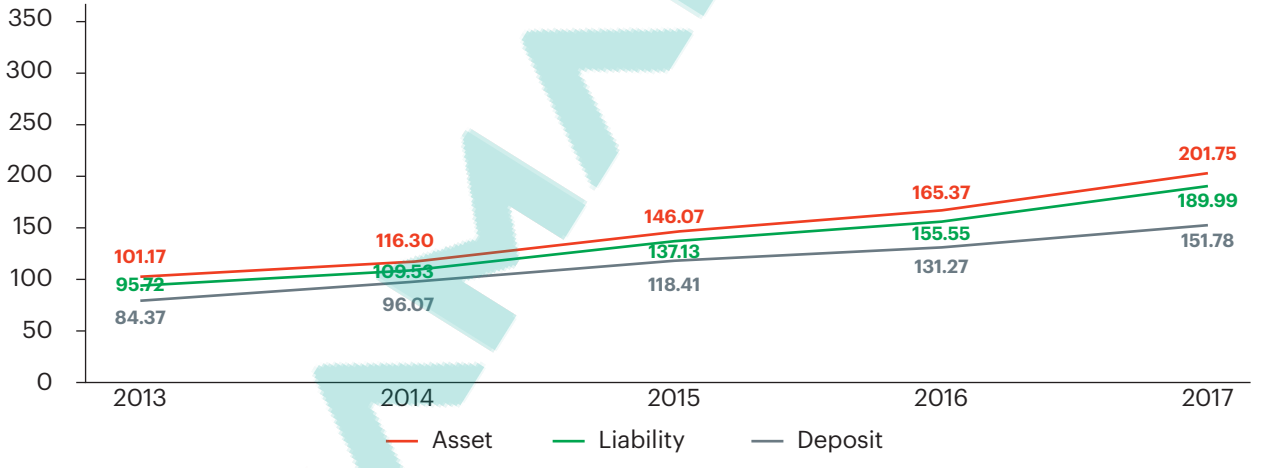


Growth of MTB in terms of Capital, Assets and Liability

BDT Million

Items	2017	2016	2015	2014	2013
Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid up Capital	5,096.56	4,431.79	3,693.16	3,077.63	2,797.85
Shareholders' Equity	11,761.96	9,818.26	8,929.20	6,770.41	5,449.06
Total Capital	19,016.46	13,725.13	12,412.59	8,712.39	8,136.56
Total Assets	201,753.93	165,370.69	146,059.30	116,300.96	101,172.55
Total Liabilities	189,991.85	155,552.30	137,129.99	109,530.43	95,723.39
Total Deposits	151,776.07	131,272.33	118,404.76	96,064.74	84,372.74

Growth of MTB (BDT in Billion)



MATERIALITY MAPPING

Available in the full version of the report

ASPECT: ECONOMIC PERFORMANCE

< G4-EC1> to < G4-EC9>

Economic Value Addition

GRI Indicator <G4-EC1>

Economic Value Addition (EVA) by the bank has been estimated at BDT 4,244.48 million for the reporting year. EVA includes payments to suppliers, employees and shareholders (investors).

Total Economic Contribution

Total Economic Contribution by the bank has been estimated at BDT 7,186.04 million for the reporting year. This includes EVA, total payments to the government and social investments.

Statement of Market Value Addition:

Market value added (MVA) is a calculation that shows the difference between the market value of a company and the capital contributed by investors, both bondholders and shareholders. In other words, it is the sum of all capital claims held against the company plus the market value of debt and equity. As of end of reporting year, Market Value Addition is estimated BDT at 12,741.40 million which was BDT 5805.65 million in the previous year.



BDT Million

Particulars	Number of Shares	Value per Share	Total Value
Market Value	509,656,034	BDT 35	17,837.96
Book Value	509,656,034	BDT 10	5,096.56
Market Value Added		BDT 25	12,741.40

ASPECT: INDIRECT ECONOMIC IMPACTS

<G4-EC7> to < G4-EC8>

Development and Impact of Infrastructure Investments and Services Supported

GRI Indicator <G4-EC7>

During the year 2017, through financing the existing and new clients MTB has created economic impact in the three dimensions:

a) Generation of Job in market
b) Contribution to economic growth
c) More revenue to the national exchequer from growth of businesses of MTB and its clients

SME Investment by MTB:

Keeping rural development in mind, MTB has developed a strong footprint in financing women entrepreneurs, providing collateral free loans to SMEs and financing rural SMEs in Bangladesh. MTB SME Financing in 2017

Concentration of Loans and Advances (Disbursement)

BDT Million

	2017	2016
Agriculture	3,152.22	2,875.00
SME	13,303.88	1,351.00
Total	**16,456.10**	**4,226.00**

Concentration of Loans and Advances (Outstanding) BDT Million

	2017	2016
Agriculture	3,545.37	7,771.00
SME	14,474.03	2,681.00
Total	**18,019.40**	**10,452.00**

Total MTB disbursement in SME and agriculture has increased by 289% to 16,456 million and outstanding has increased by 72% to 17,989 million.

MTB SME Products:

Varieties of products are prepared for the clients of MTB SME banking Division. The products are designed to fulfill the different needs of the cottage, micro, small and medium enterprises as well as extend support to agriculture and inclusive banking.

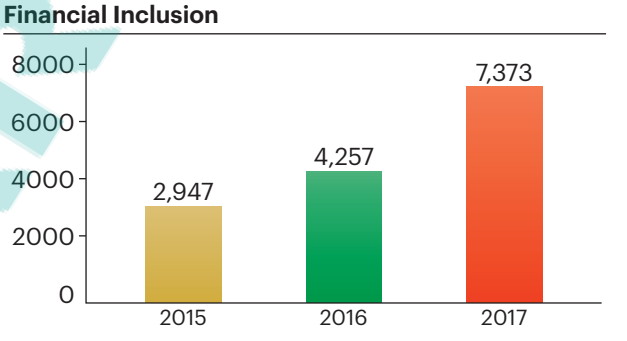


MTB Agri-Financing and Inclusive Banking:

MTB has a dedicated agri-cell through which the bank provides financial support to the farmers at preferential rate assigned by Bangladesh Bank from time to time.

Financial Inclusion: Financial Services for farmers/ RMG workers / pro-poor

	2015	2016	2017
Number of 10 Tk. (for farmers) accounts opened	2,947	4,257	7,373



SME Financing: Sector Specific Disbursement

SL.	Sector	2017 (Jan - Dec, 2017) BDT Million		2016 (Jan - Dec, 2016) BDT Million	
		Disbursement	Outstanding	Disbursement	Outstanding
1.	Crops	1,862.24	1,955.87	734.35	1234.23
2.	Fisheries	330.55	428.19	144.22	303.81
3.	Livestock	773.47	828.44	219.9	665.66
4.	Irrigation Tools	-	21.72	57.82	49.87
5.	Agricultural Tools	-	48.28	28.39	110.15
6.	Crop Storage	1.34	15.33	17.26	28.64
7.	Poverty Alleviation	48.09	124.16	69.03	221.07
8.	Spices & Others	1.57	1.11	0.7	1.83
9.	Others	134.96	122.27	79.54	65.49
	Total	**3,152.22**	**3,545.37**	**1,351.21**	**2,680.75**

Significant Indirect Economic Impacts

GRI Indicator <G4-EC8>

Green Financing through MTB Green Energy:

MTB has its own developed green finance product named MTB Green Energy loan. It promotes investment in renewable energy sectors with the aim of reducing carbon footprint in the country. In the reporting year, MTB disbursed Green Finance of BDT 889.16 million to its customers.

Smart Technology for Protecting Environment Pollution:

Hybrid Hoffman kiln, the modern technology in brick production, helps protect the environment from carbon emission. In the reporting year MTB financed BDT 5.8 million in Hybrid Hoffman kiln.

Green Energy: Financing Renewable and Sustainable Energy Efficiency

BDT Million

Green Project s	Total Disbursement (2017)
Hybrid Hoffman Brick Field (Environment friendly technology)	5.8
Solar Home System	0
Solar Irrigation Plant	0
Effluent Treatment Plant (ETP)	0
Production of Burnable Oil from Waste Tire by the Process of Pyrolysis	0
Other Projects	883.36
Total	**889.16**

Other Green Banking Initiatives at MTB

BDT Million

Automated Banking	2017	2016
Number of ATM	246	226
Number of Branches with Online Banking	111	110
Number of Internet Banking Users	20,912	17,468
Number of MTB App Users	8,234	5,286
Number of Branches powered by solar Energy	9	9
Number of ATM Booths Powered by Solar Energy	9	9

ASPECT: ENERGY

Energy Consumption within the Organization

GRI Indicator <G4-EN3>

DThe bank consumed 14.11 million megajoules of energy in the year 2017 by using fuels, natural gas and electricity. The table below shows the detail:

Fuel / Source Type	Total Unit	Megajoules
Electricity (KWH)	3,185,727.00	11,468,141.09
Diesel (LTR)	14,346.97	549,349.84
Octane (LTR)	62,403.00	2,095,409.88
Kerosene (LTR)	-	-
Natural Gas (m3)	-	-
Total	**-**	**14,112,900.83**

Conversion source: http://www.epa.gov/cmop/resources/converter.html and http://www.convertworld.com/en/

THE CAR POOL OF THE BANK HAS 34 CARS AND 04 MOTOR BIKES THAT CONSUMED 2,346.97 LITRES OF DIESEL, AND 62,402.93 LITRES OF OCTANE FOR RUNNING A TOTAL OF 373,067 KM IN THE YEAR 2017.

FINMAR STOCK

Energy Intensity

GRI Indicator <G4-EN5>

Fuel / Source Type	Megajoules		Per Employee Power Consumption (Megajoules)		Per Day Power Consumption (Megajoules)	
	2017	2016	2017	2016	2017	2016
Electricity (KWH)	11,468,141.09	8,270,120.26	5,722.63	4,378.04	31,419.56	22,657.86
Diesel (LTR)	549,349.84	563,214.00	274.13	298.15	1,505.07	1,543.05
Octane (LTR)	2,095,409.88	1,860,390.74	1045.61	984.85	5,740.85	5,096.96
Natural Gas (m3)	-	-	-	-	-	-
Total	**14,112,900.83**	**10,693,725.00**	**7,042.37**	**5,661.05**	**38,665.48**	**29,297.88**

Reduction of Energy Consumption

GRI Indicator <G4-EN6>

Not Reported

Reductions in Energy Requirements of Products and Services

GRI Indicator <G4-EN7>

Banking through SMS:

SMS Banking service provides instant notification about clients' transactions as and when it happens. It helps them to keep a watch on their accounts with a round the clock service. Every debit or credit in their accounts over a limit desired by them is intimated by SMS. MTB SMS Banking services offer basic banking services to customers for a very little use of energy. In 2017, a total of 24,965 text messages were sent by MTB in response to customer's balance checking and 4,632 text messages were sent in response to checking transactions, through push-pull service. This enabled MTB to send and its customers to get their account information by using little energy compared to the traditional way of getting account information by visiting branches.

SMS Banking charge collection for the year 2017:

SL	Description	2017
01	No. of Customers (Realized Charge)	48,238
02	Realized Amount	BDT 1,44,71,400/- (40% increased)
03	Reactivation Realization	BDT 2,62,500

SMS sent for information:

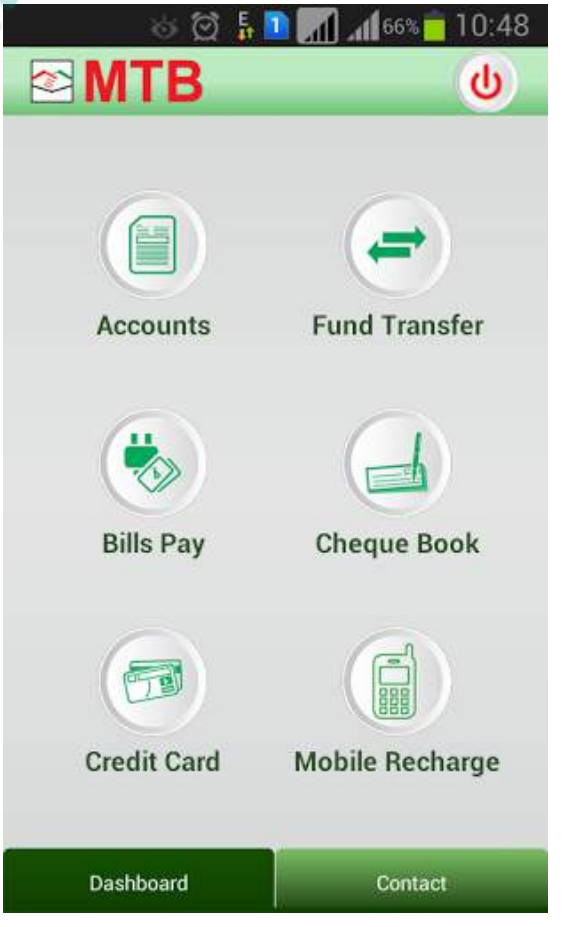
Topic	2017	2016
Number of Balance Check Messages Sent	24,965	18,221
Number of Transaction Check Messages Sent	4,632	4,199

Internet banking facilities:

Internet banking facilities reduce the hassle of visiting branches of banks and smoothen life of mass people. In 2017, the total number of Internet banking user increased by 20% over previous year to 20,912.

MTB Smart Banking App for Android and iPhones:

MTB has its own App for Internet banking through smart phones or similar devices that run on Android OS or OSX. The App is freely available for download at Google Play Store and iTunes. Apart from fund transfer, the App enables the customer to pay bills and recharge mobile balance, which reduces energy consumption remarkably compared to traditional methods. Use of the App involves less energy usage compared to conventional banking. In 2017, the total number of MTB App users increased by 56% over previous year to 8,234.



MTB's Solar Power Capacity:

MTB has installed solar power panels at its Corporate Head Offices, branches and ATM booths. By 2017, total capacity installed is 44.6 KW of solar panel that reduces total power consumption by the bank.

Name of the Branch	2017 Solar Power Capacity (KWH)
MTB Centre	5000 W
MTB Tower	36000 W
MTB Ishwardi SME / Agri Branch	720 W
MTB Belkuchi SME / Agri Branch	720 W
MTB Hasnabad SME / Agri Branch	720 W
MTB Sarulia SME / Agri Branch	720 W
MTB Syedpur SME / Agri Branch	720 W
Total	44600 W = 44.6 KW

Reductions in Energy Requirements of Products and Services

Item	2017	2016	2015	Unit
Automation in Services Saved Paper by	57.58	46.97	35.02	Tons
Total Embodied Energy of the Paper Saved	416,849.90	340,079.78	253,517.18	KWH
Carbon Dioxide (CO2) Saved in Producing the Above Energy	260.11	212.21	158.19	M. Tons
Total Paper Saved by Automation, Equivalent to	199.79	162.99	121.51	Tons of Woods
Total Paper saved by Automation, Equivalent to	1,398.52	1,140.96	850.54	Trees
Total Paper Saved by Automation, Equivalent to	2,228.19	1,817.83	1,355.13	btu Energy

	2017	2016	2015
Land & Forest Ecological Footprint			gha
Saved Land Equivalency Factor	69.19	56.45	42.08
Saved Forest Footprint	660.17	538.58	401.50
Total Ecological Footprint	**729.36**	**595.03**	**443.58**
			gha=The global hectare

ASPECT: EMISSIONS

<G4-EN15> TO <G4-EN21>

Direct Greenhouse Gas (GHG) Emissions (Scope 1)

GRI Indicator <G4-EN15>

Metric Tonnes of CO_2 or CO_2e (Carbon dioxide Equivalent) Emitted	2017	2016	2015
Electricity	2,239.56	1,615.04	2,277.73
Diesel	38.40	39.37	42.01
Octane	146.50	130.07	94.42
N Gas	-	-	8.66
Total	2,424.47	1,784.48	2,422.82

Conversion Standards:
http://www.epa.gov/cmop/resources/converter.html
http://www.convertworld.com/en/

Indirect Greenhouse Gas (GHG) Emissions (Scope 2) GRI Indicator <G4-EN16>

Not Reported

Other Indirect greenhouse gas (GHG) Emissions (Scope 3) GRI Indicator <G4-EN17>

Not Reported

Greenhouse Gas (GHG) Emissions Intensity GRI Indicator <G4-EN18>

Greenhouse Gas (GHG) Emissions			
	2017	2016	% Change
M Tons of CO2 / Employee	1.21	0.94	28.72%
M Tons of CO2 / Day	6.64	4.89	35.78%

Reduction of greenhouse gas (GHG) emissions GRI Indicator <G4-EN19>

Per Employee GHG Emissions (CO2 Tonnes)			
	2017	2016	% Change
Electricity	1.11	0.8550	29.82%
Diesel (LTR)	0.019	0.0208	-8.65%
Octane (LTR)	0.0731	0.0689	6.17%
N Gas (meter-cube)	-	-	-
Total	**1.20**	**0.9447**	**27.02%**

Products and Services Delivering Social Benefits Broken Down by purpose GRI Indicator <G4-EN19>

MTB School Banking:

MTB has designed its school banking products for the students. MTB organizes school banking campaigns in different local schools throughout the year.

During these campaigns, children can open accounts and have a hands-on banking experience. This eventually helps the students to cultivate the habit of savings from an early age.

Any school going child can open a School Banking Account with his/her parent and start saving for the future. This account is meant to help our future generation to grow up with a savings habit along with being accustomed with the banking culture. So let the savings grow along with your child.



School Banking Campaign in 2017			
Division	Number of Schools	Boys' Participation	Girls' Participation
Dhaka	43	1,757	1,982
Chittagong	36	1,938	2,910
Other	22	761	1,156
Total	101	4,456	6,048

MTB SME Financing for Women Entrepreneur:

Despite many barriers, a new women's entrepreneur class in the small and medium sectors has developed in the country taking on the challenge to work in a male dominated, competitive and complex economic and business environment. It has been found that at present women entrepreneurs constitute less than 10% of the total business entrepreneurs in Bangladesh whereas women in advanced market economies own more than 25% of all businesses. in spite of these, in Bangladesh, not only have the women's entrepreneurship improved their living conditions and earned more respect in the family and the society, but they have also contributed to business and export growth, supplies, employment generation, productivity and skill development. MTB has also designed special products to help thrive the growth of woman entrepreneurs. **MTB Bhagyobati** and **MTB Gunabati**, (ভাগ্যবতী ও গুণবতী), the two innovative financial products for women entrepreneurs, have strong presence in the country's credit market for their unique features and easy access to financing. MTB has established Women Entrepreneur Development Unit (WEDU) to help the women in business and bring them under credit access.

In 2017 MTB disbursed loan of BDT 140 million to women entrepreneurs

	2017	2016	2015
Outstanding of Women Entrepreneurs	2,038.12	435.64	365.34
Disbursement of Funds to Women Entrepreneurs	140.27	263.37	221.10

Products and Services Delivering Environmental Benefits Broken Down by Purpose GRI Indicator <G4-FS8>

Use of IT Based Infrastructure to Provide Automated Service:

Total Saved by Automated Services		
	2017	Unit
Total CO2 Reduction	260.11	M Tons
Total Woods	199.79	Tons of Wood
Total Number of Trees	1,369.98	Trees
Total Ecological Footprint	729.36	gha=The Global Hectare

MTB's Green Finance:

MTB Green Energy is a green financing product designed to finance on renewable energy sources. MTB Green Energy is designed for financing installation of solar power plant, bio-gas plant and other renewable energy plants.



Sector	2017	2016	2015
Hybrid Hoffman Brick Field (Environment-friendly)	5.8	33	0
Effluent Treatment Plant (ETP)	0	400	520.2
Other Projects	883.36	39.52	0
Total	**889.16**	**472.52**	**664.17**

Labor Practices and Decent Work <G4-LA1> to < G4- LA13>

ASPECT: EMPLOYMENT

<G4-LA1> TO < G4- LA3>

Demography of Total Employees, Hiring and Turnover

GRI Indicator <G4-LA1>

Total New Recruitment in 2017 by Gender, Age Group

Age Group	Male	Female	Total	Percentage
Below 30 years	72	21	93	52.54%
30 years to 40 years	62	13	75	42.37%
40 years to 50 years	6	1	7	3.95%
50 years and above	2	0	2	1.13%
Total	**142**	**35**	**177**	**100%**



Total Number of Employees in 2017 by Age Group & Managerial Position

Total employees	Executive		Non-Executive		Total		Percentage of Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Below 30 years	1	0	275	106	276	106	13.77%	5.29%
30 years to 40 years	39	8	916	219	955	227	47.65%	11.33%
40 years to 50 years	135	9	187	35	322	44	16.07%	2.20%
50 years and above	63	1	10	0	73	1	3.64%	0.05%
Total	**238**	**18**	**1388**	**360**	**1626**	**378**	**81.14%**	**18.86%**

MTB Employees' Service Benefit Fund – 2017

Name of the Funds	No. of Employees Benefited	Total Disbursement in BDT
Employees' Provident Fund	49	29,543,139
Employees' Gratuity Fund	24	20,470,906
Employees' Welfare Fund	33	597,000
Employees' Medical Assistance Fund	343	68,13,732
Employees' Death Benefit Plan	-	-
MTB Foundation	42	18,294,691
Total	**491**	**75,719,468**

ASPECT: LOCAL COMMUNITIES & CSR

<G4-SO1> TO < G4- SO2>

Local Community Engagement, Impact Assessments, and Development Programs

GRI INDICATOR <G4-SO1>

List of MTB CSR Projects in 2017

I. Distributed scholarships amongst students of Kushtia through MEDHA.

II. Presented its 6th "Bravery & Courage Award" to Late Nabi Hossain and Hossein Alamgir.

III. Contributed BDT 30 million to the Prime Minister's Relief Fund.

IV. Distributed relief items at different Rohingya refugee camps situated mainly in Cox's Bazar region through Jhenidah Ex-Cadets Association (JEXCA) and Old Faujians Association (OFA).

V. Launched the "Shobuj Ishkool Gori" (সবুজ ইশকুল গড়ি) campaign at Pallabi Majedul Islam Model High School, Pallabi, Dhaka in association with 'Poriborton Chai'.

VI. Presented an ambulance to Dr. Zahed Memorial Child Hospital, a maternity and child welfare hospital in Faridpur.

VII. Contributed to girls' rights to education by supporting the "Girls Not Brides" campaign of ActionAid Bangladesh. MTB and ActionAid Bangladesh signed an MoU to bear the expenses for education and vocational training of vulnerable girls residing in the "Happy Homes" hostel being supervised by ActionAid Bangladesh.

CSR Initiatives in value, Category-wise in 2017:

Description of initiatives	Amount (BDT)	No. of Beneficiaries
i. Education	50,653,246	10,144
ii. Health	9,958,980	7,006
iii. Disaster Management	100,094,304	7,000
iv. Environment	1,000,000	2,000
v. Sports	50,000	1
vi. Art & Culture	200,000	1
vii. Others	14,232,821	5,012
Total	**176,189,351**	**31,164**

MTB Contributes to The Prime Minister's Relief Fund



Mutual Trust Bank Ltd. (MTB) Chairman, M. A. Rouf, JP and Director, Md. Wakiluddin are seen handing over a cheque of BDT 30 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina, for the Prime Minister's Relief Fund to support the flood-affected people of the country at a simple ceremony held at Prime Minister's Office in Dhaka on August 22, 2017.

Swapno Sarathi (স্বপ্ন সারথী):

Nationwide 1.5 million girls drop out of school or have never enrolled and the number increases annually, according to U.N. figures. Poor parents marry their daughters off because they cannot afford to continue their education past grade 8 – about two-thirds of all girls in Bangladesh marry before their 18th birthdays, according to Girls Not Brides.

Analysts point to bicycles as a positive approach to stemming the dropout rate for girls who face long commutes to and from school.

"Swapno Sarathi" (স্বপ্ন সারথী) is a brand for MTB's CSR campaign of bicycle distribution amongst the underprivileged students, first Inaugurated by the then Bangladesh Bank Governor on October 25, 2015. Since the first distribution of bicycles at former enclaves in Garati, Panchagarh, MTB has crossed the milestone of 1500 bicycle distribution across the country in 2017. Distance should not be a barrier to school is the motto for distribution of bicycle to students, mainly female.



	2017	2016	2015
Number of bicycles	494	389	698
Total Cost in BDT	**37,38,888**	**2,797,718**	**4,866,825**

MTB Distributed Scholarships Among Underprivileged Meritorious Students



MTB distributed scholarships of BDT 200,000.00 among the underprivileged meritorious students of Kushtia through MEDHA, under the bank's CSR activities. Haji Md. Robiul Islam, Chairman, Kushtia Zilla Parishad & President, Kushtia Chamber of Commerce & Industry, handed over the scholarships as the Chief Guest at a simple ceremony held at a local restaurant at Kushtia. Engineer Khondker Salauddin, President, MEDHA, Md. Abul Bayes Mia, Chief Executive Officer, Kushtia Zilla Parishad, Mohammad Atiar Rahman, Branch Manager, MTB Kushtia Branch, students, guardians and local dignitaries along with other senior officials of both the organizations were also present at the occasion on August 07, 2017.

MTB Presented An Ambulance to Dr. Zahed Memorial Child Hospital



MTB Chairman, M. A. Rouf, JP, presented an ambulance, as CSR program, to Mr. Shahidul Hasan, the President of Dr. Zahed Memorial Child Hospital which is a maternity and child welfare hospital located in Faridpur on December 07, 2017.

MTB Launched The "Shobuj Ishkool Gori" Campaign



MTB recently launched the "Shobuj Ishkool Gori" (সবুজ ইশকুল গড়ি) campaign at Pallabi Majedul Islam Model High School, Pallabi, Dhaka on October 09, 2017

Presenting The 6th "MTB Bravery & Courage Award" & A Cng-Run Three-Wheeler



Anis A. Khan, Managing Director & CEO of MTB handed over the 6th "MTB Bravery & Courage Award" and a CNG-run three-wheeler to late Nabi Hossain's family who saved most of his community people by alerting them about the landslides in Rangamati on August 16, 2017.

ASPECT: ANTI-CORRUPTION

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES GRI INDICATOR <G4-SO4>

Number of Meetings Held at AML & CFT Division and by the Central Compliance Committee in 2017

Meeting No.	Meeting Date
Meeting 1 (Quarterly)	22.03.2017
Meeting 2 (Quarterly)	20.06.2017
Meeting 3 (Quarterly)	25.09.2017
Meeting 4 (Quarterly)	1,000,000
(1st Meeting of the Central Compliance Committee)	07.12.2017

Highlights of the meetings

I. AML and CFT Training and Workshop
II. Conducting Branch Inspection
III. Review and approval of KYCs of Correspondent Banks
IV. Ensuring Post Facto Approval of IP Account(s)
V. Off-site Monitoring.

Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT) Training in 2017:

		Number of Employees received training by Category	
Total number of training on AML-CFT in 2017	26	Executive	242
		Non- Executive	1421
		Total	**1663**

Confirmed Incidents of Corruption and Actions Taken GRI Indicator <G4-SO5>
No incidence of non-compliance

Internal and External Communication Mechanisms GRI Indicator <G4-57>
Helplines or advice lines

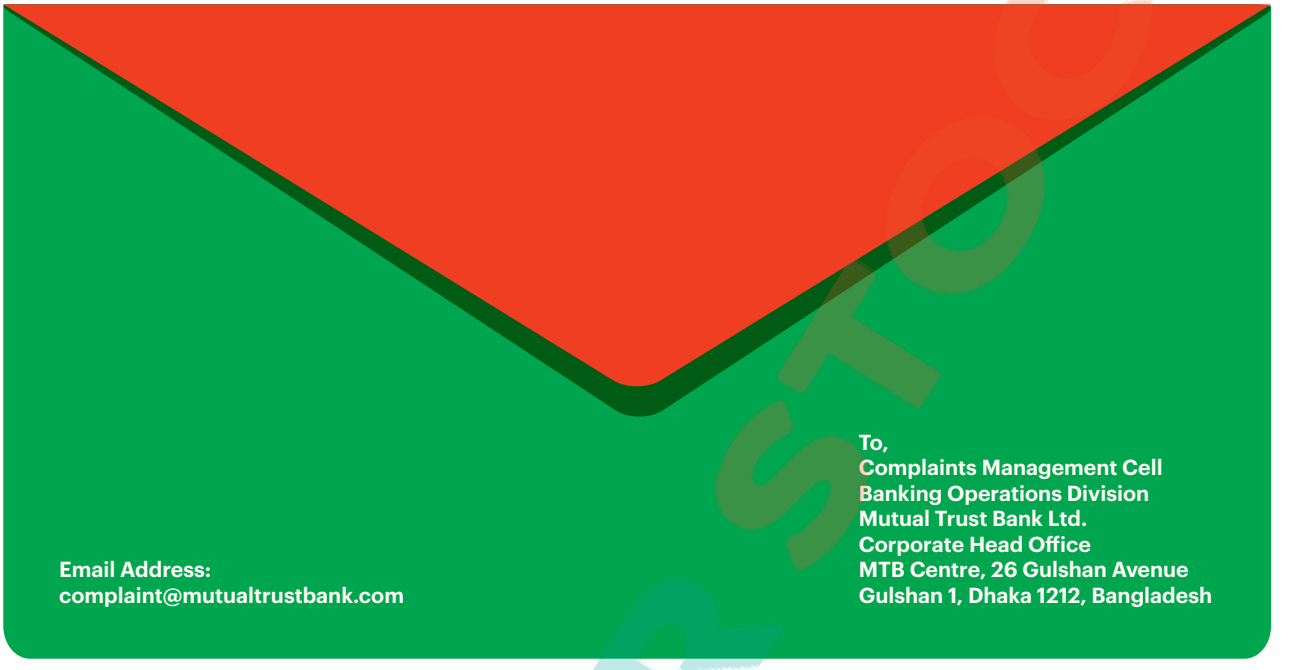
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MTB has a 24/7 state-of-the-art Contact Centre for any help and support for the customers.

AMARSTOCK

Complaint Management

MTB always safeguards the interests of the depositors/ customers of banks as well as offers the best services to its customers. For improving the banker-customer relationship & redressing the grievances of the customers, MTB Complaint Cell was formed. Customers are always welcome to contact MTB Complaint Cell.



Customers can also lodge complaints directly from MTB's website through the link: *http://www.mutualtrustbank.com/customer-complaints*

Further, they can call MTB Contact Centre 24/7 for any problem related to product and services.

Number of Complaints Received

Year	2017	2016	2015
Total Number of Complaints	35	41	50

Number of Complaints Received through Different Channels

Channel	Number of Complaints (2017)	Number of Complaints (2016)
Email	27	37
Website	0	0
Contact Centre	5	0
Social Media	0	0
Letter	3	4
Total	**35**	**41**

Internal and External Mechanisms for Reporting Concerns on Whistleblowing Mechanisms or Hotlines

A customers can send complaint or feedback to any MTB branch. This feedback is generally processed by respective department/division. The unethical/ unlawful matters of MTB employees are managed as per the MTB Code of Conduct.

A. Qasem & Co., one of the leading Chartered Accountant (CA) firms of the country, and an independent member firm of Ernst & Young LLP (EY), is the external auditor of MTB and acts as the external whistle blower.

Besides, MTB has a full-blown ICC Department (Internal Control and Compliance) which deals with control and compliance issues. ICC acts as the internal whistle-blower of the bank. ICC has 05 units, namely, Audit and Inspection, Compliance, Monitoring, ISS Cell & System Audit Units, which are well-equipped with experienced bankers and system auditors.

MTB CUSTOMER CHARTER

MTB Customer Charter of is a general statement of commitments for providing world class banking services and necessary information to customers. The objective of the Customer Charter is to make the customers conscious about their general rights, obligations, grievance approach process and thereby help them take informed decisions.

Customers' Rights:

- The customer has a right to know the bank's rates of deposits and advances which are displayed on the notice board of the respective branches and available on the bank's website www.mutualtrustbank.com
- The customer has the right to know the latest schedule of charges, fees and commission of the bank which are displayed on the notice board of the respective branches and available on the bank's website www.mutualtrustbank.com
- Before implementing any value added services, such as, Internet banking, SMS banking, ATM services, etc., a customer's written consent is obtained by the respective branch.
- The customer has a right to know about the buying and selling rates of foreign currencies, financial statements, banking hours and holidays.

Customers' Obligations:

- Customers shall follow the banking norms, practices, functional rules, etc.
- Customers shall abide by the terms and conditions prescribed for each banking product and service.
- Customers shall maintain disciplinary arrangement at the customer service points.
- Customers shall convey their grievances to the bank in proper way or in prescribed form.
- Customers shall convey the bank any changes in their address, contact numbers and Transaction Profile (TP).
- Customer shall not try to show unreasonable persistence, demand, argument and behavior.
- Customers generally shall ask any query at prescribed desk such as Customer Service Desk, Help Desk, Information Desk or Enquiry Desk at first instance.
- Customer should avoid misunderstanding as far as possible.

Contact Us:

We welcome any feedback on this sustainability report. For further information and comments, please contact Sustainability Reporting Team of the bank through following addresses:

e-mail: sustainability@mutualtrustbank.com

Postal address:

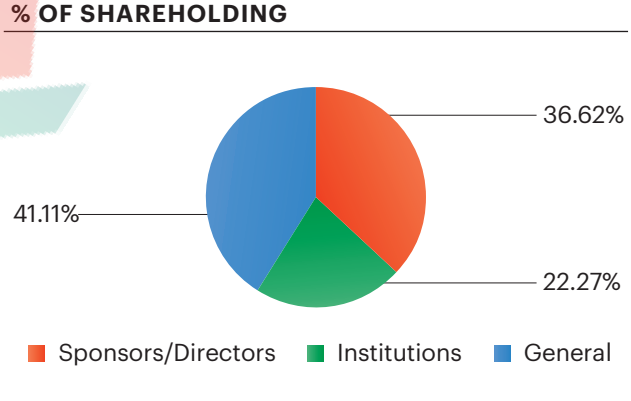
Mutual Trust Bank Limited
Corporate Head Office
26 Gulshan Avenue
Plot 5, Block SE(D), Gulshan 1
Dhaka 1212, Bangladesh
Web: http://www.mutualtrustbank.com/sustainability

MTB SHAREHOLDING STRUCTURE

Name of Directors and their shareholdings as at December 31, 2017

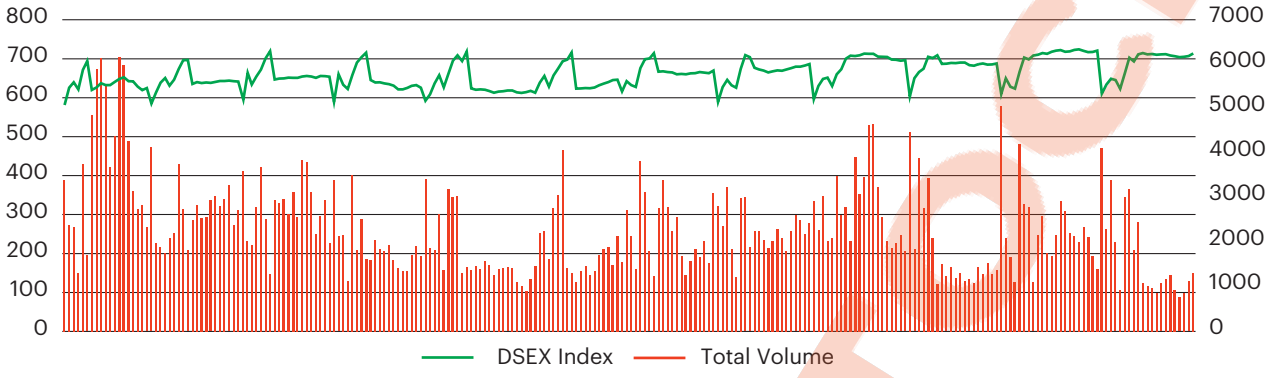
Name of Directors	Status	December 2017		
		No. of Shares held	BDT	Holding %
Mr. M. A. Rouf, JP	Chairman	10,212,163	102,121,630	2.00%
Mr. Md. Hedayetullah	Vice Chairman	10,198,976	101,989,760	2.00%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	18,793,233	187,932,330	3.69%
Dr. Arif Dowla (Representing of Advanced Chemical Industries Ltd.)	Director	16,988,498	169,884,980	3.33%
Mr. Rashed Ahmed Chowdhury (Representing of 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 of ASTRAS Ltd.)	Director	12,741,347	127,413,470	2.50%
Mr. Q.A.F.M Serajul Islam (Representing of Pioneer Insurance Company Ltd.)	Director	33,092,421	330,924,210	6.49%
Mr. Anwarul Amin	Independent Director	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	-	-	-
Total		**158,195,781**	**1,581,957,810**	**31.04%**

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

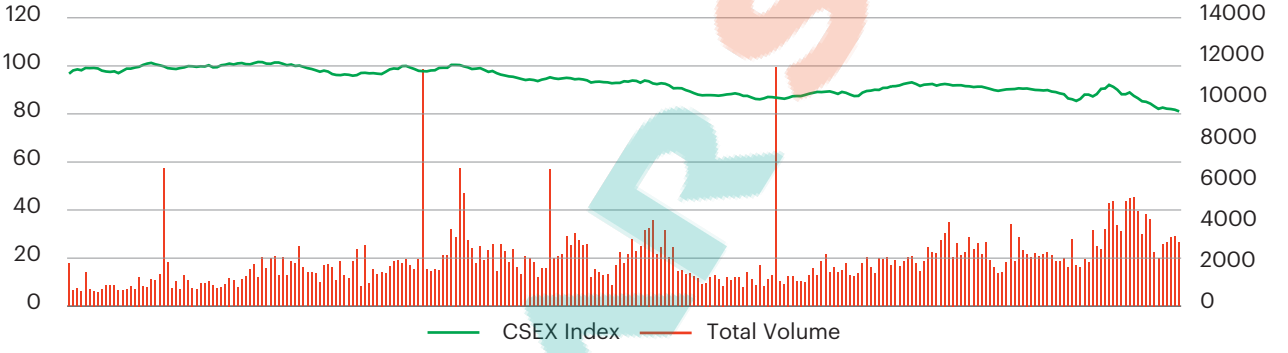


MARKET SHARE INFORMATION

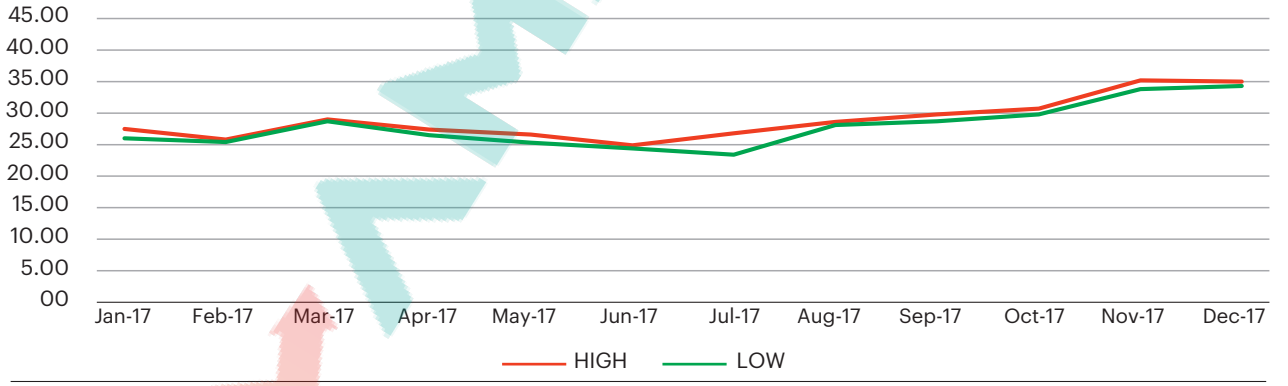
DSEX INDEX 2017



CSEX INDEX 2017



MTB Share Transaction Trend 2017



FINANCIAL SUMMARY
MTB & Group

BDT Million

Particulars	MTB		Changes (%)	Group		Changes (%)
	2017	2016		2017	2016	
Performance during the year						
Interest Income	12,102.83	11,250.56	7.58%	12,160.54	11,381.37	6.85%
Operating profit	3,673.04	3,208.65	14.47%	3,915.72	3,408.11	14.89%
Provision for loans and assets	1,500.76	875.53	71.41%	1,656.25	946.63	74.96%
Profit after provision before tax	2,172.29	2,333.12	-6.89%	2,259.47	2,461.48	-8.21%
Tax including deferred tax	256.06	929.33	-72.45%	279.13	997.88	-72.03%
Profit after tax	1,916.22	1,403.79	36.50%	1,980.34	1,463.59	35.31%
At the year end						
Total shareholders' equity	11,667.54	9,783.71	19.25%	11,761.96	9,818.26	19.80%
Deposits	152,237.16	131,593.61	15.69%	151,776.07	131,272.33	15.62%
Loans and advances	142,819.50	110,834.55	28.86%	145,606.99	114,355.76	27.33%
Investments	24,578.38	21,422.84	14.73%	25,105.80	21,942.06	14.42%
Fixed Assets	3,127.67	3,042.05	2.81%	3,211.27	3,140.97	2.24%
Total Assets	201,277.52	164,480.42	22.37%	201,753.93	165,370.69	22.00%
Statutory Ratios (%)						
Cash Reserve Ratio	6.72%	6.59%	0.13%	6.72%	6.59%	0.13%
Statutory Liquidity ratio	18.07%	16.41%	1.66%	18.07%	16.41%	1.66%
Capital to Risk weighted assets ratio	13.80%	11.51%	2.29%	13.76%	11.29%	2.47%
Tier-1 Capital to RWA	7.30%	7.55%	-0.25%	7.28%	7.41%	-0.13%
Tier-2 Capital to RWA	6.49%	3.96%	2.53%	6.47%	3.88%	2.59%
Share Information						
Earnings per share (BDT)(Previous year restated)	3.76	2.75	36.50%	3.89	2.87	35.31%
Stock Dividend (%)	12.50%	15%	-2.50%	12.50%	15%	-2.50%
Net Asset Value per share (BDT)	22.89	19.20	19.25%	23.08	19.26	19.80%
Retained Earnings (Including Deferred Tax Asset)	1,632.48	815.48	100.19%	1,722.35	841.24	104.74%
Ratios(%)						
Non performing loans	4.39%	4.50%	-0.11%	4.30%	4.36%	-0.05%
Return on average shareholders' fund	17.87%	14.98%	2.89%	18.35%	15.61%	2.74%
Return on average assets	1.05%	0.91%	0.14%	1.08%	0.94%	0.14%
Cost to income/Efficiency ratio	54.46%	55.10%	-0.64%	53.82%	54.65%	-0.83%

FMARStock

HORIZONTAL ANALYSIS
FOR THE LAST FIVE YEARS
Consolidated Balance Sheet

Particulars	2017	2016	2015	2014	2013
Property and Assets					
Cash	**182%**	**157%**	**132%**	**125%**	**100%**
In Hand (Including Foreign Currency)	128%	116%	97%	93%	100%
With Bangladesh Bank and its agent Bank (including Foreign Currency)	200%	170%	143%	135%	100%
Balance with Other Banks & Financial Institutions	**171%**	**499%**	**192%**	**133%**	**100%**
In Bangladesh	78%	552%	187%	144%	100%
Outside Bangladesh	565%	275%	216%	88%	100%
Money at Call and Short Notice	1020%	215%	389%	-	100%
Investments	**97%**	**85%**	**102%**	**80%**	**100%**
Government	95%	82%	99%	78%	100%
Others	119%	116%	134%	113%	100%
Loans and Advances	**245%**	**192%**	**164%**	**130%**	**100%**
Loans, Cash Credit, Overdrafts, etc.	247%	193%	164%	129%	100%
Bills Purchased and Discounted	137%	143%	159%	138%	100%
Fixed Asset including Premises, Furniture & Fixtures	**131%**	**128%**	**129%**	**101%**	**100%**
Other Assets	**166%**	**126%**	**106%**	**110%**	**100%**
Non-Banking Assets	**-**	**-**	**-**	**-**	**-**
Total Property and Assets	**199%**	**163%**	**144%**	**115%**	**100%**
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	**622%**	**330%**	**193%**	**142%**	**100%**
Deposits and Other Accounts	**180%**	**156%**	**140%**	**114%**	**100%**
Current Deposit & Other Accounts	209%	175%	137%	117%	100%
Bills Payable	269%	225%	161%	165%	100%
Savings Bank Deposits	248%	214%	161%	130%	100%
Special Notice Deposits	261%	259%	304%	178%	100%
Fixed Deposits	139%	116%	115%	102%	100%
Deposit-Products	226%	205%	160%	116%	100%

Particulars	2017	2016	2015	2014	2013
Other Liabilities	**212%**	**174%**	**135%**	**111%**	**100%**
Subordinated Debts	**320%**	**170%**	**195%**	**100%**	**100%**
Total Liabilities	**198%**	**162%**	**143%**	**114%**	**100%**
Capital/Shareholders' Equity					
Paid-up Capital	182%	158%	132%	110%	100%
Statutory Reserve	189%	166%	142%	119%	100%
Revaluation Reserve on Investment in Securities	431%	452%	811%	322%	100%
Foreign Currency Translation gain/(loss)	327%	380%	144%	100%	-
General Reserve	223%	223%	161%	100%	100%
Retained Earnings	585%	286%	256%	210%	100%
Total Shareholders' Equity	**216%**	**180%**	**164%**	**124%**	**100%**
Minority Interest	**134%**	**131%**	**128%**	**128%**	**100%**
Total Liabilities and Shareholders' Equity	**199%**	**163%**	**144%**	**115%**	**100%**
Net Asset Value (NAV) per share	**105%**	**88%**	**92%**	**110%**	**100%**
Off-Balance Sheet Items					
Contingent Liabilities					
Letter of Guarantee	192%	154%	124%	116%	100%
Irrevocable Letter of Credit	260%	222%	156%	127%	100%
Bills for Collection	143%	192%	153%	186%	100%
Acceptances and endorsements	310%	188%	154%	128%	100%
Total Off Balance Sheet Items including Contingent Liabilities	**254%**	**189%**	**147%**	**129%**	**100%**

Horizontal Analysis (Financial Position) :

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2013 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, assets, liabilities and capital components are showing consistent growth over the periods which symbolize sustainable overall balance sheet growth of the bank as a whole.

HORIZONTAL ANALYSIS
FOR THE LAST FIVE YEARS
Consolidated Profit & Loss Account

Particulars	2017	2016	2015	2014	2013
Interest Income	135%	127%	120%	108%	100%
Less: Interest Paid on Deposit and Borrowing, etc.	99%	94%	100%	99%	100%
Net Interest Income	**419%**	**377%**	**274%**	**179%**	**100%**
Income from Investments	86%	82%	97%	101%	100%
Commission, Exchange and Brokerage	205%	160%	127%	122%	100%
Other Operating Income	131%	112%	113%	119%	100%
	116%	**101%**	**105%**	**107%**	**100%**
Total Operating Income	**184%**	**163%**	**142%**	**123%**	**100%**
Less: Operating Expenditure:					
Salary and Allowances	198%	186%	167%	122%	100%
Rent, Tax, Insurance and Electricity, etc.	139%	127%	116%	111%	100%
Legal Expenses	188%	178%	180%	166%	100%
Postage, Stamps and Telecommunication, etc.	11%	14%	23%	21%	100%
Printing, Stationery and Advertisements, etc.	116%	95%	97%	121%	100%
Managing Director's Remuneration	155%	147%	138%	127%	100%
Directors' Fees	444%	391%	318%	223%	100%
Auditors' Fees	127%	185%	102%	104%	100%
Depreciation on and Repair to Bank's Property	159%	145%	135%	113%	100%
Other Expenses	200%	157%	152%	136%	100%
Total Operating Expenses	**176%**	**158%**	**145%**	**119%**	**100%**
Operating Profit	**193%**	**168%**	**139%**	**128%**	**100%**
Less: Provision for Loans,Investment & Other					
Specific Provision	298%	484%	152%	272%	100%
General Provision	372%	17%	69%	-20%	100%
Off Balance Sheet Items	221%	161%	71%	111%	100%
Margin Loan & Investment in Shares	91%	42%	53%	143%	100%
Other Asset	405%	445%	305%	100%	-
Total Provision	**264%**	**151%**	**86%**	**108%**	**100%**
Profit Before Tax	**161%**	**176%**	**162%**	**138%**	**100%**
Less: Income Tax Expenses	**34%**	**121%**	**110%**	**117%**	**100%**
Current Tax Expenses	139%	113%	95%	102%	100%
Deferred Tax Expenses/(Income)	3635%	-148%	-405%	-420%	100%
Net Profit After Tax	**345%**	**255%**	**238%**	**168%**	**100%**

Horizontal Analysis (Comprehensive Income):

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2013 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. The above table shows that total operating income, expenses and operating profit of Mutual Trust Bank Ltd. are growing consistently over the periods. After drastic increase of total provision requirement in 2017, due to regulatory change its growth is decreasing over the periods. Which indicates better asset quality.

VERTICAL ANALYSIS
FOR THE LAST FIVE YEARS
Consolidated Balance Sheet

Particulars	2017	2016	2015	2014	2013
Property and Assets					
Cash	**6.48%**	**6.81%**	**6.49%**	**7.68%**	**7.07%**
In Hand (Including Foreign Currency)	1.09%	1.20%	1.14%	1.37%	1.69%
With Bangladesh Bank and its agent Bank (including Foreign Currency)	5.40%	5.61%	5.35%	6.31%	5.37%
Balance with Other Banks & Financial Institutions	**1.39%**	**4.93%**	**2.15%**	**1.87%**	**1.61%**
In Bangladesh	0.51%	4.41%	1.69%	1.63%	1.30%
Outside Bangladesh	0.88%	0.52%	0.46%	0.24%	0.31%
Money at Call and Short Notice	**2.32%**	**0.60%**	**1.23%**	**0.00%**	**0.45%**
Investments	**12.44%**	**13.28%**	**17.97%**	**17.86%**	**25.45%**
Government	11.25%	11.87%	16.12%	15.89%	23.46%
Others	1.19%	1.41%	1.85%	1.97%	1.99%
Loans and Advances	**72.17%**	**69.15%**	**66.81%**	**66.33%**	**58.69%**
Loans, Cash Credit, Overdrafts, etc.	71.09%	67.77%	65.08%	64.44%	57.12%
Bills Purchased and Discounted	1.08%	1.38%	1.74%	1.89%	1.57%
Fixed Asset including Premises, Furniture & Fixtures	**1.59%**	**1.90%**	**2.18%**	**2.14%**	**2.42%**
Other Assets	**3.60%**	**3.33%**	**3.17%**	**4.12%**	**4.31%**
Non-Banking Assets	-	-	-	-	-
Total Property and Assets	**100%**	**100%**	**100%**	**100%**	**100%**
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	**8.14%**	**5.26%**	**3.48%**	**3.22%**	**2.60%**
Deposits and Other Accounts	**75.23%**	**79.38%**	**81.07%**	**82.60%**	**83.16%**
Current Deposits & Other Accounts	7.26%	7.44%	6.56%	7.07%	6.91%
Bills Payable	1.04%	1.06%	0.86%	1.10%	0.77%
Savings Bank Deposits	13.62%	14.34%	12.26%	12.37%	10.94%
Special Notice Deposits	5.81%	7.04%	9.37%	6.88%	4.43%
Fixed Deposits	33.27%	33.74%	38.14%	42.49%	47.59%
Deposit-Products	14.23%	15.76%	13.88%	12.69%	12.52%

Particulars	2017	2016	2015	2014	2013
Other Liabilities	**6.84%**	**6.85%**	**6.00%**	**6.21%**	**6.41%**
Subordinated Debt	**3.97%**	**2.57%**	**3.34%**	**2.15%**	**2.46%**
Total Liabilities	**94.17%**	**94.06%**	**93.89%**	**94.18%**	**94.63%**
Capital/Shareholders' Equity					
Paid-up Capital	2.53%	2.68%	2.53%	2.65%	2.76%
Statutory Reserve	1.80%	1.93%	1.86%	1.96%	1.89%
Revaluation Reserve on Investment in Securities	0.35%	0.44%	0.90%	0.45%	0.16%
Foreign Currency Translation gain/(loss)	0.00%	0.01%	0.00%	0.00%	0.00%
General Reserve	0.31%	0.37%	0.31%	0.24%	0.27%
Retained Earnings	0.85%	0.51%	0.52%	0.53%	0.29%
Total Shareholders' Equity	**5.83%**	**5.94%**	**6.11%**	**5.82%**	**5.37%**
Minority Interest	**-**	**-**	**-**	**-**	**-**
Total Liabilities and Shareholders' Equity	**100%**	**100%**	**100%**	**100%**	**100%**
Off-Balance Sheet Items					
Contingent Liabilities					
Letter of Guarantee	19.08%	20.61%	21.37%	22.79%	25.31%
Irrevocable Letter of Credit	27.53%	31.66%	28.65%	26.65%	26.95%
Bills for Collection	4.02%	7.30%	7.48%	10.36%	7.17%
Acceptances and endorsements	49.37%	40.42%	42.50%	40.20%	40.57%
Total Off Balance Sheet Items including Contingent Liabilities	**100%**	**100%**	**100%**	**100%**	**100%**

Vertical Analysis (Financial Position):

Vertical Analysis on Balance Sheet refers to the components of balance sheet items as a % of total Assets over the periods which would be termed as common sizing of balance sheet. In asset side, investment (12%) and loans and advances (72%) hold major portion. Investment shows decreasing but loans and advance shows consistency trend as % of total assets over the years at the backdrop of political volatility and sluggish investment scenario of the country. In liability side, deposit holds major portion (75%) and showing decreasing trend over last three years.

VERTICAL ANALYSIS
FOR THE LAST FIVE YEARS
Consolidated Profit & Loss Account

Particulars	2017	2016	2015	2014	2013
Interest Income	74.46%	75.79%	74.13%	71.59%	71.44%
Less: Interest Paid on Deposit and Borrowing, etc.	48.08%	49.96%	54.81%	58.07%	63.27%
Net Interest Income	**26.38%**	**25.82%**	**19.32%**	**13.52%**	**8.17%**
Income from Investments	13.02%	13.39%	16.42%	18.36%	19.61%
Commission, Exchange and Brokerage	9.66%	8.18%	6.70%	6.93%	6.12%
Other Operating Income	2.86%	2.65%	2.75%	3.11%	2.82%
	25.54%	**24.21%**	**25.87%**	**28.41%**	**28.56%**
Total Operating Income	**51.92%**	**50.04%**	**45.19%**	**41.93%**	**36.73%**
Less: Operating Expenditure:					
Salary and Allowances	14.71%	15.02%	13.89%	10.91%	9.63%
Rent, Tax, Insurance and Electricity, etc.	4.07%	4.05%	3.79%	3.89%	3.79%
Legal Expenses	0.02%	0.02%	0.02%	0.02%	0.02%
Postage, Stamps and Telecommunication, etc.	0.04%	0.06%	0.10%	0.10%	0.53%
Printing, Stationery and Advertisements, etc.	0.62%	0.55%	0.58%	0.78%	0.69%
Managing Director's Remuneration	0.11%	0.12%	0.11%	0.11%	0.09%
Directors' Fees	0.02%	0.02%	0.02%	0.01%	0.01%
Auditors' Fees	0.01%	0.02%	0.01%	0.01%	0.01%
Depreciation on and Repair to Bank's Property	2.63%	2.60%	2.50%	2.25%	2.14%
Other Expenses	5.70%	4.88%	4.86%	4.67%	3.71%
Total Operating Expenses	**27.94%**	**27.35%**	**25.89%**	**22.75%**	**20.62%**
Operating Profit	**23.98%**	**22.69%**	**19.30%**	**19.18%**	**16.11%**
Less: Provision for Loans,Investment & Other					
Specific Provision	2.72%	4.81%	1.56%	3.00%	1.19%
General Provision	5.56%	0.28%	1.16%	-0.35%	1.94%
Off Balance Sheet Items	0.84%	0.67%	0.30%	0.51%	0.49%
Margin Loan & Investment in Shares	0.95%	0.47%	0.62%	1.80%	1.36%
Other Asset	0.06%	0.07%	0.05%	0.02%	0.00%
Total Provision	**10.14%**	**6.30%**	**3.69%**	**4.96%**	**4.98%**
Profit Before Tax	**13.83%**	**16.39%**	**15.62%**	**14.22%**	**11.13%**
Less: Provision for Tax	**1.71%**	**6.64%**	**6.23%**	**7.13%**	**6.57%**
Current Tax Expenses	7.23%	6.40%	5.54%	6.36%	6.77%
Deferred Tax Expenses/(Income)	-5.52%	0.24%	0.69%	0.77%	-0.20%
Net Profit After Tax	**12.13%**	**9.75%**	**9.38%**	**7.08%**	**4.56%**

Vertical Analysis (Comprehensive Income):

Vertical Analysis on Income Statement refers to the components of income statement items as a % of total income over the periods which would be termed as common sizing of income statement. In income side, interest income (74%) and investment income (13%) hold major portion. Interest income shows increasing trend but contribution decreased due to increase in other operating income as % of total income over the years. Operating expense as % of income is increasing over the periods due to network expansion and establishment of new departments in line with business model/strategies. Operating profit shows consistency and total provision is in rising trend and net profit shows increasing trend over the periods.

SEGMENT REPORT

BALANCE SHEET

As at December 31, 2017

Amount in BDT

Particulars	Bank				Subsidiaries				Consolidated
	Main Operation	OBU	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	
Property and Assets									
Cash In Hand (With Bangladesh Bank and its agent Bank)	13,065,276,389	-	-	13,065,276,389	6,368,104	4,414	5,474,610	-	13,077,123,517
Balance with other Banks & Financial Institutions	1,628,239,479	726,814,309		2,355,053,788	887,806,759	16,491,176		461,095,059	2,798,256,664
Money at Call and Short Notice	4,690,000,000			4,690,000,000	-	-	-		4,690,000,000
Investments	24,578,379,684			24,578,379,684	419,261,304	108,161,146			25,105,802,134
Loans and Advances	133,581,742,714	9,237,760,086	-	142,819,502,800	2,766,452,177	221,038,805		200,000,000	145,606,993,782
Fixed Asset including Premises, Furniture & Fixture	3,127,669,387			3,127,669,387	75,782,247	5,670,802	2,142,929		3,211,265,364
Other Assets	12,364,353,251	17,906,591	1,740,619,485	10,641,640,357	145,182,788	45,699,342	1,045,153	3,569,074,907	7,264,492,733
Non-Banking Assets	-			-	-	-	-	-	-
Total Property and Assets	**193,035,660,903**	**9,982,480,986**	**1,740,619,485**	**201,277,522,404**	**4,300,853,379**	**397,065,685**	**8,662,692**	**4,230,169,966**	**201,753,934,194**
Liabilities									
Borrowing from other Banks, Financial Institutions & Agents	8,240,467,272	9,793,727,370	1,616,516,543	16,417,678,099	200,000,000	-	-	200,000,000	16,417,678,099
Deposits and Other Accounts	152,237,160,560			152,237,160,560	-			461,095,059	151,776,065,501
Provision & Other Liabilities	12,890,492,952	188,753,617	124,102,942	12,955,143,626	768,781,867	76,463,316	38,394,138	40,679,107	13,798,103,840
Subordinated Debt	8,000,000,000			8,000,000,000	-				8,000,000,000
Total Liabilities	**181,368,120,784**	**9,982,480,987**	**1,740,619,486**	**189,609,982,285**	**968,781,867**	**76,463,316**	**38,394,138**	**701,774,166**	**189,991,847,440**
Total Shareholders' Equity	**11,667,540,119**	**-**		**11,667,540,119**	**3,332,071,512**	**320,602,369**	**(29,731,446)**	**3,528,395,800**	**11,762,086,754**
Total Liabilities and Shareholders' Equity	**193,035,660,903**	**9,982,480,987**	**1,740,619,486**	**201,277,522,404**	**4,300,853,379**	**397,065,685**	**8,662,692**	**4,230,169,966**	**201,753,934,194**

SEGMENT REPORT

PROFIT AND LOSS

For the year ended December 31, 2017

Amount in BDT

Particulars	Bank				Subsidiaries				Consolidated
	Main Operation	OBU	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	
Interest Income	11,729,863,744	380,447,095	7,484,242	12,102,826,598	126,853,097	40,924,378	-	110,061,111	12,160,542,962
Less: Interest Paid on Deposit and Borrowing, etc.	7,594,663,474	268,875,783	7,484,242	7,856,055,015	100,000,000	6,873,767	-	110,061,111	7,852,867,671
Net Interest Income	**4,135,200,270**	**111,571,313**	**-**	**4,246,771,583**	**26,853,097**	**34,050,610**	**-**	**-**	**4,307,675,291**
Investment Income	2,056,350,696	-	-	2,056,350,696	51,390,151	19,472,487	-	-	2,127,213,334
Commission, Exchange and Brokerage	1,342,670,740	20,157	-	1,342,690,897	222,335,661	175,000	12,807,559	-	1,578,009,117
Other Operating Income	406,481,029	12,428,544	-	418,909,573	12,747,982	31,600,091	3,138,159	-	466,395,805
Total Operating Income	**7,940,702,736**	**124,020,013**	**-**	**8,064,722,749**	**313,326,891**	**85,298,189**	**15,945,718**	**-**	**8,479,293,547**
Salary and Allowances	2,314,039,862	-	-	2,314,039,862	74,454,836	9,656,626	4,532,861	-	2,402,684,185
Rent, Tax, Insurance and Electricity etc.	624,713,881	-	-	624,713,881	30,457,378	3,624,578	5,672,327	-	664,468,164
Legal Expenses	3,535,580	-	-	3,535,580	-	33,333	-	-	3,568,913
Postage, Stamps and Telecommunications etc.	6,028,356	-	-	6,028,356	809,236	89,604	148,958	-	7,076,154
Stationery, Printing and Advertisements etc	99,318,114	-	-	99,318,114	1,325,433	254,488	275,217	-	101,173,252
Managing Director's Remuneration	18,275,334	-	-	18,275,334	-	-	-	-	18,275,334
Directors' Fee	1,876,800	-	-	1,876,800	823,400	741,000	-	-	3,441,200
Auditors' Fee	1,341,500	-	-	1,341,500	57,500	63,250	313,816	-	1,776,066
Depreciation and Repair of Bank's Property	420,129,234	-	-	420,129,234	7,795,608	1,216,867	611,732	-	429,753,440
Other Expenses	899,393,630	3,028,948	-	902,422,578	21,445,932	3,612,527	3,876,149	-	931,357,187
Total Operating Expenses	**4,388,652,290**	**3,028,948**	**-**	**4,391,681,239**	**137,169,323**	**19,292,273**	**15,431,060**	**-**	**4,563,573,895**
Profit Before Provision	**3,552,050,446**	**120,991,065**	**-**	**3,673,041,510**	**176,157,568**	**66,005,915**	**514,658**	**-**	**3,915,719,652**
Provision against Classified Loans & Advances				444,645,646	-	-	-		444,645,646
Provision against Unclassified Loans & Advances				908,809,835					908,809,835
Provision against Off Balance Sheet Items				137,300,000					137,300,000
Margin Loan & Investment in Shares				-	150,000,000	5,492,999	-		155,492,999
Provision against Other Asset				10,000,000	-	-	-		10,000,000
Total Provision				**1,500,755,481**	**150,000,000**	**5,492,999**	**-**	**-**	**1,656,248,480**
Profit Before Tax				2,172,286,029	26,157,568	60,512,916	514,658	-	2,259,471,172
Income Tax Expenses				256,062,440	413,316	22,578,739	78,872		279,133,367
Net Profit After Tax				**1,916,223,589**	**25,744,252**	**37,934,177**	**435,786**	**-**	**1,980,337,805**

FIVE YEARS AT A GLANCE

BDT Million

SL	Items	2017	2016	2015	2014	2013
1	Authorised Capital	10,000	10,000	10,000	10,000	10,000
2	Paid-up Capital	5,097	4,432	3,693	3,078	2,798
3	Shareholder's Equity	11,762	9,818	8,929	6,770	5,449
4	Total Capital (Going+Gone-Concern)	19,016	13,725	12,413	8,712	8,137
5	Total Assets	201,754	165,371	146,073	116,301	101,173
6	Total Deposits	151,776	131,272	118,405	96,065	84,373
7	Total Loans and Advances	145,607	114,356	97,589	77,141	59,548
8	Total Invesment	25,106	21,942	26,247	20,768	25,823
9	Exports	59,075	49,935	45,940	36,154	32,479
10	Imports	105,030	78,420	63,988	51,593	44,273
11	Remittance (USD-Million)	312.78	191.27	149.19	142.39	100.52
12	Total Contingent Liabilities	60,805	45,134	35,029	30,802	23,897
13	Operating Income	8,479	7,515	6,580	5,690	4,619
14	Operating Expenditure	4,564	4,107	3,769	3,087	2,593
15	Profit before provision and tax	3,916	3,408	2,811	2,603	2,026
16	Profit after provision and tax	1,980	1,464	1,366	962	573
17	Total Provision maintained	5,004	3,611	2,835	2,388	2,297
18	Earning Assets	170,163	139,590	126,053	98,026	85,323
19	Non-interest Earning Assets	31,591	25,780	20,006	18,275	15,850

Figure in BDT/Percentage

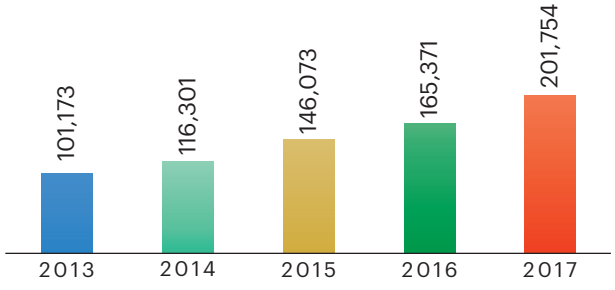
SL	Items	2017	2016	2015	2014	2013
1	Earnings per Share (EPS) (Previous years re-stated)	3.89	2.87	2.68	1.89	1.12
2	Net Asset Value (NAV) per share (Previous years re-stated)	23.08	19.26	17.52	13.28	10.69
3	Dividend -Stock	12.50%	15%	20%	20%	10%
4	Return on Average Equity	18.35%	15.61%	17.40%	15.74%	11.15%
5	Return on Average Assets (ROAA)	1.08%	0.94%	1.04%	0.88%	0.59%
6	Classified Loans as % of Total Loans and Advances	4.30%	4.36%	2.08%	2.67%	3.62%
7	Lending -Deposit Ratio	83.45%	77.69%	82.42%	80.30%	70.58%
8	Capital to Risk weighted Assets Ratio	13.76%	11.29%	12.02%	10.77%	11.57%
9	Market Value per Share	35.00	23.10	19.50	19.80	16.30
10	Price-Earning ratio (Times)	9.01	8.04	6.33	7.60	7.96

SL	Items	2017	2016	2015	2014	2013
1	No. of Branches	111	110	106	103	92
2	No. of Employees	2,004	1,889	1,801	1,586	1,378
3	No. of Point of Sales (POS) Machines	2,953	2,818	2,150	1,691	1,016
4	No. of ATM	246	226	176	165	147
5	No. of Credit Cards	29,689	21,637	17,618	11,376	8,120
6	No. of Debit Cards	237,314	209,393	168,678	138,275	110,739

GRAPHICAL REVIEW

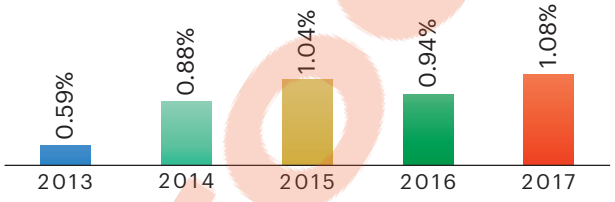
TOTAL ASSETS

BDT Million



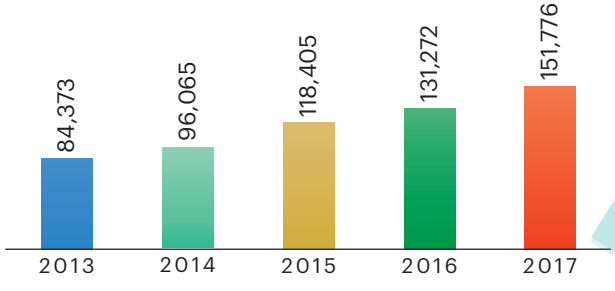
RETURN ON ASSETS (ROA)

BDT Million



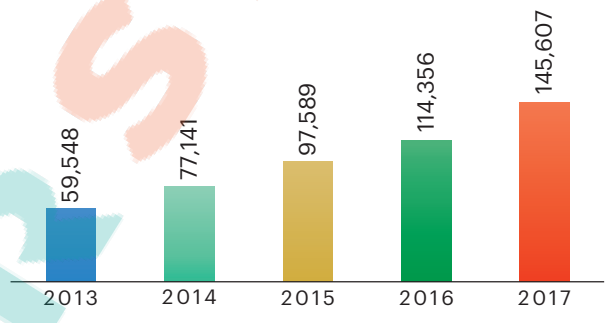
DEPOSITS

BDT Million

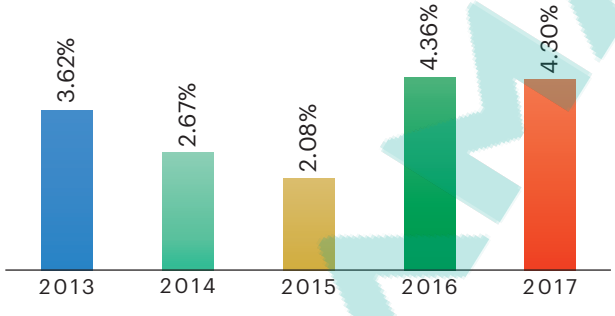


LOANS AND ADVANCES

BDT Million

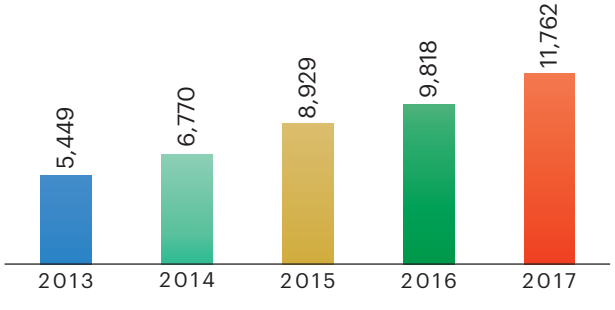


NON-PERFORMING LOAN RATIO



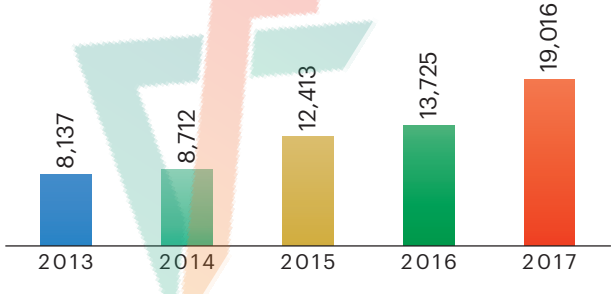
SHAREHOLDER'S EQUITY

BDT Million

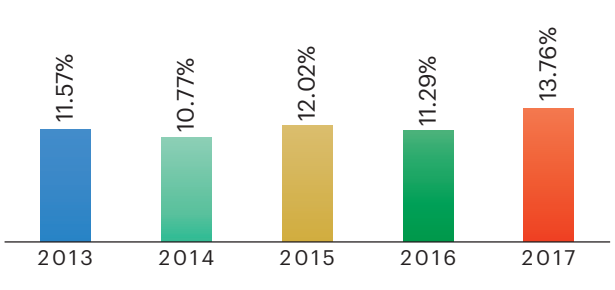


REGULATORY CAPITAL

BDT Million



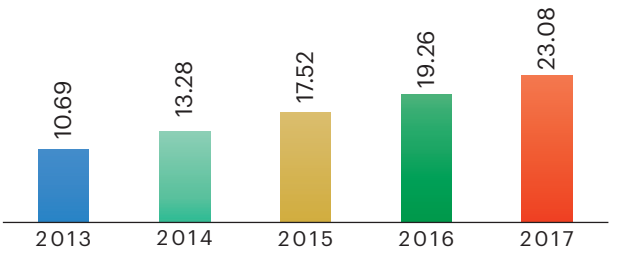
CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)



AMARSTOCK

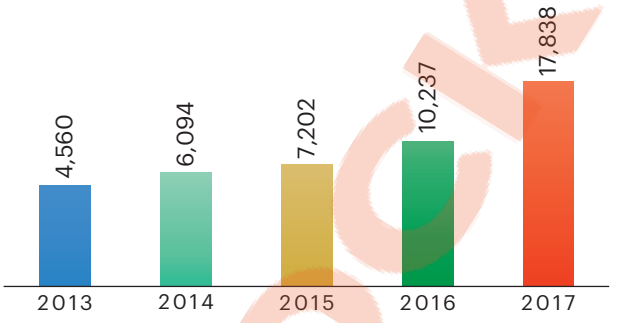
NET ASSET VALUE (NAV)

BDT



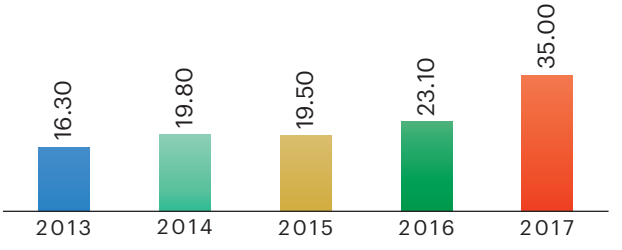
MARKET CAPITALIZATION

BDT Million



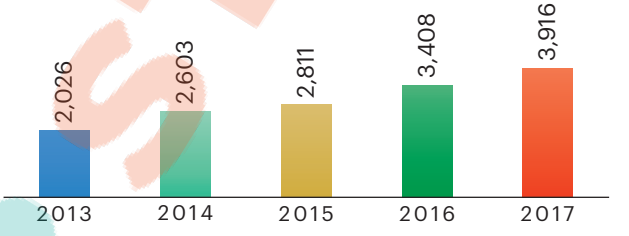
MARKET VALUE PER SHARE

BDT



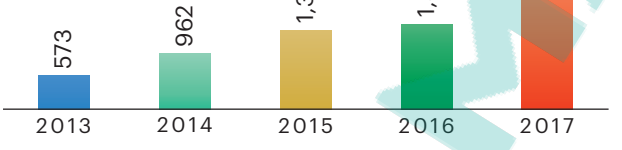
PROFIT BEFORE PROVISION AND TAX

BDT Million



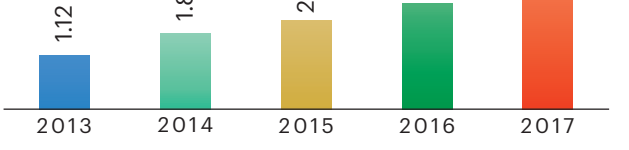
PROFIT AFTER PROVISION AND TAX

BDT Million



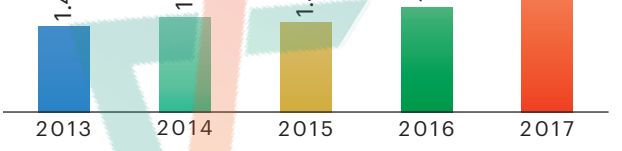
EARNINGS PER SHARE (EPS)

BDT



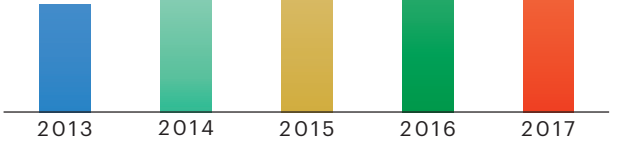
PROFIT PER EMPLOYEE

BDT Million



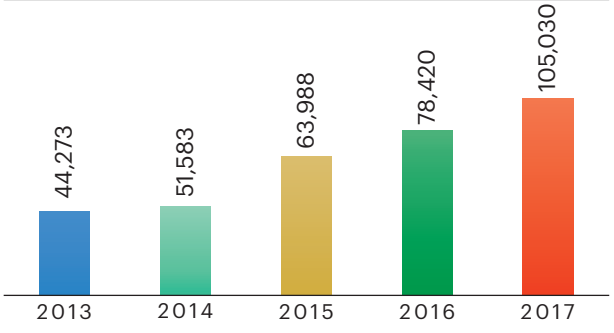
EXPORTS

BDT Million



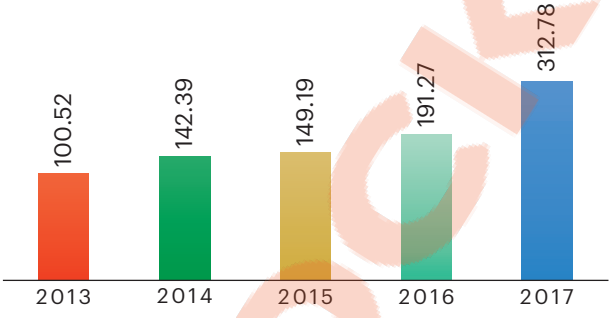
IMPORTS

BDT Million

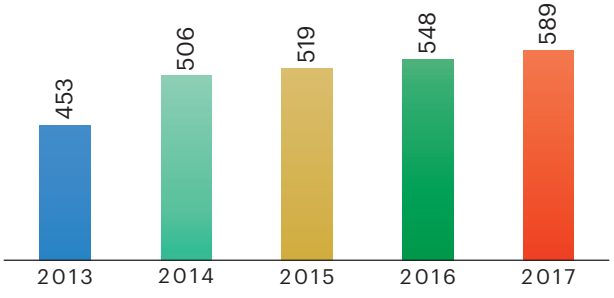


REMITTANCE

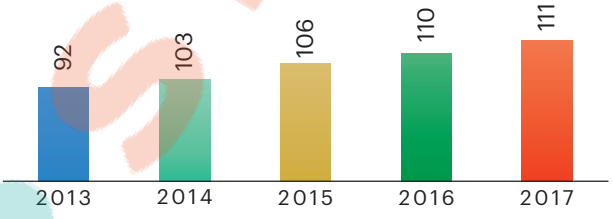
USD Million



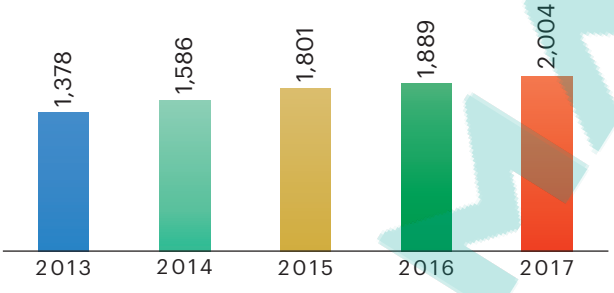
NUMBER OF GLOBAL CORRESPONDENTS



NUMBER OF BRANCHES



NUMBER OF EMPLOYEES

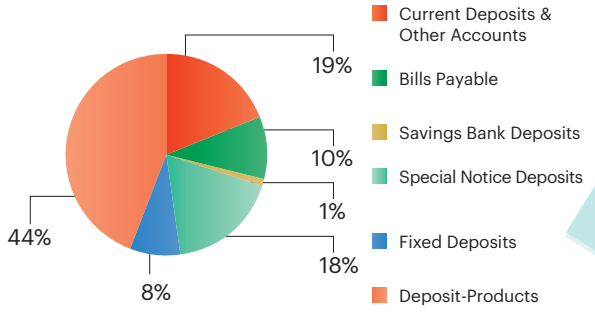


ANALYSIS OF DEPOSITS

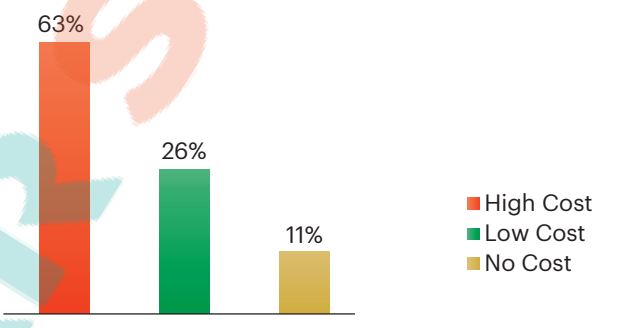
BDT Million

Particulars	2017	2016	2015	2014	2013
Current Deposits & Other Accounts	14,652	12,301	9,580	8,224	7,014
Bills Payable	2,101	1,751	1,253	1,284	780
Savings Bank Deposits	27,479	23,710	17,908	14,384	11,098
Special Notice Deposits	11,722	11,646	13,683	7,997	4,495
Fixed Deposits	67,114	55,803	55,708	49,412	48,281
Deposit-Products	28,708	26,060	20,272	14,764	12,704
Total Deposits	**151,776**	**131,272**	**118,404**	**96,065**	**84,372**

DEPOSITS MIX 2017



DEPOSITS MIX 2017



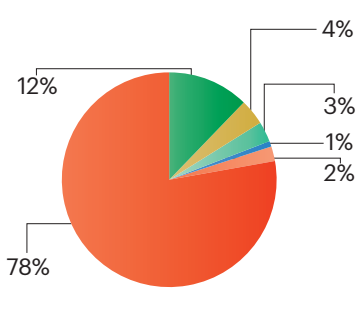
DEPOSITS	2017		2016	
High Cost	63%	95,822	62%	81,864
Low Cost	26%	39,201	27%	35,356
No Cost	11%	16,753	11%	14,053
Total	**100%**	**151,776**	**100%**	**131,272**

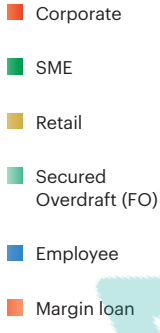
ANALYSIS OF LOANS & ADVANCES

BDT Million

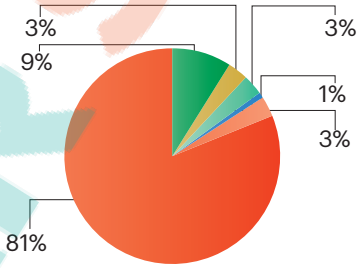
Particulars	2017	2016	2015	2014	2013
Corporate	114,762	91,944	77,719	59,835	44,411
SME	18,019	10,452	9,278	7,028	4,869
Retail	5,551	3,734	2,952	2,454	2,343
Secured Overdraft (FO)	3,655	3,692	3,207	3,145	3,316
Employee	633	668	601	577	542
Margin loan	2,987	3,866	3,832	4,102	4,068
Total	**145,607**	**114,356**	**97,589**	**77,141**	**59,548**

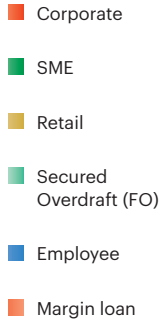
Portfolio Mix 2017





Portfolio Mix 2016





MTB CREDIT RATING REAFFIRMED

PARTICULARS	CURRENT RATING	PREVIOUS RATING
Long Term	AA	AA
Short Term	ST-2	ST-2
Based on Financials	December 31, 2017	December 31, 2016
Date of Rating	April 30, 2018	May 17, 2017
Validity Date	April 29, 2019	May 16, 2018

AA

AA : Higher Safety and High Credit Quality
ST-2 : High Certainty of Timely Repayment
Outlook : Stable

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Rated by: Credit Rating Information and Services Limited (CRISL)

FINANCIAL CALENDAR

Financial Calandar 2017	
1st Quarter Results published on	May 8, 2017
Half Yearly Financial Statement published on	July 31, 2017
3rd Quarter Results published on	October 30, 2017
Audited Financial Statements for 2017 signed on	April 17, 2018
19th Annual General Meeting held on	May 31, 2018
12.50% stock as Final Dividend for 2017 payable on	June, 2018

Proposed Financial Calandar 2018	
1st Quarter Results to be published on	April 30, 2018
Half Yearly Financial Statement to be published on	July, 2018
3rd Quarter Results to be published on	October, 2018
Audited Financial Statements for 2018 to be signed on	February/March, 2019
20th Annual General Meeting to be held on	April, 2019

A. QASEM & CO.
Chartered Accountants Since 1953

Gulshan Pink City
Suites # 01-03, Level : 7, Plot # 15, Road # 103
Gulshan Avenue, Dhaka - 1212, Bangladesh

Phone: 880-2-8881824-6
Fax : 880-2-8881822
E-mail : aqasem@aqcbd.com

Independent 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;

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Chartered Accountants Since 1953

(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 management 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.

April 17, 2018
Dhaka

A. Qasem & Co.
Chartered Accountants

MUTUAL TRUST BANK LIMITED
CONSOLIDATED BALANCE SHEET
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
Property and Assets			
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**

AMARSTOCK

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
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

April 17, 2018
Dhaka

A. Qasem & Co.
Chartered Accountants

MUTUAL TRUST BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
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	Md. Hedayetullah	Syed Manzur Elahi	Anis A. Khan
Chairman	Vice Chairman	Director	Managing Director & CEO

Signed as per our annexed report of the same date

April 17, 2018
Dhaka

A. Qasem & Co.
Chartered Accountants

MUTUAL TRUST BANK LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
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 Current Assets		**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 debts		3,750,000,000	(625,000,000)
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**	**20,402,859,287**
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	**Md. Hedayetullah**	**Syed Manzur Elahi**	**Anis A. Khan**
Chairman	Vice Chairman	Director	Managing Director & CEO

MUTUAL TRUST BANK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 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

AMARSTOCK

MUTUAL TRUST BANK LIMITED
CONSOLIDATED LIQUIDITY STATEMENT
As at December 31, 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	857,724,836	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

MUTUAL TRUST BANK LIMITED
BALANCE SHEET
As at December 31, 2017

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
Property and Assets			
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**

AMAR STOCK

Particulars	Notes	Amount in BDT	
		December 31, 2017	December 31, 2016
Off-Balance Sheet Items			
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

April 17, 2018
Dhaka

A. Qasem & Co.
Chartered Accountants

MUTUAL TRUST BANK LIMITED
PROFIT AND LOSS ACCOUNT
For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
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	**Md. Hedayetullah**	**Syed Manzur Elahi**	**Anis A. Khan**
Chairman	Vice Chairman	Director	Managing Director & CEO

Signed as per our annexed report of the same date

April 17, 2018
Dhaka

A. Qasem & Co.
Chartered Accountants

MUTUAL TRUST BANK LIMITED
STATEMENT OF CASH FLOW
For the Year ended December 31, 2017

Particulars	Notes	Amount in BDT	
		2017	2016
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)
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	Md. Hedayetullah	Syed Manzur Elahi	Anis A. Khan
Chairman	Vice Chairman	Director	Managing Director & CEO

MUTUAL TRUST BANK LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 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	**4,431,791,600**	**3,187,766,825**	**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	**4,431,791,600**	**3,187,766,825**	**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. Hedayetullah
Vice Chairman

Syed Manzur Elahi
Director

Anis A. Khan
Managing Director & CEO

MUTUAL TRUST BANK LIMITED
LIQUIDITY STATEMENT
As at December 31, 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	3,683,596,389	-	-	-	9,381,680,000	13,065,276,389
Balance with other Banks and Financial Institutions	1,187,309,749	888,388,916	271,123,028	8,232,095	-	2,355,053,788
Money at Call & Short notice	4,690,000,000	-	-	-	-	4,690,000,000
Investments	1,524,578,279	797,400,639	4,497,950,359	7,720,604,208	10,037,846,198	24,578,379,684
Loans and Advances	15,281,244,353	35,656,989,191	48,606,866,548	36,900,160,812	6,374,241,896	142,819,502,800
Premises and Fixed Assets	-	-	-	-	3,127,669,387	3,127,669,387
Other Assets	857,724,836	73,154,889	984,244,861	5,187,529,810	3,538,985,961	10,641,640,357
Non-Banking Assets	-	-	-	-	-	-
Total Assets	**27,224,453,606**	**37,415,933,635**	**54,360,184,797**	**49,816,526,925**	**32,460,423,442**	**201,277,522,405**
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	22,316,803,233	35,573,026,339	46,758,272,362	41,820,944,230	5,768,114,396	152,237,160,560
Provision & Other Liabilities	52,850,330	289,842,250	1,643,258,460	6,089,230,529	4,879,962,058	12,955,143,626
Subordinated Debts	-	-	600,000,000	5,400,000,000	2,000,000,000	8,000,000,000
Total Liabilites	**24,556,758,196**	**36,865,433,589**	**54,466,846,533**	**54,810,201,584**	**18,910,742,382**	**189,609,982,285**
Net Liquidities	**2,667,695,409**	**550,500,045**	**(106,661,736)**	**(4,993,674,659)**	**13,549,681,060**	**11,667,540,119**

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

MUTUAL TRUST BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2017

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 Bangladesh, 50 (Fifty) Agent Banking Centres, 01 (One) Air Lounge and 02 (Two) Booths 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, providing loans to customers, issuing debit and credit cards, sms banking, 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 exchange houses. Separate Financial Statements of MTB Exchange (UK) Limited has been drawn up in the reports.

1.4.3 MTB Capital Limited (MTBCL)

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

MTBCL offers the following services to the market:

a. Discretionary and Non-Discretionary Portfolio Management services to both the retail and institutional investors under different product lines.

b. Issue Management services to medium and large corporate houses to manage their Initial Public Offer (IPO), secondary offering, debt issuance and rights issuance.

c. Underwriting services for both debt and equity issues.

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

2.0 Significant accounting policies and basis of preparation of financial statements

2.01 Statement of Compliance

The consolidated financial statements of the Group and the financial statements of the Bank and its subsidiary as at and for the year ended 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 BAS 39.

2.01.04 Financial instruments - presentation and disclosure:

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of "BFRS 7: Financial Instrument- Disclosures" and "BAS 32: 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 advances 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

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

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

2.15.04 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 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 recognized as 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.

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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 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

Name of the Bangladesh Accounting Standards (BASs)	BAS No.	Status
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

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

i. Foreign Exchange Risk Management

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

In view of the significance of the market risk and in order to aggregate all such risks at a single department and to bring expertise in such functions, the concept of treasury has evolved. Today's financial institutions engage in activities from import, export and remittance to complex derivatives involving basic foreign exchange and money market to complex structured products. All these require a high degree of expertise that is difficult to achieve in the transactions originating from departments and as such the expertise 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 one in a year. While auditing branches and offices, the IA team thoroughly checks the operational activities of the branches/ offices including transactions in various accounts and search for any irregularities occurred in those accounts. IA team also monitors the staff accounts and if necessary investigate the suspicious transactions and report the same to the management. IA team also conducts investigation into specific allegations and submits report to the management for action. Senior management of the bank also conduct regular visit to MTB branches and advise the branch officials to comply with all the regulatory instructions, policies and procedures of the bank.

2.30 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	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.	Mrs. 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.

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 January 19, 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:

	2017		2016	
	%	BDT Million	%	BDT Million
i. Daily Bank's CRR Maintenance				
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-weekly 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	
	%	BDT Million	%	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**

	December 31, 2017	December 31, 2016
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 -weekly 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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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)		
	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
4.a.2	**Outside Bangladesh (NOSTRO Accounts) - 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
	Commerz 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 (Annexure-G)	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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**

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		Amount in BDT	
		December 31, 2017	December 31, 2016
	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
	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
6.a.2	**Others (Investment in other securities)**		
	Shares and Mutual Fund in quoted companies		
	Shares in Quoted companies	136,840,327	274,230,408
	Mutual Fund in Quoted 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
	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
	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
	Less: Redeemed upto 31.12.17	(16,000,000)	-
	Redeemable Value	**64,000,000**	**80,000,000**

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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

		Amount in BDT	
		December 31, 2017	December 31, 2016
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.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**

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		Amount in BDT	
		December 31, 2017	December 31, 2016
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.4)	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 (Annexure-G)	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 (Annexure-G)	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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)

	December 31, 2017	December 31, 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".

	Amount in BDT	
	December 31, 2017	December 31, 2016
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	846,750,537
Doubtful	133,943,000	405,055,372
Bad & Loss	5,968,306,000	3,731,282,091
Sub total	**6,268,357,000**	**4,983,088,000**
Total	**142,819,502,800**	**110,834,548,494**
7.02 Classification of Consolidated Loans and Advances:		
Consolidated Unclassified Loans and Advances (UC):		
Standard	135,901,052,782	106,147,811,161
Special Mention Account (SMA)	3,437,584,000	3,224,863,681
Sub total	**139,338,636,782**	**109,372,674,842**
Consolidated Classified Loans & Advances:		
Substandard	166,108,000	846,750,537
Doubtful	133,943,000	405,055,372
Bad & Loss	5,968,306,000	3,731,282,091
Sub total	**6,268,357,000**	**4,983,088,000**
Total	**145,606,993,782**	**114,355,762,842**

7.a.9 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	132,092,841,793	0% , 0.25%, 1% 2% & 5%	1,865,588,985	1,865,588,985
Standard- **Offshore Banking Unit**			92,377,601	92,377,601
Special Mention Account (SMA)	3,437,584,000		58,458,415	58,458,415
Sub total	**135,530,425,793**		**2,016,425,000**	**2,016,425,000**
Classified:				
Substandard	65,898,491	5% & 20%	12,304,269	12,304,269
Doubtful	93,189,309	5% & 50%	46,261,538	46,261,538
Bad loan*	2,309,774,193	100%	2,309,774,193	2,339,774,193
Sub total	**2,468,861,993**		**2,368,340,000**	**2,398,340,000**
Total	**137,999,287,786**		**4,384,765,000**	**4,414,765,000**
Excess/(short) Provision as at December 31, 2017				**30,000,000**

***As per Bangladesh Bank letter (reference No. DBI-1/119/2018-1209 dated April 11, 2018), the Bank has maintained minimum required provision for the year 2017. In addition, deferred provision of BDT 1,280.991 million is to be maintained in next 3 (three) years equally i.e. in the year 2018, 2019 and 2020.**

		Amount in BDT	
		December 31, 2017	December 31, 2016
7.a.10	**Details of Required Provision for Off Balance Sheet Items**		
	Required Provision for Off- Balance Sheet Exposures	589,226,564	451,343,146
	Total Provision maintained (Note -12.a.2)	589,300,000	452,000,000
	Excess/(Short) Provision	**73,436**	**656,854**
7.a.11	**Geographical Location wise Loans and Advances**		
	Inside Bangladesh		
	Urban		
	Dhaka Division	101,049,391,578	75,656,919,932
	Chittagong Division	25,754,190,653	22,474,593,473
	Sylhet Division	1,075,366,732	845,476,356
	Mymensingh Division	691,921,411	562,111,203
	Rajshahi Division	4,716,804,055	3,908,852,579
	Khulna Division	1,632,445,333	1,177,172,773
	Rangpur Division	2,898,119,496	2,269,236,684
	Barisal Division	436,166,243	209,242,417
		138,254,405,500	**107,103,605,416**
	Rural		
	Dhaka Division	2,665,640,514	2,103,806,136
	Chittagong Division	1,548,763,979	1,396,770,143
	Sylhet Division	131,360,048	128,908,916
	Mymensingh Division	122,006,566	101,457,883
	Rajshahi Division	-	-
	Khulna Division	-	-
	Rangpur Division	97,326,193	-
	Barisal Division	-	-
		4,565,097,300	**3,730,943,078**
	Outside Bangladesh	**-**	**-**
		142,819,502,800	**110,834,548,494**
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 person.	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.	-	-

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		Amount in BDT	
		December 31, 2017	December 31, 2016
	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 follows:		
	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		

		Amount in BDT	
		December 31, 2017	December 31, 2016
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**

		Amount in Taka	
		December 31, 2017	December 31, 2016
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 (Annexure-G)	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)**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 **(Annexure-G)**	2,648,676,566	585,818,996
		10,889,143,838	**6,280,351,802**
	Outside Bangladesh		
	Mutual Trust Bank Limited	-	-
	Offshore Banking Unit **(Annexure-G)**	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 & Agents**		
	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 years 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**
	Savings Bank Deposits		
	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
	Special Notice 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 Deposits		
	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	**Deposits and Other Accounts:**		
	Current Deposits & Other Accounts :		
	Current Deposits	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 Deposits	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 Bank Deposit	**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**
	From Customers	**56,964,317,085**	**55,803,465,444**

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		Amount in BDT	
		December 31, 2017	December 31, 2016
	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 years 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 Deposits	10,027,340,123	8,345,457,419
	Savings Bank 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 Deposits	2,940,424,248	2,123,116,081
	Bills Payable	2,100,804,374	1,751,051,731

		Amount in BDT	
		December 31, 2017	December 31, 2016
	b) Time Deposits	**133,011,101,725**	**115,406,282,484**
	Savings Bank Deposit (91%)	25,006,326,595	21,576,267,590
	Fixed Deposits	56,964,317,085	55,803,465,444
	Deposit from Banks	10,149,625,000	-
	Short Term Deposits	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	**Sector-wise 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
	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 (Annexure-G)	**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**

AMARSTOCK

		Amount in BDT	
		December 31, 2017	December 31, 2016
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
	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.

		Amount in BDT	
		December 31, 2017	December 31, 2016
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:

Particulars	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 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	Status	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	-	-	-
Total		**158,195,781**	**1,581,957,810**	**31.04%**

		Amount in BDT	
		December 31, 2017	December 31, 2016
14.a.1.6	**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	-	-
	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	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
		123,024,236,862	**106,940,244,616**
	Market Risk	3,774,475,429	3,729,916,327
	Operational Risk	9,798,391,582	8,321,733,273
	Total Risk Weighted Assets	**136,597,103,874**	**118,991,894,216**
	C. Required Capital on Risk Weighted Assets	**13,659,710,387**	**11,899,189,422**
	D. Capital Surplus/(Shortfall) (A-C)	**5,186,763,849**	**1,800,060,277**

E. Capital Requirement

	2017		2016	
	Required	Held	Required	Held
Capital to Risk-weighted Assets Ratios (CRAR)	**10%**	**13.80%**	**10%**	**11.51%**
Common Equity Tier-1	4.50%	7.30%	4.50%	7.55%
Tier- 1 Capital	5.50%	7.30%	5.50%	7.55%
Tier- 2 Capital	-	6.49%	-	3.96%

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.

		Amount in BDT	
		December 31, 2017	December 31, 2016
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
		11,058,034,926	**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	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.

		Amount in BDT	
		December 31, 2017	December 31, 2016
15.00	**Consolidated Statutory Reserve**		
	Opening Balance	3,187,766,825	2,721,143,745
	Add: Transferred during the year (20% of pretax profit)	434,457,206	466,623,080
	Closing Balance	**3,622,224,031**	**3,187,766,825**
15.a	**Statutory Reserve**		
	Opening Balance	3,187,766,825	2,721,143,745
	Add: Transferred during the year (20% of pretax profit)	434,457,206	466,623,080
	Closing Balance	**3,622,224,031**	**3,187,766,825**
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	815,484,211	786,953,519
	Add: Profit made during the year *	1,916,223,589	1,403,785,702
	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	**1,632,481,854**	**815,484,211**

***Profit for the year includes Tax income of BDT 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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
	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 (Annexure-G))	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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	349,575,900
		15,920,777,764	**14,652,180,826**
	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**	**3,208,649,925**
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 (Annexure-G)	380,447,095	92,963,786
		11,743,866,029	**10,938,134,404**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 (Annexure-G)	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 Bank 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	-	-
		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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 (Annexure-G)	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 (Annexure-G)	12,428,544	5,161,467
		418,909,573	**360,578,643**

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		Amount in BDT	
		December 31, 2017	December 31, 2016
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, Electricity, 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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
27.a	**Legal Expense**		
	Legal Expense	3,535,580	3,077,953
		3,535,580	**3,077,953**
28.00	**Consolidated Postage, Stamp & Telecommunication 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 & Telecommunication, 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 Stationery, Printing, 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	**Stationery, Printing, Advertisements 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 Auditors' 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	**Auditors' 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**

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		Amount in BDT	
		December 31, 2017	December 31, 2016
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**
32.02	**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 Expenses**		
	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

		Amount in BDT	
		December 31, 2017	December 31, 2016
	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 (Annexure-G)	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 Expenses**		
	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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
35.a	**Provision for Current Tax Expenses**		
	Current tax	1,157,322,844	897,030,119
	Total	**1,157,322,844**	**897,030,119**
35.a.1	**Provision for Deferred Tax (Income)/Expenses**		
	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 Earnings 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**
	Earnings Per Share (EPS)	**3.89**	**2.87**

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

36.a	**Earnings 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**
	Earnings 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 **(Annexure-G)**	12,428,544	5,161,467
		413,564,354	**382,250,308**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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 Director	Credit Card	-	-	-
Dr. Sultan Hafeez Rahman	Independent Director	Credit Card	-	-	-

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

iv) Related Party Transactions

Name of party	Related with	Transactions nature	Outstanding balance BDT Million	Nature of Security
Mrs. Banesa Khatun	Mr. Md. Wakiluddin Director	House Building Loan (General)	1.119	Registered Mortgage (RM) of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2. Mr. Sayed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	SOD (General)	38.469	RM of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2.Mr. Sayed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi Director (Founding Chairman)	Term Loan	15.193	RM of Land and Building

v) Lending policies in respect of related party

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

vi) Business other than banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991

a) Lease agreement made with the Directors

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement	Pabna Branch	Mr. Anjan Chowdhury	Approved by Bangladesh Bank
	Pabna Branch ATM Booth		Approved by Board of MTB
	Square Textile ATM Booth		
	Square Pharmaceuticals ATM Booth		
	Square Hospital ATM Booth		
	Square Fashions ATM Booth		
Lease agreement	Bilquis Tower ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
	ABC BPL ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch ATM Booth		
Lease agreement	Apex Adelchi Footwear Ltd. ATM Booth	Syed Manzur Elahi	Approved by Board of MTB

vii) Business with subsidiary

Name of party	Relationship	Nature of transaction	Outstanding balance BDT Million
MTB Securities Limited	Subsidiary Company	Loan facility	200.00
MTB Exchange (UK) Limited	Subsidiary Company	Receivable from MTB Exchange (UK)	40.68

44.00 Events after the Balance Sheet Date

Subsequent to the Balance Sheet date, The Board of Directors recommended Stock Dividend @ 12.50% for the year 2017 which will be recognized in the accounts as and when approved by the Shareholders in the Annual General Meeting (AGM).

45.00 Financial Highlights as at December 31, 2017 are shown in Annexure-F

AMARSTOCK

MUTUAL TRUST BANK LIMITED

Annexure- A

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

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

Name of the Bank	Currency	2017			2016		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	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 Korea	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 Metropoliton 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 BankLtd., 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
Total		**20,471,771**		**1,041,438,060**	**18,054,794**		**821,938,166**

MUTUAL TRUST BANK LIMITED

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	444,837	468.05	459.80	436,994	(7,843)
2	BRAC Bank Ltd.	10	3,921	351,279	89.59	108.40	425,036	73,757
3	Bangladesh Submarine Cable Company Limited	10	55,000	9,348,350	169.97	103.10	5,670,500	(3,677,850)
4	The City Bank Ltd.	10	1,843	80,645	43.76	53.20	98,048	17,403
5	Dhaka Electric Supply Company Ltd.	10	28,638	2,907,903	101.54	45.40	1,300,165	(1,607,737)
6	First Finance Limited	10	121,275	3,461,189	28.54	11.60	1,406,790	(2,054,399)
7	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	39.70	397,000	(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	15,467,760	234.36	189.70	12,520,200	(2,947,560)
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	32,670	7,510,506	229.89	188.90	6,171,363	(1,339,143)
12	National Bank Ltd.	10	252,139	4,465,382	17.71	13.00	3,277,807	(1,187,575)
13	Northern General Insurance Company Ltd.	10	30,719	967,956	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	2,579,108	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	2,940,500	117.62	87.70	2,192,500	(748,000)
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	692,102	38,916,895	56.23	35.90	24,846,462	(14,070,434)
22	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	5.60	1,897,280	(5,109,104)
	Free Fund available			184,353			184,353	-
	Sub-Total		**2,150,300**	**136,840,327**			**89,086,020**	**(47,754,307)**

MUTUAL TRUST BANK LIMITED

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	85% NAV	Total Market Value as at Dec 31, 2017	Provision Req. as per BB Guideline
B.	**Mutual Fund (Quoted)**								
1	DBH First Mutual Fund	10	33,800	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	32,225,096	219,656,142	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		**56,338,872**	**403,381,073**				**352,444,886**	**-**

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Net Assets	Total No. of Shares of Issuers	NAV	Impairment Value at December 31 2017	Unrealized Gain/Loss
C.	**Unquoted Share**								
1	BD Venture Limited	10	2,000,000	20,000,000	203,287,005	20,000,000	10.16	20,328,701	328,701
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,602,331,131	200,000,000	33.01	188,556,107	172,861,677
3	Energypack Power Generation Limited	10	1,192,800	50,000,000	5,590,321,619	149,869,650	37.30	44,492,902	(5,507,098)
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	LIC Bangaldesh	10	3,000,000	30,000,000	578,588,464	60,000,000	9.64	28,929,423	(1,070,577)
6	The Bangladesh Rating Agency Limited	100	49,155	4,915,500	3,273,546	1,067,175	3.07	150,782	(4,764,718)
	Sub-Total			**163,063,750**	**14,626,407,390**			**403,286,034**	**240,222,284**

MUTUAL TRUST BANK LIMITED

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				Total Market Value as at Dec 31, 2017	
D	**Unquoted Mutual Fund**								
1	MTB Unit Fund	10	21,760,000	217,600,000				217,600,000	-
	Sub-Total			**217,600,000**				**217,600,000**	**-**
E	**Bond**								
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			64,000,000				64,000,000	-
	Sub-Total			**954,000,000**				**954,000,000**	**-**
	Total			**1,874,885,150**		-		**2,016,416,940**	**47,754,307**

Particulars	Provision Required	Provision Maintained	Excess/(Shortfall)
Quoted Shares	47,754,307		
Unquoted Shares	-	55,267,667	7,513,360
Mutual Funds	-		
	47,754,307	**55,267,667**	**7,513,360**

AMPSTOCK

MUTUAL TRUST BANK LIMITED

CONSOLIDATED FIXED ASSET SCHEDULE

As at December 31, 2017

Annexure-C

Amount in BDT

Particulars	Cost				Rate	Depreciation				Written down value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged for the year	Adjustment made during the year	Balance as at 31.12.2017	
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	1
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**

STOCK

MUTUAL TRUST BANK LIMITED

FIXED ASSET SCHEDULE

As at December 31, 2017

Annexure-C (i)

Amount in BDT

Particulars	Cost				Rate	Depreciation				Written down value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged for the year	Adjustment made during the year	Balance as at 31.12.2017	
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	180,798,998	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	1
Leasehold Asset	37,955,000	-	7,545,000	30,410,000	20%	37,954,999	-	7,545,000	30,409,999	1
Intengible 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**

STOCK

MUTUAL TRUST BANK LIMITED

LIST OF SUBORDINATED DEBT HOLDERS

as at December 31, 2017

Annexure-D

A. 12% Partially Convertible Subordinate Bond

SL No.	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 No.	Name of party	2017 Investment Amount	2016 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 No.	Name of party	2017 Investment Amount	2016 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**

AMAR STOCK

MUTUAL TRUST BANK LIMITED

Annexure - E

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

SL No	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)

MUTUAL TRUST BANK LIMITED

Annexure - E

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

SL No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
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	**Mrs. Khwaja Nargis Hossain** Director	**Director** - SAHCO International Ltd. **Managing Director** - SAHCO Securities Ltd.

MUTUAL TRUST BANK LIMITED

Annexure - E

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

SL No	Name of Directors of the Bank	Name of Companies in which the Directors have interest
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)

MUTUAL TRUST BANK LIMITED
CONSOLIDATED FINANCIAL HIGHLIGHTS
As at December 31, 2017

Annexure - F

BDT Million/Percentage

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

AMAR STOCK

MUTUAL TRUST BANK LIMITED
FINANCIAL HIGHLIGHTS
As at December 31, 2017

Annexure - F(i)

BDT Million/Percentage

Sl. No.	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

AMARSTOCK

OFF SHORE BANKING UNIT (OBU)

Annexure- G

BALANCE SHEET

As at December 31, 2017

Particulars	Notes	December 31, 2017		December 31, 2016	
		USD	BDT	USD	BDT
Property and Assets					
Cash		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s)		-	-	-	-
(including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions	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**

Annexure- G

Particulars	Notes	December 31, 2017		December 31, 2016	
		USD	BDT	USD	BDT
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)

Annexure- G

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2017

Particulars	Notes	2017		2016	
		USD	BDT	USD	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**	**443,380**	**34,790,056**
Provision for loans and advances / investments		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
Total provision (D)		**-**	**-**	**-**	**-**
Total profit / (loss) before taxes (C-D)		**1,500,640**	**120,991,065**	**443,380**	**34,790,056**
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit / (loss) after taxation		**1,500,640**	**120,991,065**	**443,380**	**34,790,056**
Retained earnings brought forward from previous years		-	-	-	-
		1,500,640	**120,991,065**	**443,380**	**34,790,056**

OFF SHORE BANKING UNIT (OBU)

STATEMENT OF CASH FLOW

As at December 31, 2017

Annexure- G

Particulars	2017		2016	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest receipts in cash	4,718,648	380,447,095	1,184,771	92,963,786
Interest payments	(3,334,840)	(268,875,783)	(748,617)	(58,740,695)
Fees and commission receipts in cash	250	20,157	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	154,150	12,428,544	65,780	5,161,467
Payments for other operating activities	(37,568)	(3,028,949)	(58,554)	(4,594,503)
Cash generated from operating activities before changes in operating assets and liabilities	**1,500,640**	**120,991,065**	**443,380**	**34,790,056**
Increase / (decrease) in operating assets and liabilities				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(71,986,747)	(6,112,077,806)	(23,329,523)	(1,839,398,017)
Other assets	(216,525)	(17,906,592)	-	-
Deposits from other banks	-	-	-	-
Deposits from customers	-	-	-	-
Other liabilities	1,838,738	150,830,316	179,355	14,201,149
	(70,364,533)	**(5,979,154,083)**	**(23,150,168)**	**(1,825,196,868)**
Net cash from operating activities	**(68,863,893)**	**(5,858,163,018)**	**(22,706,788)**	**(1,790,406,812)**
B) Cash flows from investing activities				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash used in investing activities	**-**	**-**	**-**	**-**
C) Cash flows from financing activities				
Borrowing from banks, financial institution and agents	78,650,145	6,663,377,912	23,575,266	1,858,700,845
Net profit transferred to main operation	(1,500,640)	(120,991,065)	(443,380)	(34,790,056)
Net Cash from financing activities	**77,149,505**	**6,542,386,847**	**23,131,886**	**1,823,910,789**
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	8,285,612	684,223,829	425,098	33,503,977
E) Effects of exchange rate changes on cash and cash equivalents	-	3,006,974	-	(32,057)
F) Cash and cash equivalents at beginning of the year	502,953	39,583,506	77,855	6,111,586
G) Cash and cash equivalents at end of the year (D+E+F)	**8,788,565**	**726,814,309**	**502,953**	**39,583,506**
Cash and cash equivalents at end of the year				
Cash in hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent bank (s)	-	-	-	-
(including foreign currencies)	-	-	-	-
Balance with other banks and financial institutions	8,788,565	726,814,309	502,953	39,583,506
	8,788,565	**726,814,309**	**502,953**	**39,583,506**

OFF SHORE BANKING UNIT (OBU)

LIQUIDITY STATEMENT

As at December 31, 2017

Annexure- G

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	-	-	-	-	-	-
Balance with Other Banks and Financial Institutions	726,814,309	-	-	-	-	726,814,309
Money at Call & Short Notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	9,237,760,086	-	-	9,237,760,086
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	-	17,906,592	-	-	-	17,906,592
Non-banking Assets	-	-	-	-	-	-
Total Assets	**726,814,309**	**17,906,592**	**9,237,760,086**	**-**	**-**	**9,982,480,987**
LIABILITIES :						
Borrowing from Other Banks, Financial Institutions & Agents	-	386,179,063	9,407,548,307	-	-	9,793,727,370
Deposit and Other Account	-	-	-	-	-	-
Provision & Other Liabilities	188,753,617	-	-	-	-	188,753,617
Total Liabilites	**188,753,617**	**386,179,063**	**9,407,548,307**	**-**	**-**	**9,982,480,987**
Net Liquidity	**538,060,692**	**(368,272,471)**	**(169,788,222)**	**-**	**-**	**-**

AMARSTOCK

OFF SHORE BANKING UNIT (OBU)

Annexure-G

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2017

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and judgements

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

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

2.3 Foreign currency transaction

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

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

2.4 Reporting period

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

AMARSTOCK

Annexure-G

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	-	-
		109,263,652	**9,036,104,020**	**37,557,625**	**2,955,867,717**
	ii) Bills purchased and discounted				
	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	653,690,963
	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	2,295,503	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**

Annexure-G

		2017		2016	
		USD	BDT	USD	BDT
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		7,978,954	627,961,233
	Barishal Division	-	566,823,862 -	-	-
		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**

Annexure-G

		2017		2016	
		USD	BDT	USD	BDT
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	-	-
		250	**20,157**	**-**	**-**
12	**Other Income**				
	Rebate & Others	154,150	12,428,544	65,780	5,161,467
		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**

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KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

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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 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 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 (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 auditor's 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 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 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.

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Branch Office:
Sabbir Chamber (3rd Floor),
60, Agrabad C/A, Chittagong.
Telephone: 2520056,

In Practice since 1968

MTB SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

Particulars		Notes	Amount in BDT	
			Dec 31, 2017	Dec 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 the same date

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMARSTOCK

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 the same date

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

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**

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

AMARSTOCK

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
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

AMARSTOCK

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
		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**

		Amount in BDT	
		December 31, 2017	December 31, 2016
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

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 includes principal amount and accrued interest on margin loan during the year 2017.

Opening Balance	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.

			Amount in BDT	
			December 31, 2017	December 31, 2016
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	0002-0320001438	150,611	99,633
	Mutual Trust Bank Ltd	0002-0320001081	440,803	297,421,068
	Mutual Trust Bank Ltd	0087-0320000296	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	1090358680041	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.

		Amount in BDT	
		December 31, 2017	December 31, 2016

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 expenses (Note: 33)	-	52,528,830
	-	**52,528,830**

17.00 Deferred Tax Liability

Deferred tax is calculated on the difference between tax base of asset & liability and carrying amount of asset & liability on the financial statement as per IAS 12 (Income Taxes).

Opening Balance	4,100,994	-
Deferred tax expenses during the year (Note: 33)	413,316	4,100,994
	4,514,310	**4,100,994**

18.00 Provision for margin loan

Opening balance	393,381,209	327,732,179
Addition during the year (Note: 31)	145,000,000	66,000,000
Adjustment during the year	(257,461,122)	(350,970)
	280,920,087	**393,381,209**

This provision is made as per BSEC guideline and to reduce the risk of investment .

AMARSTOCK

		Amount in BDT	
		December 31, 2017	December 31, 2016
19.00	**Provision for investment in securities**		
	Opening balance	12,000,000	12,000,000
	Addition during the year (Note: 32)	5,000,000	-
		17,000,000	**12,000,000**
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
20.00	**Investment Suspense Account**		
	Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
		28,860,424	**28,860,424**
21.00	**Property, plant & equipment**		
	Cost:		
	Furniture	1,752,235	1,654,855
	Office equipment	29,513,906	30,246,662
	Fixture & fittings	45,838,105	59,495,343
	Premises	46,365,000	46,365,000
	Total cost value of the asset	**123,469,246**	**137,761,860**
	Accumulated depreciation	47,686,999	48,051,720
	Total carrying amount	**75,782,247**	**89,710,140**
	The detail has shown in Annexure - A.		
22.00	**Brokerage commission**		
	This amount is charged on daily turnover during the year as per rate decided by the management of the company.		
23.00	**Interest Income**		
	Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank .		
	Interest on margin loan	115,086,509	103,614,296
	Interest on bank deposit with MTB	10,031,124	6,326,558
	Interest on bank deposit with other Bank	1,735,464	7,508
		126,853,097	**109,948,362**
24.00	**Income From Investment**		
	Gain/ (loss) on sale of securities	38,729,551	22,848,496
	Dividend Income	12,660,600	7,215,106
		51,390,151	**30,063,602**
25.00	**Margin account maintenance**		
	It represents service charges on margin account, which were received from the customer during the year.		
26.00	**Depository participant**		
	This amount represents BO maintenance, demate charge and CDS charges. The detail is as follows:		
	BO maintenance fee	9,962,200	10,081,000
	Dematerialization charge	12,884	4,871
	CDS charge	602,996	788,009
		10,578,080	**10,873,880**
27.00	**CDBL charge**		
	This amount represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.		

AMARSTOCK

		Amount in BDT	
		December 31, 2017	December 31, 2016
28.00	**Other income**		
	Other income represents Cheque return charge & IPO application fee charged on the customer.		
	Other Income	495,902	355,770
		495,902	**355,770**
29.00	**Office & administrative expenses**		
	Salary & Allowances	74,454,836	71,895,379
	Office rent	26,993,115	29,914,802
	Insurance expenses	341,962	299,463
	Postage, telephone & telegraph	137,236	101,448
	Table/Petty stationary	581,451	404,536
	Computer stationary	404,704	327,379
	Advertisement -Company's Own	339,278	138,653
	Directors' fees	823,400	692,683
	Audit fee	57,500	57,500
	Depreciation	7,323,979	9,273,484
	Repair & Maintenance	471,629	408,500
	Maintenance of office premises	562,053	344,655
	Car expenses	2,230,951	871,870
	Securities service	2,831,844	3,442,600
	Office cleaning	2,323,676	2,373,880
	Utility bill	10,751,004	9,893,236
	Conveyance	235,485	190,968
	Entertainment -Refreshment/Party Diner	1,782,454	1,329,361
	Periodical, Magazine, News paper	54,154	50,135
	Bank charge	204,773	-
	Training expenses	268,920	254,688
	Traveling expenses	124,027	39,246
	Software maintenance	277,650	100,000
	Business Development Expenses	306,882	650,817
	Registration charge fees & renewal	1,121,798	1,572,923
	Loss on sale of fixed asset	2,164,562	86,288
		137,169,323	**134,714,494**
30.00	**Financial expenses**		
	Financial expenses represent interest expense on Loan from Mutual trust Bank (MTB)		
31.00	**Provision for margin loan made during the year**		
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
	Provision for margin loan	145,000,000	66,000,000
		145,000,000	**66,000,000**
32.00	**Provision for investment in securities made during the year**		
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
	Provision for investment in securities	5,000,000	-
		5,000,000	**-**

		Amount in BDT	
		December 31, 2017	December 31, 2016
33.00	**Income tax expenses made during the year**		
	Current tax expenses *	-	52,528,830
	Deferred tax expenses during the year	413,316	4,100,994
		413,316	**56,629,824**

The details of deferred tax has shown in Annexure - B.

*Provision for current tax expenses has been calculated considering margin loan written off amount of Tk. 257,461,122 which is admissible expenses as per income tax regulation {Section 29 (xvi)}. So, no current tax expenses recognized during this year.

34.00	**Earnings Per Share (EPS)**		
	Net profit after tax	25,744,252	45,835,130
	Number of ordinary shares outstanding	325,000,000	325,000,000
	Earnings Per Share (EPS)	**0.08**	**0.14**

35.00 Related party transactions

Name of the party	Nature of transactions	BDT
Mutual Trust Bank Limited	Loan from MTB	200,000,000

36.00 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 67 persons.

AMARSTOCK

MTB SECURITIES LIMITED
FIXED ASSET SCHEDULE
As at December 31, 2017

Annexure-A

Amount in BDT

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the year	Disposal during the year	Balance as on 31.12.2017		Balance as on 01.01.2017	Charge for the year	Disposal for the year	Balanc as on 31.12.2017	
Furniture	1,654,855	235,716	138,336	1,752,235	10%	574,007	112,142	87,423	598,726	1,153,509
Fixture & fittings	59,495,343	140,000	13,797,238	45,838,105	10%	19,075,097	3,342,574	6,341,555	16,076,116	29,761,989
Office equipment	30,246,662	912,521	1,645,277	29,513,906	20%	20,050,486	1,968,619	1,259,722	20,759,383	8,754,523
Premises	46,365,000	-	-	46,365,000	5%	8,352,130	1,900,644	-	10,252,774	36,112,226
Balance as on December 31, 2017	**137,761,860**	**1,288,237**	**15,580,851**	**123,469,246**		**48,051,720**	**7,323,979**	**7,688,700**	**47,686,999**	**75,782,247**
Balance as on December 31, 2016	**143,172,990**	**2,304,760**	**7,715,890**	**137,761,860**		**41,522,053**	**9,273,484**	**2,743,817**	**48,051,720**	**89,710,140**

ALAMY STOCK

MTB SECURITIES LIMITED

CALCULATION OF DEFERRED TAX

For the period from January 01, 2017 to December 31, 2017

Annexure-B

	Amount in BDT	
	December 31, 2017	December 31, 2016
Deferred Tax Liabilities		
Taxable Temporary Difference:		
Carrying Value of Depreciable Fixed Assets	75,782,247	89,710,140
TAX Base Value	(62,884,216)	(77,993,013)
Taxable Temporary Difference	**12,898,031**	**11,717,127**
Net Taxable temporary differences	**12,898,031**	**11,717,127**
Applicable TAX Rate	**35.00%**	**35.00%**
Deferred TAX (Assets)/Liabilities	**4,514,311**	**4,100,994**
Deferred Tax Expenses is arrived at as follows:		
Closing Deferred TAX Liabilities	4,514,311	4,100,994
Opening Deferred TAX Assets	(4,100,994)	-
Deferred Tax (Income)/Expenses for the Year	**413,316**	**4,100,994**

AMARSTOCK

MTB SECURITIES LIMITED

STATEMENT OF INVESTMENT IN SECURITIES

As at December 31, 2017

Annexure-C

Amount in BDT

Name of the Company	Quantity	Cost Value	Market Value
Aamra technologies	97,500	3,791,775	3,246,750
ALLTEX	280,000	5,854,800	3,304,000
Aman Feed Limited	3,500	254,625	222,600
Apex Tannery Ltd	23,182	3,628,678	3,444,845
APEXFOODS	30,000	4,610,700	4,236,000
ARAMITCEM	30,000	1,000,500	909,000
Asia Pacific Ins. Co	40,000	2,962,800	1,008,000
BD Submarine Cable	240,000	29,652,000	24,744,000
BSRM Steel Limited	51,393	4,563,184	4,034,351
Central Pharma Ltd	1,320,000	36,709,200	24,684,000
First Finance Ltd.	100,000	2,004,000	1,160,000
GBB Power Limited	382,200	8,993,166	7,185,360
Heidelberg Cement	28,001	13,662,248	11,897,625
Marico Bangladesh	2,610	3,144,946	2,886,921
Meghna Cement	200,000	24,646,000	20,340,000
Meghna Petroleum Ltd.	400,000	86,276,000	75,560,000
MJL Bangladesh Ltd.	144,000	17,781,120	15,710,400
Nahee Aluminium CPL	1,141	9,505	83,749
Nurani Dyeing & Sweater Limited	1,516	-	28,349
Orion Pharma Limited	200,000	10,530,000	9,740,000
Padma Oil Co. Ltd	100,000	27,357,000	23,900,000
Pragati Life Ins.	81,900	10,924,641	9,303,840
Pubali Bank Ltd.	90,720	3,677,789	2,757,888
Quasem Drycells Ltd.	108,500	8,826,475	8,408,750
R. N. Spinning Mills	146,400	2,996,808	2,415,600
Shepherd Industries Limited	565	-	16,103
Summit Alliance Port	71,000	3,437,820	2,435,300
Tallu Spinning Mills	300,000	9,132,000	2,910,000
Titas Gas T&D Co. Ltd.	290,000	15,889,100	12,818,000
Western Marine	280,000	10,108,000	8,204,000
Total		**352,424,880**	**287,595,431**

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KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

Partners:
S.M. Shafique FCA
Md. Abu Sina FCA
Md. Anisur Rahman FCA
Faruk Ahmed ACA
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MTB CAPITAL LIMTTED
AUDITOR'S 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 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 (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.

Auditor's 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 auditor's 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 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 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.

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Branch Office:
Sabbir Chamber (3rd Floor),
60, Agrabad C/A, Chittagong.
Telephone: 2520056,

In Practice since 1968

MTB CAPITAL LIMITED
STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

Amount in BDT

Particulars	Notes	2017	2016
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 form an integral part of these financial statements.

M.A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Khairul Basher A.T. Mohammed
Chief Executive Officer

Signed as per our annexed report of the same date

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMARSTOCK

MTB CAPITAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2017

Amount in BDT

Particulars	Notes	2017	2016
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 form an integral part of these financial statements.

M.A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Khairul Basher A.T. Mohammed
Chief Executive Officer

Signed as per our annexed report of the same date

February 04, 2018
Dhaka

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

MTB CAPITAL LIMITED
STATEMENT OF CASH FLOWS
For the year ended December 31, 2017

Amount in BDT

Particulars	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**

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

M.A. Rouf, JP
Chairman

Anis A. Khan
Vice Chairman

Khairul Basher A.T. Mohammed
Chief Executive Officer

MTB CAPITAL 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 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 A.T. 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.

		Amount in BDT	
		2017	2016
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**

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		Amount in BDT	
		2017	2016
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 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**

		Amount in BDT	
		2017	2016
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**

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		Amount in BDT	
		2017	2016
21.00	**Income from investment**		
	Dividend income	4,155,312	4,745,592
	Capital gain on sale of securities	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 Limited	500,000	-
	Unique Infoway Limited	500,000	-
	Oimex Electrode Limited	2,000,000	-
		3,500,000	**4,675,000**
24.00	**Settlement fee & documentation 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

		Amount in BDT	
		2017	2016
	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.

MTB CAPITAL LIMITED

SCHEDULE OF FIXED ASSETS

As at December 31, 2017

Annexure - A

Amount in BDT

Category of Assets	Cost			Rate (%)	Depreciation			Written down value
	Opening balance	Addition during the year	Total		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 2017	**12,529,577**	**50,808**	**12,580,385**		**5,953,968**	**955,615**	**6,909,583**	**5,670,802**
Total 2016	**12,381,327**	**148,250**	**12,529,577**		**4,829,488**	**1,124,480**	**5,953,968**	**6,575,609**

STAR STOCK

MTB CAPITAL LTD.

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)**

MY STOCK

MTB EXCHANGE (UK) LIMITED
DIRECTORS' REPORT
For The Year Ended December 31, 2017

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

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MTB EXCHANGE (UK) LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENTS OF MTB EXCHANGE (UK) LTD, FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 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. For this reason we have not 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

AMARSTOCK

MTB EXCHANGE (UK) LIMITED
PROFIT AND LOSS ACCOUNT
For the Year Ended December 31, 2017

Particulars	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)

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MTB EXCHANGE (UK) LIMITED
BALANCE SHEET
As at December 31, 2017

Particulars	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 December 31, 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

AMARSTOCK

MTB EXCHANGE (UK) LIMITED
NOTES TO THE ACCOUNTS
For the year ended December 31, 2017

1. ACCOUNTING POLICIES

1a. Basis of Accounting

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance 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	-

		Plant and Machinery £	Fixtures and Fittings £	TOTAL £
6.	**TANGIBLE FIXED ASSETS**			
	Cost			
	At January 1, 2017	14,100	56,723	70,823
	Additions	105	52	157
	At December 31, 2017	**14,205**	**56,775**	**70,980**
	Depreciation			
	At January 1, 2017	10,057	36,622	46,679
	For the year	830	4,030	4,860
	At December 31, 2017	**10,887**	**40,652**	**51,539**
	Net Book Amounts			
	At December 31, 2017	3,318	16,123	19,441
	At December 31, 2016	4,043	20,101	24,144

7.	**DEBTORS**		
	Amounts falling due within one year		
	Other debtors	667	-
		667	-
	Amounts falling due over more than one year		
	Long term debtor	8,750	8,750
		8,750	8,750
		9,417	**8,750**
8.	**CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**		
	UK corporation tax	754	-
	Payable to MTB	338,580	324,510
	Payable to BRAC Saajan	5810	-
	Pension schemes	25	-
	Accruals	750	3,150
		345,919	**327,660**
9.	**SHARE CAPITAL**		
	Allotted, issued and fully paid:		
	230000 Ordinary shares of £ 1 each	230,000	230,000
		230,000	**230,000**
10.	**PROFIT AND LOSS RESERVE**		
	Opening balance	(501,903)	(475,674)
	Profit/ (Loss) for the year	4,167	(26,229)
		(497,736)	**(501,903)**
11.	**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**		
	Opening shareholders' funds	(271,903)	(245,674)
	Profit/(Loss) for the year	4,167	(26,229)
	Closing shareholders' funds	**(267,736)**	**(271,903)**

10. CONTROLLING PARTY

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

FAMAR STOCK

STANDARD DISCLOSURE INDEX

The table given below provides a cross reference to the standard disclosures to the key section of the Annual Report-2017:

Items		Page No.
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AMARSTOCK

ABBREVIATIONS

ABB	Association of Bankers, Bangladesh
AC	Audit Committee
ADC	Alternative Delivery Channel
AD	Authorized Dealer
AGM	Annual General Meeting
ALCO	Asset Liability Committee
ALS	Assured Liquidity Support
AmCham	American Chamber of Commerce in Bangladesh
ATM	Automated Teller Machine
BAB	Bangladesh Association of Banks
BACH	Bangladesh Automated Clearing House
BAFEDA	Bangladesh Foreign Exchange Dealer Association
BAPLC	Bangladesh Association of Publicly Listed Companies
BAS	Bangladesh Accounting Standard
BB	Bangladesh Bank (Central Bank of Bangladesh)
BFRS	Bangladesh Financial Reporting Standard
BIBM	Bangladesh Institute of Bank Management
BOD	Banking Operation Division
BRMC	Board Risk Management Committee
BRPD	Banking Regulation and Policy Department
CAD	Credit Administration Department
CAGR	Compound Average Growth Rate
CAR	Capital Adequacy Ratio
CBS	Core Banking System
CCU	Central Compliance Unit
CDBL	Central Depository Bangladesh Limited
CDCS	Certified Documentary Credit Specialist
CHO	Corporate Head Office
CIB	Credit Information Bureau
CMU	Cash Management Unit
CP	Commercial Paper
CRAR	Capital to Risk Weighted Asset Ratio
CRGM	Credit Risk Grading Matrix
CRISL	Credit Rating Information and Services Ltd.
CRMD	Credit Risk Management Division
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility

AMARSTOCK

DCCI	Dhaka Chamber of Commerce & Industry
DEPZ	Dhaka Export Processing Zone
DR	Disaster Recovery
DSE	Dhaka Stock Exchange Limited
EC	Executive Committee
EFT	Electronic Fund Transfer
EMI	Equal Monthly Installment
EPZ	Export Processing Zone
ETP	Effluent Treatment Plant
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FD	Fixed Deposit
FTP	Fund Transfer Pricing
GDP	Gross Domestic Product
GOB	Government of Bangladesh
GRI	Global Reporting Initiative
HFT	Held for Trading
HRD	Human Resources Division
HTM	Held to Maturity
IAS	International Accounting Standard
IBB	The Institute of Bankers, Bangladesh
ICAAP	Internal Capital Adequacy Assessment Process
ICAB	Institute of Chartered Accountants of Bangladesh
ICCB	International Chamber of Commerce Bangladesh
ICCD	Internal Control & Compliance Division
ICC	Internal Control and Compliance
ICT	Information Communication and Technology
IFC	International Finance Corporation
IPO	Initial Public Offering
ITS	Information Technology System
LC	Letter of Credit
LG	Letter of Guarantee
MANCOM	Management Committee
MCCI	Metropolitan Chamber of Commerce and Industries
MCDB	MTB Chittagong Division Branches
MCR	Minimum Capital Requirement
MD&A	Management Discussion & Analysis
MDBB	MTB Dhaka Division Branches

STOCK

MFIs	Micro Finance Institutions
MICR	Magnetic Ink Character Recognition
MID	MTB Infrastructure Division
MITS	MTB International Trade Services
MODB	MTB Other Division Branches
MTB	Mutual Trust Bank Limited
MTBCL	MTB Capital Limited
MTBSL	MTB Securities Limited
MTBUK	MTB Exchange (UK) Limited
NBFI	Non-bank Financial Institution
NCBs	Nationalized Commercial Banks
NII	Net Interest Income
NPL	Non Performing Loan (Classified Loan)
NRB	Non Resident Bangladeshi
OBU	Offshore Banking Unit
OCI	Other Comprehensive Income
PC	Purchase Committee
PCBs	Private Commercial Banks
PD	Probability of Default
PDBL	Primary Dealers Bangladesh Limited
PF	Provident Fund
POS	Point of Sale
PPG	Product Program Guidelines
PRI	Prime Risk Indicator
RBCA	Risk Based Capital Adequacy
RBIA	Risk Based Internal Audit
RFCD	Resident Foreign Currency Deposit
RMG	Ready Made Garments
ROA	Return on Assets (excluding contingent items)
ROE	Return on Equity
RWA	Risk Weighted Assets
SAFA	South Asian Federation of Accountants
SAMD	Special Asset Management Division
SFU	Structured Finance Unit
SLR	Statutory Liquidity Ratio
SME	Small and Medium Enterprise
SRP	Supervisory Review Process (Pillar II of Basel III)
TFP	Trade Finance Program
WACRG	Weighted Average Credit Risk Grade
WBD	Wholesale Banking Division

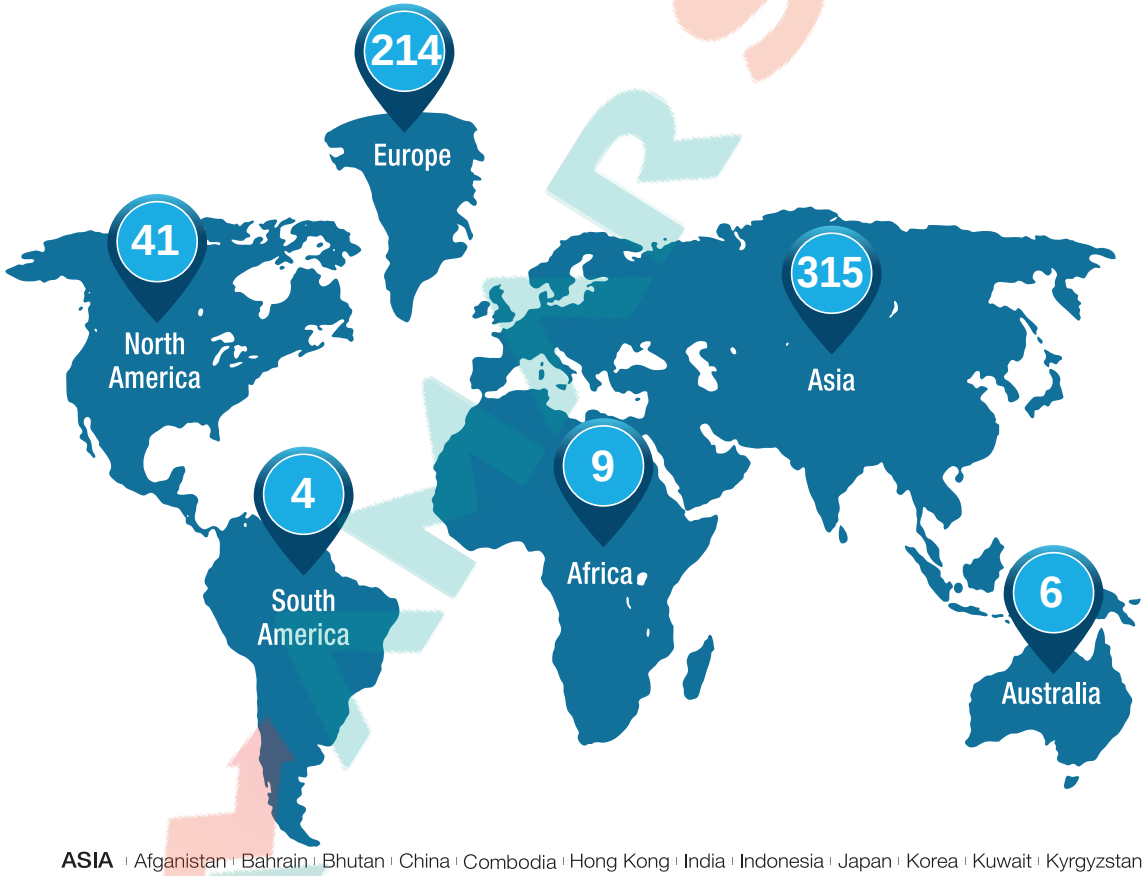
AMAR STOCK

CORRESPONDENT BANKING

Although the direct impact of "de-risking" on the respondent banks has now been rebounded, its indirect impact has continued to pop-up now and then. Trade service operations often require non-binding action of foreign banks as 2nd advising bank, nominated bank, transferring bank, etc. under documentary credit process and to act as collecting bank and presenting bank under documentary collection process. Sometimes, foreign banks without having correspondent banking relationship are reluctant to act in the above supportive roles in various phases of trade operations. This intermittent impediment, on the plea of internal policy, hinders smooth trade operations.

Like any other respondent banks in Bangladesh, MTB also experienced withdrawal of correspondent banking relationships throughout the year in 2017 and it is expected to continue in 2018 as well. MTB, in response to such acts of foreign banks, has taken a strategic initiative to establish and manage relationships with all possible local and regional banks with the support of Relationship Management Application (RMA) in order to ensure smooth trade service operations. The decision taken in early 2017 has helped us to maintain strong correspondent banking relationships with different renowned local, regional and global banks across the globe.

Currently, our SWIFT Relationship Management Application (RMA) network has 589 renowned banks, out of which 54 are local and 535 are foreign. We also maintain 37 NOSTRO accounts with different correspondent banks abroad in US Dollar (USD), British Pound (GBP), Euro (Eur), Japanese Yen (JPY), Swiss franc (CHF), Singapore Dollar (SGD) and Asian Clearing Union (ACU) Dollar and Euro.



ASIA | Afganistan | Bahrain | Bhutan | China | Combodia | Hong Kong | India | Indonesia | Japan | Korea | Kuwait | Kyrgyzstan | Lebanon | Malaysia | Macau | Nepal | Oman | Pakistan | Philippines | Qatar | Saudi Arabia | Singapore | Sri Lanka | Taiwan | Thailand | United Arab Emirates | Uzbekistan | Vietnam | Jordan

EUROPE | Austria | Belgium | Belarus | Bulgaria | Czech Republic | Denmark | Estonia | France | Finland | Germany | Greece | Hungary | Iceland | Ireland | Italy | Latvia | Liechtenstein | Lithunia | Luxembourg | Norway | Netherland | Poland | Portugal | Russian Federation | San Marino | Spain | Slovakia | Switzerland | Sweden | Turkey | Turkmenistan | United Kingdom | Ukraine

AFRICA | Egypt | Mauritius | South Africa | Tunisia

NORTH AMERICA | Cayman Islands | Canada | Dominica | Mexico | United States of America | Panama

SOUTH AMERICA | Argentina | Brazil

AUSTRALIA | Australia | New Zealand

MTB BRANCH NETWORK

MTB DHAKA DIVISION BRANCHES

Principal Branch (AD BR.)
WW Tower, 68, Motijheel C/A, Dhaka
+88(02)47113237-38, 47119964, 47122049, 47122849
Fax : 880-2-47110930
Email : principal.br@mutualtrustbank.com

Panthapath Branch (AD BR.)
Chandrashila Suvastu Tower
69/1 Panthapath, Dhaka
Phone : 9641027, 9641281
IP Phone : 8030 (used for Positive Pay)
Fax : 880-2-8624687
Email : panthapath.br@mutualtrustbank.com

Babu Bazar Branch (AD BR.)
Aman Court, 15 Armenian Street
Armanitola, Babu Bazar, Dhaka
Phone : 02-5731 4821-2
IP Phone : 8040 (used for Positive Pay)
Fax : 02-5731 6393
Email : bbazar.br@mutualtrustbank.com

Sonargaon Branch
Khandker Plaza, Thana Road
Mograpara, Sonargaon
Phone : 027656347
IP Phone : 8060 (used for Positive Pay)
Fax : 027656347
Email : sonargaon.br@mutualtrustbank.com

Uttara Model Town Branch (AD BR.)
House No. 41, Road No. 07
Sector 04, Uttara, Dhaka
Phone : 58954379, 8960724, 8962464 (D)
IP Phone : 8070 (used for Positive Pay)
Fax : 58957184
Email : uttara.br@mutualtrustbank.com

Progati Sarani Branch (AD BR.)
15/5, Progati Sarani, Dhaka
Phone : 8411804, 8410948, 8413082
IP Phone : 8080 (used for Positive Pay)
Fax : 8411863
Email : progati.br@mutualtrustbank.com

Sreenagar Branch
M. Rahman Complex (1st Floor)
Sreenagar Bazar, Bhaggakul Road
Sreenagar, Munshigonj
Phone : 02-7627165
IP Phone : 8100 (used for Positive Pay)
Email : sreenagar.br@mutualtrustbank.com

Pallabi Branch
14/11, Pallabi, Mirpur-12, Dhaka
Phone : 901 6273 , 805 5630
IP Phone : 8110 (used for Positive Pay)
Fax : 8055630
Email : pallabi.br@mutualtrustbank.com

Dilkusha Branch (AD BR.)
MNSN Tower, 60 Dilkusha C/A, Dhaka
Phone : 9551627 (D), 9578580-1
IP Phone : 8120 (used for Positive Pay)
Fax : 9578505
Email : dilkusha.br@mutualtrustbank.com

Dhanmondi Branch (AD BR.)
Plot # 81, Road # 8/A (New), 1st Floor,
Green Taj Center, Dhanmondi, Dhaka
Phone : 9133148 (D), 5815 5607, 58152213, 9130234
IP Phone : 8140 (used for Positive Pay)
Fax : 55000241
Email : dhanmondi.br@mutualtrustbank.com

Bashundhara City Branch
Bashundhara City Shopping Mall,
Level-3, Block-A, Panthapath, Dhaka
Phone : 9124021(Fax),9120982,9111440,
8121801, 8121732, 9136113
IP Phone : 8160 (used for Positive Pay)
Fax : 00880-2-9124021
Email : bcity.br@mutualtrustbank.com

Chandra Branch
Dewan Plaza, Chandra Polly Biddut, Kaliakoir, Gazipur
Phone : 06822-51968
IP Phone : 8170 (used for Positive Pay)
Fax : 06822-51969
Email : chandra.br@mutualtrustbank.com

Gulshan Branch (AD BR.)
120 Gulshan Avenue, Dhaka
Phone : 880 (2) 9882473
880 (2) 8837840
IP Phone : 8220 (used for Positive Pay)
Fax : 880 (2) 8832343
Email : gulshan.br@mutualtrustbank.com

Savar Branch
United Super Market,
Savar Bazar Bus Stand, Savar, Dhaka.
Phone : 7741452 (PABX)
7741453 (Direct)
IP Phone : 8250 (used for Positive Pay)
Fax : 7741453
Email : savar.br@mutualtrustbank.com

Fulbaria Branch
Annexco Tower, 8, Phonix Road, Fulbaria, Dhaka
Phone : 880 (2) 955 9842.
880 (2) 955 6285.
880 (2) 951 1708.
IP Phone : 8260 (used for Positive Pay)
Fax : 880 (2) 955 9867
Email : fulbaria.br@mutualtrustbank.com

Madaripur Branch
Howlader Harun Plaza, Main Road,
Puran Bazar, Kotwali, Madaripur
Phone : 0661-62483(Direct)
0661-62482(PABX)
IP Phone : 8270 (used for Positive Pay)
Fax : +88066162482
Email : madaripur.br@mutualtrustbank.com

Dholaikhal Branch
25, Jorpool Lane, Dholaikhal New Road,
P.S. Wari, Dhaka
Phone : Direct:9583542
PABX: 9583895
IP Phone : 8280 (used for Positive Pay)
Fax : 029581932
Email : dholaikhal.br@mutualtrustbank.com

Aganagar Branch
Babul Tower-2, Shahid Delowar Hossain Road
East Aganagar, South Keraniganj, Dhaka
Phone : 880-27762226, 880-27762227
IP Phone : 8300 (used for Positive Pay)
Fax : 880-27762227
Email : aganagar.br@mutualtrustbank.com

Narayanganj Branch
31, 31/1, Loyal Tank Road, Noor Mansion
Tanbazar, Narayanganj.
Phone : 7648209
IP Phone : 8690 (used for Positive Pay)
Fax : 7648210
Email : narayangonj.br@mutualtrustbank.com

Banani Branch
Lintoo Centre (1st floor and 2nd floor)
House- 82, Rd-11, Block-D,
Ward–19, Banani, Dhaka
Phone : 988-3831(PABX);988-3861(Direct)
IP Phone : 8340 (used for Positive Pay)
Fax : 988-3861
Email : banani.br@mutualtrustbank.com

Tongi Branch
United Shopping Complex (1st floor)
Hossain Market, Tongi, Gazipur
Phone : 9816250, 9816251
IP Phone : 8370 (used for Positive Pay)
Fax : 9816251
Email : tongi.br@mutualtrustbank.com

Elephant Road Branch
235/5, Elephant Road, Dhaka-1205
Phone : 9611596 (Manager)
9611597 (Hunting)
IP Phone : 8380 (used for Positive Pay)
Fax : 9611595
Email : elephantroad.br@mutualtrustbank.com

Dania Branch
Dhaka Shopping Complex
852- Zia Shorani, Shanir Akhra, Dhaka
Phone : 02-7551169, 02-7551195
IP Phone : 8400 (used for Positive Pay)
Fax : + 880-02-7551203
Email : dania.br@mutualtrustbank.com

Mohammadpur Branch
80/C Asad Avenue, Mohammadpur, Dhaka
Phone : 9128494 (Direct)
9127887 (PABX)
IP Phone : 8430 (used for Positive Pay)
Fax : 8158682 (Fax)
Email : mohammadpur.br@mutualtrustbank.com

MTB Centre Corporate Branch
MTB Centre, 26 Gulshan Avenue
Gulshan 1, Dhaka
Phone : 880 2 881 8453, 8821472
IP Phone : 8460 (used for Positive Pay)
Fax : 880 2 881 8452
Email : mtbcentre.br@mutualtrustbank.com

Chawk Moghaltuli Branch
House 93, Ward 05
Chawk Moghaltuli, Lalbag
Phone : 02-57318437, 02-57318698, 02-57319637
IP Phone : 8480 (used for Positive Pay)
Fax : 57319637
Email : chowkm.br@mutualtrustbank.com

Gazipur Branch
Ahsania Complex, (1st floor)
Vogra Eastern Bypass, Gazipur
Phone : 9293305, 9293345
IP Phone : 8500 (used for Positive Pay)
Fax : 9293345
Email : gazipur.br@mutualtrustbank.com

Baridhara Branch
The Alliance Building, 63, Pragati Sarani
(Ground Floor), Shahjadpur, Gulshan, Dhaka
Phone no: 02-9848680, 02-9892826
IP Phone : 8510 (used for Positive Pay)
Fax : 02-8818667
Email : baridhara.br@mutualtrustbank.com

Mymensingh Branch
23-24 Ananda Mohan Avenue
Bara Bazar, Mymensingh
Phone : 091-63909, 091-63944 & 091-63945
IP Phone : 8540 (used for Positive Pay)
Fax : 091-63908
Email : mymensingh.br@mutualtrustbank.com

Tejgaon Branch
MTB Square, 210/A/1 Tejgaon Industrial Area
Tejgaon, Dhaka
Phone : +880(2)8817271, 8831815-6, 8831824,8831827
8831830, 8831848, 8831856, 8831858.
IP Phone : 8570 (used for Positive Pay)
Fax : +880(2)8817456
Email : tejgaon.br@mutualtrustbank.com

Bashundhara Branch
House 257, Road 1, Block B,
Bashundhara R/A, Dhaka 1229
Phone : 88(02) 8417821,8417822
IP Phone : 8610 (used for Positive Pay)
Fax : 8417823
Email : basundhara.br@mutualtrustbank.com

Shah Mokhdum Avenue Branch
House 35, Sector 12,
Shah Mokhdum Avenue, Uttara, Dhaka
Phone : 55087006 (PABX), 55085883 (Dir)
Mobile: 01990602638
IP Phone : 8620 (used for Positive Pay)
Email : smokhdum.br@mutualtrustbank.com

Kapasia Branch
ThanarMor, Kapasia, Gazipur
Phone : +8802-9209222
IP Phone : 8640 (used for Positive Pay)
Fax : 06824-52223
Email : kapasia.br@mutualtrustbank.com

MTB Meghna Branch
Fresh Sales Center(1st Floor)
Meghna Industrial Park
Sonargaon, Narayanganj
Phone : 04478526268
IP Phone : 8650 (used for Positive Pay)
Email : meghna.br@mutualtrustbank.com

Kamrangirchar Branch
Pannu Plaza, Rasulpur Main Road
Sultangonj, Ashrafabad, Kamrangirchar, Dhaka
Phone : 02-55160215; 02-55160216
IP Phone : 8670 (used for Positive Pay)
Fax : 02-55160217
Email : kamrangirchar.br@mutualtrustbank.com

Kakrail Branch
Iris Noorjehan, 104 Kakrail Road, Kakrail, Dhaka
Phone : 8300172, 8300173
IP Phone : 8680 (used for Positive Pay)
Fax : 8300171
Email : kakrail.br@mutualtrustbank.com

Narayanganj BSCIC Branch
A. Rahman Plaza, Sasangaon, BSCIC Gate
Enayet Nagar, Fatullah, Narayanganj
Phone : 02-47671062, 02-47671063
IP Phone : 8320 (used for Positive Pay)
Fax : 02-47671061
Email : nbscic.br@mutualtrustbank.com

Mirpur Branch
Fahad Plaza, Plot No-1, Road No-1
Section-10, Kafrul, Mirpur, Dhaka
IP Phone : 8740 (used for Positive Pay)
Email : mirpur.br@mutualtrustbank.com

Jamirdia Masterbari Branch
Abdur Rashid Plaza, Jamirdia Masterbari
Habirbari, Bhaluka, Mymensingh
Phone : 01755-558265
IP Phone : 8760 (used for Positive Pay)
Email : jamirdia.br@mutualtrustbank.com

Ashulia Branch
Rajobi Plaza, Jamgora, Yearpur, Ashulia, Dhaka
Phone : +8801777755507
IP Phone : 8780 (used for Positive Pay)
Email : ashulia.br@mutualtrustbank.com

Monipur Bazar Branch
Sikder Market, Monipur Bazar,
Nuhash Palli Road, Gazipur Sadar, Gazipur
IP Phone : 8790 (used for Positive Pay)
Email : monipurbazar.br@mutualtrustbank.com

Tangail Branch
Noor Tower, 311/ 312 Boro Masjid Road, Tangail
Phone : 0921-91536
IP Phone : 8800 (used for Positive Pay)
Email : tangail.br@mutualtrustbank.com

Dumni Branch
Top Super Market, 12 Ananda Bazar
Dumni, Khilkhet, Dhaka
IP Phone : 8820 (used for Positive Pay)
Email : dumni.br@mutualtrustbank.com

Baraipara Branch
K. D. Super Market, Baraipara Bazar
Shimulia, Ashulia, Dhaka
Phone : 01703788618 (Branch)
IP Phone : 8830 (used for Positive Pay)
Email : baraipara.br@mutualtrustbank.com

MTB Tower Branch
MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka
IP Phone : 8870 (used for Positive Pay)
Email : mtbtower.br@mutualtrustbank.com

Bormi Branch
Khan Plaza, Bormi Bazar,
Sreepur, Gazipur
IP Phone : 8880 (used for Positive Pay)
Email : bormi.br@mutualtrustbank.com

Bagher Bazar Branch
Borobari Super Market
Bagher Bazar, Gazipur
Phone : +880 1730080560
IP Phone : 8890 (used for Positive Pay)
Email : babazar.br@mutualtrustbank.com

Madhabdi Branch
M. B. Tower, 256 Parkashipur
Madhabdi, Narsingdi 1604
IP Phone : 8920 (used for Positive Pay)
Email : madhabdi.br@mutualtrustbank.com

Noria SME/Agri Branch
Noor Tower, 1st floor,
Noria, Shariyatpur
Phone : +88-06-0159129,
IP Phone : 5040 (used for Positive Pay)
Fax : 0601-59129
Email : naria.br@mutualtrustbank.com

KaliganjSME/Agri Branch
Azad Market (2nd floor)
Kaligonj Bazar, Kaligonj, Gazipur
Phone : 06823-52194
IP Phone : 5050 (used for Positive Pay)
Fax : 06823-52193
Email : kaliganj.br@mutualtrustbank.com

Gaffargaon SME/Agri Branch
Ashraf Market (1st floor)
Gaffargaon Sadar, Gaffargaon, Mymensingh
Phone : 01749969699
IP Phone : 5070 (used for Positive Pay)
Fax : 09025-56425
Email : gaforgaon.br@mutualtrustbank.com

Dhanbari SME/ Agri Branch
Dhanbari New Market
Dhanbari, Tangail
Phone : 092169125
IP Phone : 5110 (used for Positive Pay)
Email : dhanbari.br@mutualtrustbank.com

Hasnabad SME/Agri Branch
Mofiz Uddin Mansion, Block D, Container Port Road
Hasnabad Housing, South Keraniganj, Dhaka
Phone : 7763908 PABX
IP Phone : 5120 (used for Positive Pay)
Fax : 880-2- 7763984
Email : hasnabad.br@mutualtrustbank.com

Sarulia Bazar SME/Agri Branch
Ismail Mansion, Sarulia Bazar, Demra, Dhaka
Phone : +088 (02) 7500 804, +088 (02) 7500 859
IP Phone : 5140 (used for Positive Pay)
Fax : +088 (02) 7500 583
Email : sarulia.br@mutualtrustbank.com

Malibagh Chowdhurypara Branch
KBG Tower, 15 DIT Road
Malibagh Chowdhurypara, Dhaka
IP Phone : 8940 (used for Positive Pay)
Email : malibagh.br@mutualtrustbank.com

Faridpur Branch
Moni Bhaban, Mujib Sarak, Faridpur
IP Phone : 8950 (used for Positive Pay)
Email : faridpur.br@mutualtrustbank.com

Hemayetpur Branch
Lalon Tower & Shopping Complex
Tatuljhora, Hemayetpur, Savar, Dhaka
IP Phone : 8970 (used for Positive Pay)
Email : hemayetpur.br@mutualtrustbank.com

MTB CHITTAGONG DIVISION

Agrabad Branch (AD BR.)
Akhtaruzzaman Centre, 21-22,
Agrabad C/A, Chittagong
Phone : PABX: +880312524269, +880312510754,
Credit : +88031716487 (D), GB : +880312527715 (D)
Forex : +880312516682 D)
IP Phone : 8050 (used for Positive Pay)
Fax : +88031-721 091
Email : agrabad.br@mutualtrustbank.com

CDA Avenue Branch
1005/2/1872, CDA Avenue,
East Nasirabad, Chittagong
Phone : 031-656810, 656811, 656813
IP Phone : 8090 (used for Positive Pay)
Fax : 031-656814
Email : cda.br@mutualtrustbank.com

Khatungonj Branch (AD BR.)
325, Asadganj, Asadganj Road,
Crown Chamber, Chittagong
Phone : 031-612254, 031-626966, 031-2867959
IP Phone : 8130 (used for Positive Pay)
Fax : 031-2860718
Email : khatunganj.br@mutualtrustbank.com

Aman Bazar Branch
Kamal Khan Plaza, Chikondandy,
Hathazari, Chittagong
Phone : 031-681022, 031-2584330,
031-2584331 (D), 01819820185
IP Phone : 8150 (used for Positive Pay)
Fax : 031-2580308
Email : amanbazar.br@mutualtrustbank.com

Jubilee Road Branch (AD BR.)
Amafhha Centre, 214 Jubilee Road, Chittagong
Phone : +880 (31) 624922, +880 (31) 627533
IP Phone : 8180 (used for Positive Pay)
Fax : +880 (31) 623463
Email : jubilee.br@mutualtrustbank.com

Nazirhat Branch
M.M. Plaza, Nazirhat Bazar
Fatikchari, Chittagong
Phone : 01713 403675
IP Phone : 8190 (used for Positive Pay)
Email : nazirhat.br@mutualtrustbank.com

Chokoria Branch
Shah Amanat Shopping Complex (1st Floor)
Chiringa, Chakoria, Cox's Bazar
Phone : 03422-56502
IP Phone : 8200 (used for Positive Pay)
Email : chokoria.br@mutualtrustbank.com

Raipur Branch
Gazi Complex (2nd Floor), Thana: Raipur, Dist: Laxmipur
Phone : 0382256495
0382256493
IP Phone : 8290 (used for Positive Pay)
Fax : 03822-56493
Email : raipur.br@mutualtrustbank.com

Feni Branch
Rabi Shopping Complex
10-11, Trunk Road
Feni Sadar, Feni
Phone : 033161986,033161984
IP Phone : 8390 (used for Positive Pay)
Email : feni.br@mutualtrustbank.com

Alankar Mor Branch
D.T. Road, Abdul Ali Hat, AlankarMor
North Pahartali, Chittagong
Phone : 880-031-2772617 Direct-Manager,
880-031-2772619,2772620,2772621
IP Phone : 8450 (used for Positive Pay)
Fax : 880-031-2772618
Email : alankar.br@mutualtrustbank.com

Cox's Bazar Branch
Green Valley Business Centre
1, Main Road, Cox's Bazar
Phone : PABX: +88 0341 52259-60,52262
Direct: +88 0341 52257
IP Phone : 8470 (used for Positive Pay)
Fax : FAX:+88 0341 52258
Email : coxsbazar.br@mutualtrustbank.com

Oxygen Mor Branch
Plasma Hospital Building,
3692/E Oxygen Mor, Bayazid Bostami, Chittagong
Phone : 031-2583957, 2584315
IP Phone : 8530 (used for Positive Pay)
Fax : 031-2583958
Email : oxygen.br@mutualtrustbank.com

Kerani Hat Branch
Hoque Tower Shopping Complex & Apartments
(1st Floor), Kerani Hat, Satkania, Chittagong
Phone : 03036-56670 (Manager), 03036-56669 (PABX)
IP Phone : 8560 (used for Positive Pay)
Fax : 03036-56672
Email : keranihat.br@mutualtrustbank.com

Karnaphuli EPZ Branch
Mohajan Golden Tower, Mohajan Ghata
North Patenga, Chittagong
Phone : 031-2502305 (Direct), 031-2502301--3 (PABX)
IP Phone : 8600 (used for Positive Pay)
Fax : 031-2502304
Email : kepz.br@mutualtrustbank.com

Khilpara Branch
Hanufa Plaza, Khilpara Bazar
Khilpara, Chatkhil, Noakhali
Phone : 01755615012
IP Phone : 8660 (used for Positive Pay)
Email : khilpara.br@mutualtrustbank.com

Chittagong Medical College Branch
Epic Center, 19 Panchlaish, Chittagong
Phone : 031-656880, 031-656884
IP Phone : 8730 (used for Positive Pay)
Fax : 031-656881
Email : cmc.br@mutualtrustbank.com

Kalurghat Industrial Area Branch
Wajib Tower, C&B Mor, Arakan Road,
Chandgaon, Kalurghat, Chittagong
IP Phone : 8770 (used for Positive Pay)
Email : kalurghat.br@mutualtrustbank.com

Abu Torab Bazar Branch
Bhuiyan Market, Abu Torab Bazar
Mirsarai, Chittagong
Phone : 01799333342
IP Phone : 8850 (used for Positive Pay)
Email : atbazar.br@mutualtrustbank.com

Muradpur Branch
K. Plaza, Mirzarpul, Muradpur, Chittagong
Phone : 031-653381-4
IP Phone : 8860 (used for Positive Pay)
Email : muradpur.br@mutualtrustbank.com

Haidergonj SME/Agri Branch
Gazi Super Market (1st floor),
Haidergonj, Raipur, Laxmipur
Phone : 01755508664
IP Phone : 5010 (used for Positive Pay)
Email : haidergonj.br@mutualtrustbank.com

Dagon Bhuiyan SME/Agri Branch
R. B. Plaza (1st floor), Fazilerghat Road
Dagoanbhuiyan, Feni
Phone : 03323-79129, 01714108862
IP Phone : 5020 (used for Positive Pay)
Fax : 03323-79126
Email : dagonbhuiyan.br@mutualtrustbank.com

Nazumeah Hat SME/Agri Branch
B#3 Sheikh Market, Nazumeahhat
Hat Hazari, Chittagong
Phone : 031-670053
IP Phone : 5101 (used for Positive Pay)
Email : nazumeah.br@mutualtrustbank.com

Sarker Hat Branch
Gani Shopping Centre (1st & 2nd floor)
Sarkerhat, Mirzapur
Hathazari, Chittagong
IP Phone : 8980 (used for Positive Pay)
Email : sarkerhat.br@mutualtrustbank.com

MTB OTHER DIVISION BRANCH

Pabna Branch
Pabna Branch, Abdul Hamid Road, Dilalpur, Pabna
Phone : 0731-51829, 0731-51830
IP Phone : 8210 (used for Positive Pay)
Fax : 0731-51830
Email : pabna.br@mutualtrustbank.com

Sylhet Branch
Sylhet City Center (1st Floor), Zindabazar, Sylhet
Phone : 0821-711328,0821-711354, 0821 716820
IP Phone : 8230 (used for Positive Pay)
Fax : 0821-2830273
Email : sylhet.br@mutualtrustbank.com

Moulvi Bazar Branch
103, M. Saifur Rahman Road, Moulvi Bazar
Phone : 0861 62840, 62841
IP Phone : 8240 (used for Positive Pay)
Fax : 0861-62840
Email : moulvibazar.br@mutualtrustbank.com

Joypurhat Branch
553 Main Road, Joypurhat Sadar, Joypurhat
Phone : 0571-63584, 0571- 63585
IP Phone : 8310 (used for Positive Pay)
Fax : 0571-63584
Email : joypurhat.br@mutualtrustbank.com

Rangpur Branch
Mostofa Super Market (1st & 2nd floor)
1 Jahaj company Mour, Rangpur Sadar, Rangpur
Phone : 0521-52325, 0521-52326
IP Phone : 8330 (used for Positive Pay)
Fax : 0521-52326
Email : rangpur.br@mutualtrustbank.com

Kushtia Branch
Kushtia Branch, Eden Complex
169 (94/6 old) NS Road, 1st Floor, Thanapara, Kushtia
Phone : 071-71662 (Direct), 071- 71663 (PABX)
IP Phone : 8350 (used for Positive Pay)
Fax : 071-71662
Email : kushtia.br@mutualtrustbank.com

Gournadi Branch
Holding No- 3594, Mouja- Chargadhatoli
Gournadi, Barisal
Phone : 04322-56266, 04322-56267
IP Phone : 8360 (used for Positive Pay)
Fax : 04322-56267
Email : gournadi.br@mutualtrustbank.com

Bogra Branch
Amicus Center, Mofiz Paglar Moar
416-418, Sutrapur Road, Bogra
Phone : PABX-051-78109, Direct-051-78108
IP Phone : 8410 (used for Positive Pay)
Fax : 051-78110
Email : bogra.br@mutualtrustbank.com

Dhorkara Bazar Branch
Dhorkara Bazar, Chauddagram, Comilla
Phone : Mobile No:01730080633
IP Phone : 8420 (used for Positive Pay)
Email : dhorkora.br@mutualtrustbank.com

Rajshahi Branch
419, Parents Plaza, Alupatty,
Ghoramara, Rajshahi
Phone : 88-0721-776203(DIRECT), 88-0721-776290(PABX)
IP Phone : 8440 (used for Positive Pay)
Fax : 88-0721-776380
Email : rajshahi.br@mutualtrustbank.com

Jessore Branch
10 R N Road, (1st floor), Jessore
Phone : +88042166161, +88042160105
IP Phone : 8490 (used for Positive Pay)
Fax : +88042160104
Email : jessore.br@mutualtrustbank.com

Comilla Branch
Rama Complex, 416/379 Badurtola
Kanderpar, Comilla
Phone : Direct: 081-64556, PABX : 081-64557, Ex-101
IP Phone : 8520 (used for Positive Pay)
Fax : 081-64556
Email : comilla.br@mutualtrustbank.com

Habiganj Branch
Jamil Complex (1st Floor),
New Pourashava Road, Shayestanagar, Habiganj
Phone : 0831-63193(PABX), 0831-63192-3
Mobile : 01755592735
IP Phone : 8550 (used for Positive Pay)
Fax : 0831-63191
Email : habigonj.br@mutualtrustbank.com

Thakurgaon Branch
IRS Tower, Bangabandhu Sarak
Chowrasta, Thakurgaon
Phone : 0561 - 61195, 61901
IP Phone : 8580 (used for Positive Pay)
Fax : 0561- 61357
Email : thakurgaon.br@mutualtrustbank.com

Shahparan Gate Branch
Janani Complex, Shah Paran Gate
Khadim Nagar, Sylhet
Phone : (0821)2870111, 2870112, 2870042 (D)
IP Phone : 8590 (used for Positive Pay)
Fax : 0821-2870033
Email : shahparan.br@mutualtrustbank.com

Brahmanbaria Branch
T.A. Road, Brahmanbaria Sadar, Brahmanbaria
Phone : +88 (0851) 61911, +88 (0851) 58595
IP Phone : 8630 (used for Positive Pay)
Fax : +88 (0851) 58596
Email : brahmanbaria.br@mutualtrustbank.com

Naogaon Branch
Jolly Plaza, Main Road, Chalkdev, Naogaon
Phone : 0741-81251, 0741-81250 Ex. 101
IP Phone : 8700 (used for Positive Pay)
Fax : 0741-81251
Email : naogaon.br@mutualtrustbank.com

Gobindaganj Branch
Kalpana Super Complex
Gobindaganj, Gaibandha
Phone : 05423-75186
IP Phone : 8710 (used for Positive Pay)
Fax : 05423-75398
Email : gobindaganj.br@mutualtrustbank.com

Dinajpur Branch
Modern Mor, Ganeshtola, Dinajpur
Phone : +88 0531-66530, +88 0531-66540
IP Phone : 8720 (used for Positive Pay)
Fax : +88 0531-66540
Email : dinajpur.br@mutualtrustbank.com

Kadair Bazar Branch
Mollah Market, Kadair Bazar
Shuvopur, Chouddagram, Comilla
Phone : 01755558261, 01791794070
IP Phone : 8750 (used for Positive Pay)
Email : kadairbazar.br@mutualtrustbank.com

Sirajganj Branch
Jan Bux Bhaban, 452 Station Road (S.S. Road), Sirajganj
IP Phone : 8810 (used for Positive Pay)
Email : sirajganj.br@mutualtrustbank.com

Khulna Branch
Rahim Plaza, 15 KDA Avenue, Sonadanga, Khulna
Phone : 041-733355, 733722, 722557 (Ext)
IP Phone : 8840 (used for Positive Pay)
Email : khulna.br@mutualtrustbank.com

Barisal Branch
Fatema Centre, 523 Sadar Road, Barisal
Phone : +88 0431-62969, +88 0431-2177722
IP Phone : 8900 (used for Positive Pay)
Email : barisal.br@mutualtrustbank.com

Laldighirpar Branch
Laldighi Complex, Laldighirpar, Sylhet 3100
Phone : 0821-726449, 0821-726433, 0821-726448
IP Phone : 8910 (used for Positive Pay)
Email : laldighirpar.br@mutualtrustbank.com

Goalmari Bazar Branch
Goalmari Bazar, Goalmari
Daudkandi, Comilla 3516
IP Phone : 8930 (used for Positive Pay)
Email : goalmari.br@mutualtrustbank.com

Laksham SME/Agri Branch
308, By-Pass Road
By-Pass Laksham, Comilla
Phone : 08032-51042
IP Phone : 5030 (used for Positive Pay)
Fax : 08032-51041
Email : laksham.br@mutualtrustbank.com

Ramchandrapur Bazar SME/Agri Branch
Ramchandrapur Bazar
Muradnagar, Comilla
Phone : 01868 74 95 74
IP Phone : 5060 (used for Positive Pay)
Email : ramchandrapur.br@mutualtrustbank.com

Ishwardi SME/Agri Branch
Khondoker Market (1st floor)
Station Road, Ishwardi, Pabna
Phone : Direct 07326-64550, PABX 07326-64551
IP Phone : 5080 (used for Positive Pay)
Fax : 07326-64549
Email : ishwardi.br@mutualtrustbank.com

Belkuchi SME/Agri Branch
Rabeya Plaza
296, Mukundogati Bazar
Sohagpur, Belkuchi, Sirajganj
Phone : 07522-56353
IP Phone : 5090 (used for Positive Pay)
Fax : 07522-56353
Email : belkuchi.br@mutualtrustbank.com

Syedpur SME/Agri Branch
HaziAsab Ali Market, Syedpur, Jagannathpur, Sunamganj
Phone : 01730452044
IP Phone : 5130 (used for Positive Pay)
Email : syedpur.br@mutualtrustbank.com

Ulipur Branch
Holding No.06, Ward No.06
Ulipur Pourashova, Ulipur, Kurigram
Phone : +880582-956307
IP Phone : 8960 (used for Positive Pay)
Email : ulipur.br@mutualtrustbank.com

Celebrating 18th anniversary 1999-2017

UN GLOBAL COMPACT
WE SUPPORT

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Gulshan 1, Dhaka 1212
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