

# ANNUAL REPORT 2017



**Trust Bank**

*A Bank for Financial Inclusion*

# Letter of Transmittal

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**All Shareholders of Trust Bank Limited  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies and Firms**

**Annual Report for the year ended on 31 December 2017.**

Dear Sir,

We are pleased to present a copy of the Annual Report with Audited Financial Statements. The report includes consolidated and separate Balance Sheet, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Equity, Liquidity Statement for the year ended on 31 December 2017 with the notes thereto. Statements are prepared on Trust Bank Limited (TBL) and its subsidiaries - Trust Bank Investment Limited (TBIL) and Trust Bank Securities Limited (TBSL).

Yours Sincerely,



**Md. Mizanur Rahman, FCS**  
Company Secretary

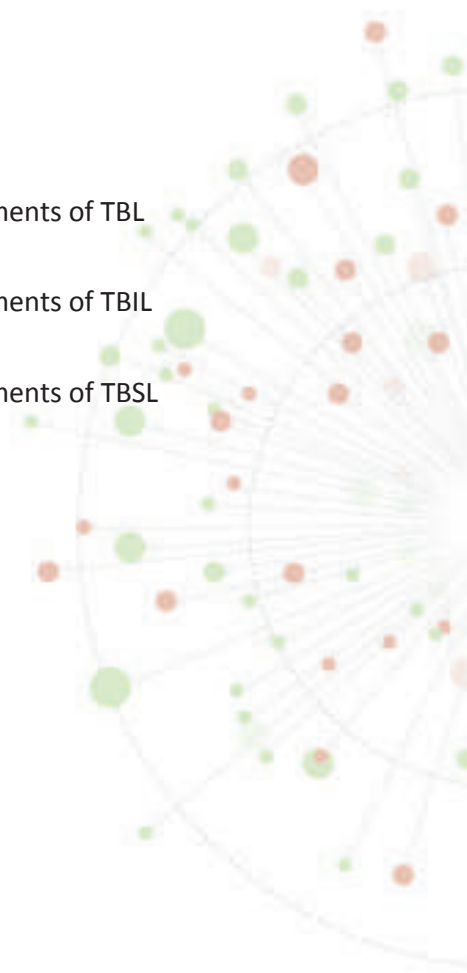


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## Vision

Build a long term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance.

## Mission

- Long Term Sustainable Growth - diversified business with robust risk management.
- Financial Inclusion - bring unbanked population into banking network through low cost and technology based service delivery.
- Accountable to all stakeholders - customers, shareholders, employees and regulators.
- Highest level of compliance and transparency at all levels of operation.

## Values

- Fair
- Dependable
- Reliable
- Professional
- Dynamic
- Trustworthy

## Disclaimer on Forward-Looking Statements

This report contains forward-looking statements reflecting management's plans, estimates and beliefs. Actual results could differ materially from those described in these forward-looking statements. Examples of such forward-looking statements include statements of the Bank's plans, intentions, positioning, expectations, objectives or goals, including those relating to asset flows, affluent client acquisition strategy, client retention and growth of our client base, retention, recruiting and enrollments, acquisition, integration, general and administrative costs; consolidated tax rate, return of capital to shareholders and excess capital position and financial flexibility to capture additional growth opportunities.

The Bank is not responsible for the forward-looking statements which includes but not limited to the following information:

- Assessment of the Bank's future operating and financial results as well as forecast of the present value of future cash flows and related factors;
- Economic outlook and industry trends;
- The Bank's anticipated capital expenditures and plans relating to expansion of the Bank's network and development of the new services;
- The Bank's expectations as to its position on the financial market and plans on development of the market segments within which the Bank operates;

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include:

- Risks related to changes in political, economic and social conditions in local as well as changes in global economic conditions;
- Risks related to legislation, regulation and taxation;
- Risks related to the Bank's activities, including the achievement of the anticipated results, levels of profitability and growth, ability to create and meet demand for the Bank's services including their promotion and the ability of the Bank to remain competitive.

Many of these factors are beyond the Bank's ability to control and predict. Given these and other uncertainties the Bank cautions not to place undue reliance on any of the forward-looking statements contained herein or otherwise.

## Key Milestone

Date	Particulars/Events
17 June 1999	Date of Incorporation
17 June 1999	Certificate of Commencement of Business Received
15 July 1999	Banking Licence Received
09 August 1999	First Branch Licence Received
29 November 1999	Formal Inauguration
January 2007	Online Banking Operations across all the Branches
17 May 2007	Publication of Prospectus for IPO
15 July 2007	Subscription Opening for IPO
19 July 2007	Subscription Closing for IPO
24 September 2007	Listed with Chittagong Stock Exchange Ltd. (CSE)
25 September 2007	Listed with Dhaka Stock Exchange Ltd. (DSE)
01 October 2007	Commencement of Trading of Shares at DSE and CSE
31 May 2009	Authorized Share Capital Increased to BDT 500 Crore
27 January 2010	TBL Mutual Fund Trading Started
31 August 2010	Launching of Trust Bank Mobile Money (TBMM)
09 September 2010	Formation of Trust Bank Investment Limited (TBIL)
14 November 2010	Commencement of Operation of TBIL
06 June 2012	Authorized Share Capital Increased to BDT 1,000 Crore
28 November 2012	Allotment of 1 Share (Membership) of DSE to Trust Bank Securities Limited (TBSL)
26 September 2013	Inception of Business Operation of TBSL
01 November 2014	Launching of Call Centre
08 December 2014	Commencement of iBanking Service
30 August 2015	Inauguration of 100 <sup>th</sup> Branch at Mohammadpur, Dhaka
08 June 2017	Inauguration of 200 <sup>th</sup> ATM Booth at Jibtolli Army Camp, Kaptai, Rangamati



# Corporate Information

**Registered Name**

Trust Bank Limited

**Legal Form**

The Company was incorporated on 17 June 1999 under the Companies Act 1994 as a Public Limited Company for carrying out all kinds of banking activities.

Registration Number and Date: C-37960 (2260)/99, 17 June 1999

**Sponsor Shareholder:** Army Welfare Trust

Corporate Website: [www.tblbd.com](http://www.tblbd.com)

Email: [info@tblbd.com](mailto:info@tblbd.com)

**Company Secretary**

Mr. Md. Mizanur Rahman, FCS

**Chief Financial Officer**

Mr. Mohammad Aminul Haque, FCA

**Head of Internal Control & Compliance**

Mr. Md. Kamal Uddin Kutubi, EVP

**Auditors****a) MABS & J Partners**

Chartered Accountants

Corporate Office

SMC Tower (7<sup>th</sup> Floor)

33, Banani C/A, Road # 17, Dhaka-1213.

**b) Hussain Farhad & Co.**

Chartered Accountants

House # 15, Road # 12

Block # F, Niketon

Gulshan-1, Dhaka-1212.

**Corporate Governance Certificate Issuer**

K. M. Hasan & Co.

Chartered Accountants

Hometown Apartment (7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> Floor)

87, New Eskaton Road, Dhaka-1000.

**Tax Consultant**

M/s. ADN Associates

Rupayan Karim Tower, Flat # A-11, 80 Kakrail, Dhaka-1000.

**Rating Agency**

Credit Rating Agency of Bangladesh Ltd.

DH Tower, Level # 15, 6 Panthapath, Dhaka 1215.

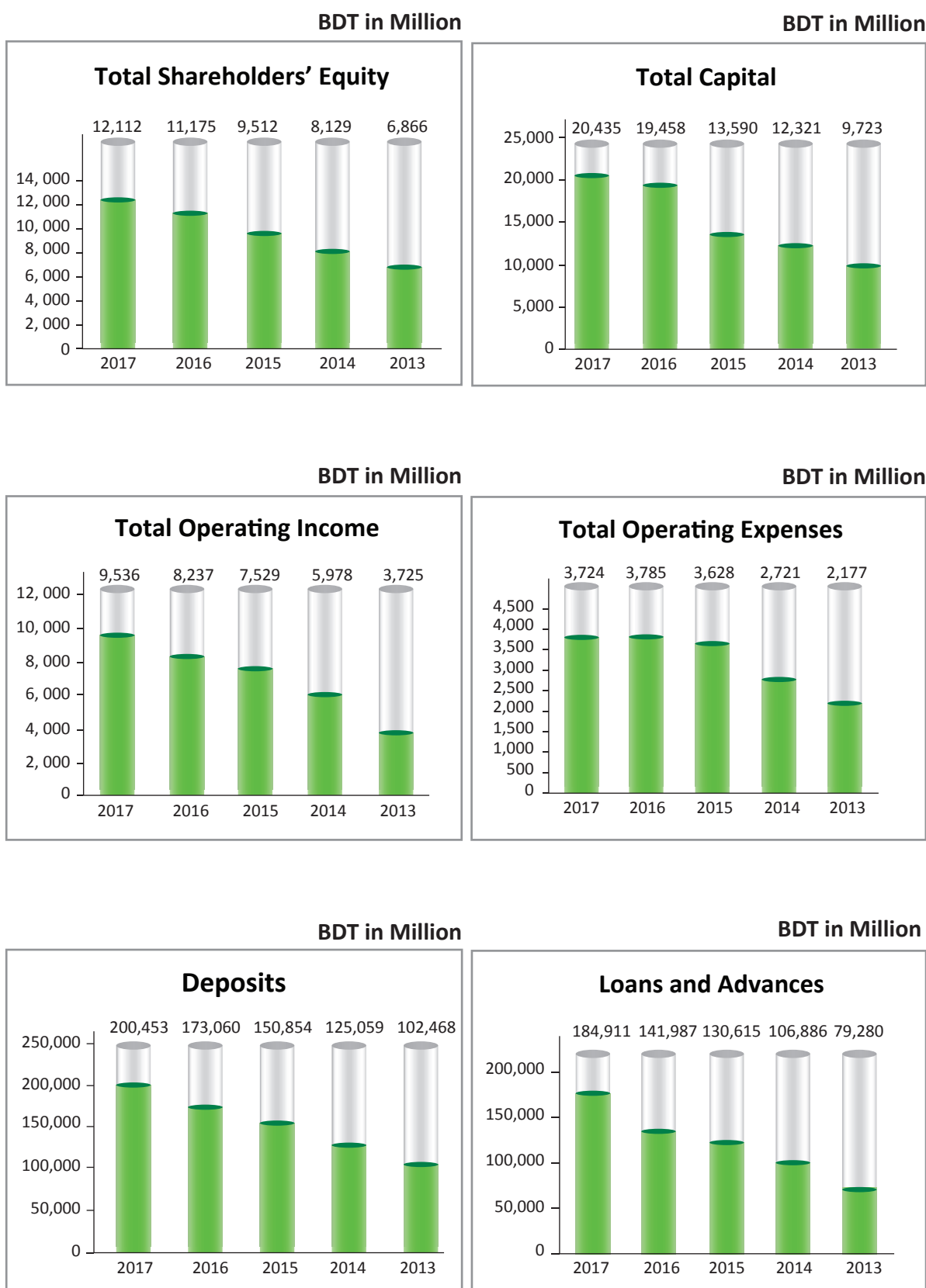
**Registered Office & Head Office**

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate

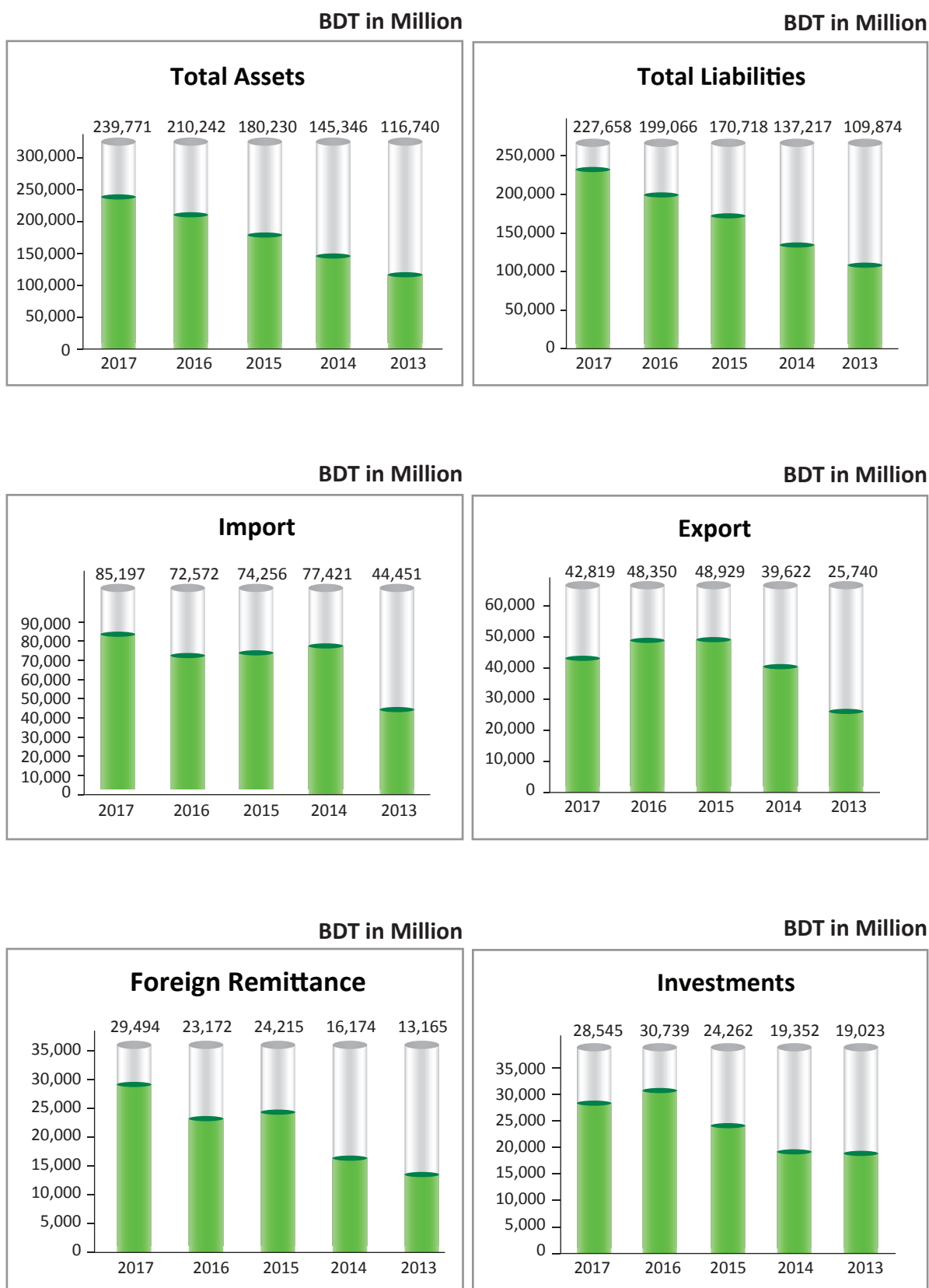
Dhaka Cantonment, Dhaka-1206.



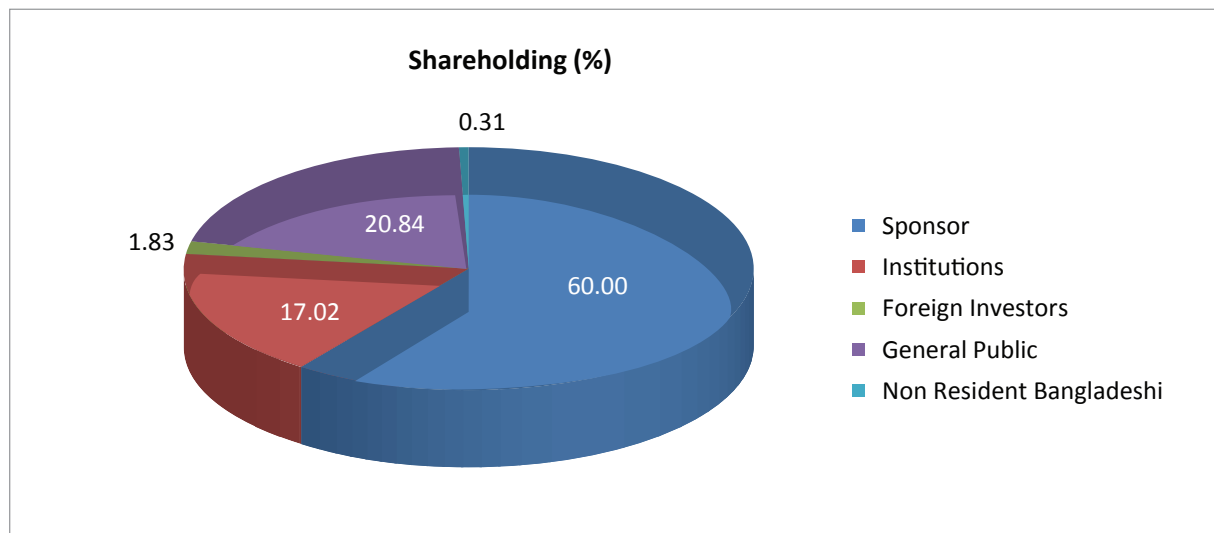
# Performance at a Glance (Solo Basis)



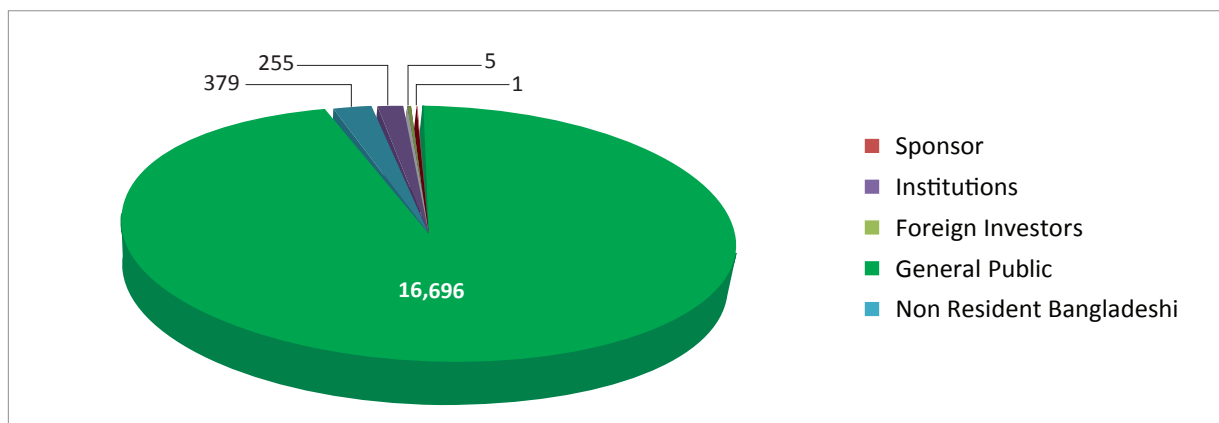
# Performance at a Glance (Solo Basis)



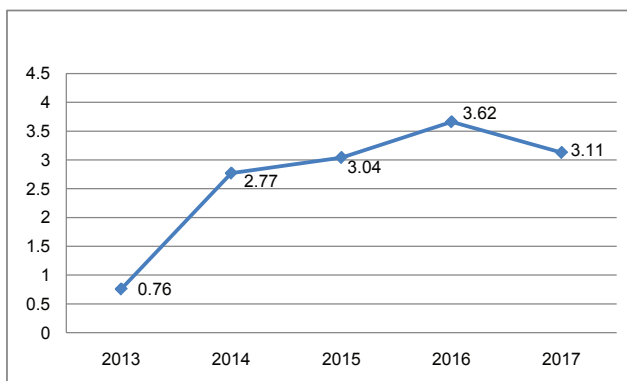
## Investors' Information



## Number of Shareholders



## Earnings Per Share (in BDT)



## Five Years Dividend History

Year	Cash Dividend (%)	Stock Dividend (%)	Total Percentage (%)
2016	15%	10%	25%
2015	7%	8%	15%
2014	5%	10%	15%
2013	--	12%	12%
2012	--	10%	10%



## Board of Directors

### Chairman

Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc

### Vice Chairman

Maj Gen S M Matiur Rahman, afwc, psc

### Directors

Mr. Ashrafuzzaman Khan

Mr. Shahedul Islam

Brig Gen Md Jalal Ghani Khan, ndc, psc

Brig Gen Md Mohsin, SGP, ndc, psc

Mr. Mohamed Naser Alam

Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc

Brig Gen Hamidul Hoque, nswc, psc

Brig Gen Iqbal Ahmed, ndc, afwc, psc

### Managing Director & CEO

Mr. Faruq Mainuddin Ahmed



# Biography of the Board of Directors

**General Abu Belal Muhammad Shafiul Huq**, SBP, ndc, psc  
Chief of Army Staff, Bangladesh Army  
Chairman



General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc was born on 01 December 1958 in Brahmanbaria, Bangladesh. The General joined Bangladesh Military Academy on 22 July 1977 and was commissioned on 18 June 1978 in Armoured Corps. He has taken over the command of Bangladesh Army as Chief of Army Staff on 25 June 2015.

General Belal for his outstanding performance in the military academy, was adjudged as the best all round cadet of his batch and was awarded with 'Sword of Honour'. He obtained Bachelor of Arts Degree from University of Dhaka, Master Degree on Defense Studies from National University of Bangladesh and Masters in Philosophy from Bangladesh University of Professionals. Presently the General is doing Ph.D on Regional Connectivity under the same university.

General Belal has attended several professional courses both at home and abroad. His foreign courses include Armoured Officers Basic Course in China, Armoured Officers Advance Course and Airborne Course in USA. He is a graduate of Defence Services Command and Staff College, Mirpur and Command and General Staff College, USA. He attended National Defence Course and Capstone Course at NDC, Bangladesh.

General Belal has a fine mix of all three types of appointments available in the army i.e. staff, instructor and command. He commanded two Armoured Battalions, two Infantry Brigades, an Armoured Brigade and two Infantry Divisions.

As a staff he served as the ADC to the Hon'ble President of Bangladesh, Brigade Major of an Infantry Brigade and Colonel Staff of an Infantry Division.

He also served as Military Secretary, Adjutant General of Bangladesh Army and as Principal Staff Officer in the Armed Forces Division. As an Instructor he served in Bangladesh Military Academy. The General also served as Directing Staff, Senior Instructor and Chief Instructor in Defence Services Command and Staff College, Mirpur. Besides, the General was Commandant of Defence Services Command and Staff College, Bangladesh Military Academy and Armoured Corps Centre and School. He had a tour of duty as Director General of Bangladesh Institute of International and Strategic Studies (BISS).

General Belal was a member of the pioneer group of officers sent to United Nation (UN) Peace Keeping Mission from Bangladesh. He was an observer in UNIIIMOG in 1988-1989 and Deputy Force Commander of UNMEE in 2007-2008.

He is a widely travelled person and a keen golfer. He is happily married to Mrs. Shoma Huq and the couple is blessed with a daughter and a son.

Besides his present responsibility, he is representing different concerns of Army Welfare Trust as Chairman. General Belal was appointed as Chairman of Board of Directors of Trust Bank Limited on 25 June 2015.



**Major General S M Matiur Rahman, afwc, psc**  
Adjutant General, Bangladesh Army  
Vice Chairman

Major General S M Matiur Rahman, afwc, psc joined the Army Headquarters on 09 February 2016. He held the appointment of General Officer Commanding, 55 Infantry Division and Area Commander, Jessore Area for about two and half years before his present posting as Adjutant General of Bangladesh Army. The General was commissioned in the Corps of Infantry in December 1985. As a pioneer member of special force and a well-known paratrooper of Bangladesh Army, he attended a good number of professional training courses both at home and abroad. General Matiur in his early career attended Air Borne Course at Fort Benning, Georgia in USA. He was one of the pioneer officers of Bangladesh Army to complete Jump Master Course and Free Fall Course from the School of Infantry and Tactics. He also attended and successfully completed Jungle Operation Course from Malaysia.

The General graduated from Defence Services Command and Staff College and also from National Defence College. At the same time, he completed his Master in Defence Studies (MDS) and Master in War Studies (MWS) in 2000 and 2007 respectively from National University of Bangladesh. In his illustrious service career the General adorned various command and staff appointments at Battalion, Brigade and Division level. Besides, he served as an instructor in Bangladesh Military Academy and in the School of Infantry and Tactics for many years and contributed significantly in making and grooming the future leaders of Bangladesh Army.

General Matiur participated in United Nations Peace Keeping Mission in former Yugoslavia as a Military Observer in 1995-1996 when he was a Major. As Lieutenant Colonel, he commanded an Infantry Battalion and also the 1<sup>st</sup> Para Commando Battalion of Bangladesh Army. He also successfully led a Bangladeshi Contingent in Ivory Coast as part of United Nations Peace Keeping Operations in 2008-2009.

As Colonel he held the appointment of Additional Director General (Admin) and Additional Director General (Operations), RAB Forces Headquarters. After being promoted to the next rank as Brigadier General he commanded the most prestigious Infantry Brigade of Bangladesh Army, 46 Independent Infantry Brigade located at Dhaka. He then joined the Directorate General of Forces Intelligence as Director, Counter Terrorism Intelligence Bureau to complete his diverse exposure.

By virtue of his present appointment as Adjutant General, he is also the Chairman of Army Housing Scheme, Chairman of Governing Bodies of Cadet Colleges, Trust Transport Services, Trust Technical Training Institute and the Vice Chairman of Army Welfare Trust, Sena Hotel Developments Limited, Sena Kalyan Sangstha and Director of some other sister concerns of Army Welfare Trust. Besides he is the president of Army Golf Club.

General Matiur is a widely travelled person and a keen golfer. He is happily married to Mrs. Syeda Towhida Rahman and a proud father of two children namely Minar (21) and Roza (14).

### **Mr. Ashrafuzzaman Khan**

#### Independent Director

Mr. Ashrafuzzaman Khan has a very sound scholastic record. He passed out from Mirzapur Cadet College and studied Economics at University of Dhaka. He is a very prominent entrepreneur and success driven figure in business community with diversified business portfolio. At present he is the Managing Director of Executive Attire Limited.

Mr. Khan was a civil sponsor of Defence Services Command and Staff College, Mirpur and also served as Executive Committee member of that college. Mr.



Khan is deeply engaged with different social work groups. He is a permanent member of Dhaka Club Limited, Uttara Club Limited and Cadet College Club Limited. He has visited a significant number of countries. Mr. Ashrafuzzaman Khan was appointed as Independent Director of Trust Bank Limited on 23 February 2014.

### **Mr. Shahedul Islam**

#### Independent Director

Mr. Shahedul Islam, born in 1953, is a Chartered Secretary from the Institute of Chartered Secretaries and Administrators, Melbourne, Australia. He is a prominent entrepreneur involved mainly in the industries.

He is the Managing Director of Bengal Pacific (Pvt.) Limited, a manufacturer and exporter of film plastic; Bengal Braided Rugs Limited, a manufacturer and exporter of jute goods and the Chairman of Promises Medical Limited, a center for de-addiction and depression.

Mr. Islam is the President of the Bangladesh Backward Linkage Association. He was the Member of the Board of Investment (BOI), President of the Bangladesh Chamber of Industries (BCI), Chairman of the Bangladesh



Jute Goods Association (BJGA), President of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), Director of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), Director of the SME Foundation.

Mr. Islam was awarded CIP (Commercially Important Person) status several times by the Government of Bangladesh for his contribution in business sector.

Mr. Shahedul Islam has sound experience in the banking and financial sectors of Bangladesh. He was a Director of the Oriental Bank Limited and was the Managing Director of the Alliance Securities Limited (a stock brokerage house).



**Brigadier General Md Jalal Ghani Khan**, ndc, psc  
Director

Brigadier General Md Jalal Ghani Khan, ndc, psc was born on 09 December 1966. He was commissioned from Bangladesh Military Academy in 1987 in the Bangladesh Infantry Regiment. He has served in various command, staff and instructional appointments of Bangladesh Army. He commanded an Infantry Battalion and a Composite Brigade. He performed as a Staff Officer to an Infantry Division as well as to the National Defence College, Bangladesh. He was the Chief Instructor of Weapon Wing of the School of Infantry and Tactics located at Sylhet. He attained a number of courses both at home and abroad. His foreign courses include 'Military and Peacekeeping Operation in Accordance with the Rule of Law' and 'Advance Security Cooperation Course (ASCC: 12-2)' in USA.

Brigadier General Jalal obtained his Bachelor of Science Degree from Chittagong University and Master in Defence Studies (MDS) from National University of Bangladesh. He is a graduate of Defence Services Command and Staff College and also an alumni of National Defence College, Dhaka. He also completed M Phil (Part: 1) and Executive Master of Business Administration. Brigadier General Jalal participated in UNIKOM in 1993 and UNMIS in 2007. He visited a good number of Countries like Iraq, Kuwait, KSA, UAE, Nepal, France, Sudan, Uganda, USA and India.

He is married and blessed with one son and three daughters. He leads a very peaceful family life.



**Brigadier General Md Mohsin**, SGP, ndc, psc  
Director

Brigadier General Md Mohsin, SGP, ndc, psc has been appointed at Army Headquarters as Director, Personnel Services and Provost Marshal in Adjutant General's Branch on 14 January 2016. He was born on 15 January 1967. He was commissioned in the Regiment of Artillery on 26 June 1987. He held different appointments at regimental level i.e. Adjutant, Quartermaster, Observer, Battery Commander, Second in Command of battalions at Chittagong Hill Tracts in

counter insurgency operational environment. He commanded 32 Field Regiment Artillery, a newly raised unit. As an extra regimental appointment, he served in Special Security Force, commanded Military Police Unit and in Army Security Unit as Chief Security Coordinator of Chief of Army Staff's Security and as Chief Instructor in Training Regiment, Artillery Centre and School. He was the Sector Commander of Rajshahi Sector in Border Guard Bangladesh.



He commanded 55 Artillery Brigade at Jessore. He has attended number of courses both at home and abroad. Foreign course include Dignitary Protection Course from Thailand obtaining the Best Shooter Award. He obtained Masters in Defence Studies from National University of Bangladesh. He is a graduate of Mirpur Defence Services Command and Staff College. He is also an alumni of National Defence College, Mirpur and obtained Masters in Strategy and Development Studies from Bangladesh University of Professionals. Brigadier General Mohsin was selected as a Defence Diplomacy Scholar by the United Kingdom Ministry of Defence and successfully completed 'The Governance of National Security and Defence Course' from 22-26 February 2015 and 'The Strategic Leadership Programme' from 1<sup>st</sup>-3<sup>rd</sup> March 2015 under Cranfield University, UK.

He served in three UN missions in Sierra Leone as contingent member, Liberia as Chief Military Public Information Officer in Forces Headquarters and in Democratic Republic of Congo as Forces Provost Marshal in Forces Headquarters. He has visited number of countries around the globe. Brigadier General Mohsin is a proud father of one daughter and one son, both are students. His wife, Mrs Elizabeth Mohsin is a house wife, who commits herself in upbringing and educating the children. Brigadier General Mohsin's hobby is mainly reading books, games and sports. He is an occasional golfer.



### **Mr. Mohamed Naser Alam**

#### **Independent Director**

Mr. Mohamed Naser Alam is an advocate of the Supreme Court of Bangladesh since 1995 and a barrister at the Bar of England and Wales since 1999. He is currently the Head of Chambers of MNA, Barristers & Advocates. He is an international arbitrator and mediator with specialisation in corporate commercial, cross-border complex mergers and acquisition, telecommunication, aviation, oil and gas, electricity, intellectual property, shipping, mediation, and international commercial and investment arbitration. He previously worked with the Permanent Court of Arbitration, The Hague; international arbitration group of Freshfields Bruckhaus Deringer in their Paris office; and taught and supervised distance learning students of LL.M in International Petroleum Law and Policy at the Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP) of University of Dundee, UK. He acted as consultant for International Finance Corporation (IFC) and Department for International Development (DFID).

He was the National Commissioner of International Chamber of Commerce Bangladesh. He provided legal advice and assistance towards establishing the Bangladesh International Arbitration Centre. Mr. Naser holds Bachelor Degrees in Law from University of Dhaka and University of London; LL.M. from Queens' College, Cambridge and LL.M in Energy Law and Policy, Centre for Energy, Petroleum and Mineral Law and Policy from University of Dundee. He regularly speaks nationally and internationally on mediation, arbitration, legal rights and other socio-political issues.

He has special interests in disability rights, environmental issues, political economy and self-governance. He is currently the Chief Advisor of Physically Challenged Development Foundation (PDF), a charity working for the rights of physically challenged people. He is also an Advisor of Bangladesh Youth Environmental Initiative (BYEI) and Independent Director of Matin Spinning Mills Ltd.



**Brigadier General Naquib Ahmed Chowdhury,** BSP, ndc, psc  
Director

Brigadier General Naquib Ahmed Chowdhury, BSP, ndc, psc was born in Dhaka on 06 January 1968. He did his schooling from Dhanmondi Government Boy's High School, Dhaka and Adamjee Cantonment College, Dhaka where he was groomed to join the Army since his early days. He was commissioned in the Infantry Regiment on 23 December 1988. In a span of 28 years with Bangladesh Army, he has held a variety of important command and staff appointments. Besides his regimental appointments as Quarter Master, Company Second in Command and Company Commander in three Infantry Battalions, he commanded 5 East Bengal. He served as Adjutant, Operation Officer of Military Police Unit, Staff/Protection officer of Special Security Force, Operation Officer of a Contingent which was deployed for UN Mission in Sierra Leone. He was Director, Special Security Force and commanded 69 Infantry Brigade involved in operational activities in Chittagong Hill Tracts.

He attended number of courses both at home and abroad. He has obtained Master in Defence Studies from National University of Bangladesh, M Phil (Part 1) from Bangladesh University of Professionals and Master of Business Administration (MBA) from a renowned private university in Dhaka. He is a graduate of Defence Services Command and Staff College, and National Defence College, Dhaka. He has served under the umbrella of United Nation in Somalia, Sierra Leone, Liberia and Congo. He was the Force Provost Marshal in MONUSCO (Congo). During his official interactions and meetings, the officer has widely travelled to various countries across the globe. A traditional family man, the officer is married to Mrs. Sujana Tarannum Chowdhury and has been bestowed with two sons and two daughters. Brigadier General Naquib's hobby is travelling and reading books. He is a very keen sportsman with special interests in golf.



**Brigadier General Hamidul Hoque,** nswc, psc  
Director

Brigadier General Hamidul Hoque, nswc, psc was commissioned in Bangladesh Army on 22 June 1990. After commission, he was regimented in one of the most traditional and operational infantry units of Bangladesh Army, '20 East Bengal Regiment'.

He is a graduate of Defence Services Command and Staff College, Mirpur and National Defence University Islamabad. He actively participated in nation building activities, disaster management operations and counter insurgency operation in the Chittagong Hill Tracts.

He participated in the United Nations Peace Keeping assignments in Sierra Leon and UNAMID Darfur (Sudan). Brigadier General Hamidul Hoque is currently serving as Director, Internal Affairs Bureau at Headquarters, Directorate General of Forces Intelligence (DGFI). Throughout his military career, he served in various capacities in different dimension of Bangladesh Army. He was an instructor of Weapon Wing and Tactics Wing in the School of Infantry &

Tactics (SI&T), General Staff Officer Grade-2 at Bangladesh Military Academy, General Staff Officer Grade-2 (operations) Headquarters 33 Infantry Division, General Staff Officer-1 at Army Headquarters, Commanding Officer of a unit, General Staff Officer-1 (Legal) at Headquarter Director General of Forces Intelligence, Colonel Staff at Headquarter 19 Infantry Division and Commander of 99 Composite Brigade. He is married and proud father of three sons.



### **Brigadier General Iqbal Ahmed, ndc, afwc, psc**

#### **Director**

Brigadier General Iqbal Ahmed, ndc, afwc, psc was commissioned in the Corps of Signals on 21 December 1990. During his long illustrious career he served in various important appointments of Bangladesh Army, national and international level organization.

He has attended several professional training both at home and abroad. He is a graduate of Defence Services Command and Staff College, Bangladesh. He completed Armed Forces War Course (AFWC) and National Defence Course (NDC) from National Defence College, Bangladesh. He attended UN Observer Course in Canada. He is also a graduate in Electrical and Electronics Engineering from Bangladesh University of Engineering and Technology (BUET).

Brigadier General Iqbal Ahmed has a mix of command, staff and instructional exposure in Bangladesh Army. As staff appointment, he was Brigade Major of Headquarters 86 Independent Signal Brigade, Grade -1 Staff Officer of Military Training and Military Operation Directorate at Army Headquarters. He commanded a Signal Battalion of Bangladesh Army.

He worked long time in developing communication plan at operational level integrating national resources and also involved in preparing Joint

Task Force Communication Support Plan in civil-military cooperation phase during any large scale national disaster.

Brigadier General Iqbal Ahmed served UN Mission in Liberia and Democratic Republic of Congo. He also worked as a Subject Matter Expert (SME) for preparing Signal Manual's for the military personals of the member states of UN.

Brigadier General Iqbal Ahmed was the Director General of Engineering and Operation Division of Bangladesh Telecommunication Regulatory Commission (BTRC) for three years (2014-2016). In BTRC, he contributed in preparing a GIS based interactive map integrating all public-private fiber optics infrastructures of Bangladesh. He conducted, moderated and participated in number of ICT related programs in different countries like Bangladesh, India, Switzerland, South Korea, Germany, Sri Lanka, Nepal etc. He also worked as an expert in Networking, Policy and Regulation Working Group of South Asian Telecommunication Regulatory Council (SATRC).

The General is happily married. His wife Mrs Alif Laila Venus is a senior teacher in Bangladesh International School. They are blessed with a daughter.



**Mr. Faruq Mainuddin Ahmed**

Managing Director & CEO

Mr. Faruq Mainuddin Ahmed has been appointed as MD & CEO of Trust Bank Limited (TBL) with effect from 18 February 2018. Prior to assuming this appointment, he worked as Additional Managing Director of the Bank.

Before joining TBL, Mr. Ahmed served the City Bank Limited as Additional Managing Director and had been holding the position of Chief Risk Officer and CAMLCO of the Bank. He also served the Mercantile Bank and AB Bank Limited as Deputy Managing Director.

After completing MSS in Economics from University of Dhaka, Mr. Ahmed started his career as Probationary Officer at AB Bank Limited in 1984. He received Bangladesh Bank Gold Medal and BCCI (erstwhile) Gold Medal in the Banking Diploma examination, 1987 for securing first position. He gained grounded experience and knowledge through working in different capacities in almost all the fields of banking both at home and abroad. He is a well-rounded banker and led different major branches and divisions of AB Bank Limited in different phases of his service tenor with the Bank. He was posted at Mumbai Operation of AB Bank as Country Manager for about 5 years. Mr. Ahmed is the Founder Chairman of the Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh and a life member of Bangladesh Economic Association.

Mr. Ahmed has participated in a good number of professional trainings, workshops, and seminars both at home and abroad. A regular columnist on banking and economic issues in the national dailies, Mr. Ahmed so far authored 20 books and many articles on economy and banking, capital market, accounting, literature and travelling. He received IFIC Bank Literary Award 2011 for excellent translation of 'A Poet Apart', the literary biography of poet Jibanananda Das written by Clinton B. Seely.

Mr. Ahmed, a scholar and keen traveller, was born on 10 October 1958 in a respectable Muslim family of Sitakund, Chittagong. He is happily married with Mrs. Farzana Ahmed and blessed with one son and one daughter. Mr. Ahmed is a widely travelled person and extensively visited many countries including USA, Canada, UK, Australia, France, Switzerland, Spain, Belgium, Netherlands, Turkey, India, Singapore, China, Vietnam, Malaysia, Indonesia, Mongolia, Kenya etc around the globe.





# Chairman's Message

**Bismillahir Rahmanir Rahim**

**Dear Esteemed Shareholders**

**Assalamu Alaikum Warahmatullah**

It is indeed a great pleasure for me to welcome you all to the 19<sup>th</sup> Annual General Meeting of Trust Bank Limited and present the annual report of the Bank and its subsidiaries for the year 2017.

The year 2017 was a mixed year of achievements and challenges for Bangladesh. One of the major achievements of the economy was to exceed to the seven percent economic growth in 2016-2017 financial year breaking the six percent cycle that continued for a decade. The success augmented the position of the country amongst the peer Asian economies, making Bangladesh the 3<sup>rd</sup> best growth performer in Asia.

The World Bank has painted a brighter picture for Bangladesh's economy in the coming years, pinning hopes on strong domestic demand, exports, investment and remittance. Lower interest rates of last few years contributed to higher growth of investment in private sector. The year 2018 is going to be a turning point for Bangladesh as the country has fulfilled important conditions to graduate from the status of least developed country and will continue its efforts toward becoming a middle-income country. The country will also continue to implement the sustainable development goals (SDGs). This entire attempt will hinge on accelerating resource mobilization, higher investment, efficiency in infrastructure implementation, skilled human resources and strong institutional setup.

Global economic growth is projected to be positive in both Advanced Economies and Emerging Market and Developing Economies (EMDEs). After two years of marked weakness, the world trade growth has firmed and is expected to outpace GDP growth. IMF has recently raised its estimate for global economic growth in 2018, citing stronger expansion in the first half of the year in the USA, Euro-zone, Asia, Japan and Russia. The global upswing in economic activity is strengthening, and therefore IMF revised upward its growth forecast to 3.7 percent in 2018.

**Dear Shareholders**

It is my immense pleasure to mention that your Bank is creating new milestone each year in terms of maximizing wealth, compliance with national and international applicable laws, notable contribution to national growth of the country. During the nineteen years of operation, Trust Bank has embarked with its financing/investment in almost every sector of the economy through both conventional and

Islamic mode of operations. Financing to government agencies, extending credit facilities to RMG, telecommunication, SME and agricultural sectors, consumer financing etc are the examples of the Bank's endeavour towards sustainable development.

Your trustworthiness on Trust Bank has been proved through your active participation in capital market. In align with your trust on us; I on behalf of the Board of Directors would affirm that, your bank is relentlessly working to ensure sustainable growth, highest level of compliance and to build a long term sustainable financial base.

As part of strategic endeavours, Trust Bank strongly pursues identification of cost drivers and optimization, continuous development of human resources and their transformation into human capital, maintaining quality assets, reduction of NPL, delivery of technology driven products and many more for bringing positive impact on the health and overall well-being of the Bank. Trust Bank, as an active member in the financial sector of the country, has a responsibility to safeguard the environment. In pursuit of conserving natural resources, it took several initiatives; such as e-statement, online banking, online bill payments, SMS banking to encourage green banking for the customers.

Since inception, Trust Bank has prioritized its CSR activity to care for people and the planet through various CSR program in the fields of education, health, games and sports. During the year 2018, Trust Bank would expand its business in SME, Retail and Corporate sector of the country. Alongside, we would also strive to deliver service excellence to all our customers and continue designing suitable products and services to meet your financial needs and aspirations as well as to ensure adequate risk-adjusted return for the Bank.

Before I conclude, on behalf of my colleagues in the Board of Directors, I thank the honourable shareholders for their continued support and loyalty. I would also like to express my respect for Bangladesh Bank and other regulators for their timely intervention through policy guidelines which have helped us in adopting appropriate steps all the way.

I also thank all my colleagues in the Board of Directors, the management along with entire dedicated team of the Bank.



**General Abu Belal Muhammad Shafiul Huq**, SBP, ndc, psc  
Chairman

## চেয়ারম্যান মহোদয়ের বাণী

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ

ট্রাস্ট ব্যাংক লিমিটেডের ১৯তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি। পরিচালনা পর্ষদের পক্ষ থেকে ব্যাংকের ২০১৭ সালের বার্ষিক প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি অত্যন্ত আনন্দিত।

২০১৭ সালে বাংলাদেশের অর্থনীতিতে নানাবিধ অর্জন থাকলেও আমরা বিভিন্ন রকম প্রতিকূলতার সম্মুখীন হয়েছি। ২০১৭ সালে আমরা সর্বপ্রথম ৭ শতাংশ হারে প্রবৃদ্ধি অর্জন করেছি, যা বিগত এক দশক ধরে চলতে থাকা ৬ শতাংশ প্রবৃদ্ধি অর্জনের হারকে অতিক্রম করেছে। প্রবৃদ্ধি অর্জনের এই সফলতা বাংলাদেশকে এশিয়ার সর্বোচ্চ প্রবৃদ্ধি অর্জনকারী দেশগুলোর মধ্যে তৃতীয় দেশ হিসেবে মর্যাদা দিয়েছে।

রপ্তানি, বিনিয়োগ, রেমিট্যান্স এবং দেশীয় চাহিদা পূরণের সক্ষমতাকে মানদণ্ড হিসেবে বিবেচনা করে বিশ্বব্যাংক বাংলাদেশের অর্থনীতিকে অপার সম্ভবনাময় বলে উল্লেখ করেছে। গত কয়েক বছরের নিম্ন সুদহার বেসরকারি খাতে উচ্চ বিনিয়োগকে উৎসাহিত করেছে। ২০১৮ সাল বাংলাদেশের জন্য খুবই তাৎপর্যপূর্ণ একটি বছর। কারণ, এবছরই বাংলাদেশ স্বল্পোন্নত দেশ থেকে উন্নয়নশীল দেশ হিসেবে উত্তরণের গুরুত্বপূর্ণ শর্তসমূহ পূরণ করেছে। তথাপি, বাংলাদেশ টেকসই উন্নয়নের লক্ষ্যমাত্রা বাস্তবায়নের পাশাপাশি মধ্যম আয়ের দেশ হিসেবে উত্তরণের সকল প্রচেষ্টাই অব্যাহত রেখেছে। এক্ষেত্রে সবকিছুই নির্ভর করছে সম্পদের সঠিক ব্যবহার, পর্যাপ্ত বিনিয়োগ নিশ্চিতকরণ, অবকাঠামো উন্নয়নের দক্ষতা ও দক্ষ মানবসম্পদ উন্নয়ন এবং শক্তিশালী প্রাতিষ্ঠানিক ভিত্তির ওপর।

ধারণা করা হচ্ছে, সামনের দিনগুলোতে বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি অর্জনের হার ইতিবাচক হবে। উন্নত, উন্নয়নশীল ও উদীয়মান সকল দেশই প্রবৃদ্ধি অর্জনের এ যাত্রায় অংশীদার হবে। ইতোমধ্যে, বিশ্ব অর্থনীতি বিগত দুই বছর ধরে চলতে থাকা মন্দাভাব কাটিয়ে অনুকূল অবস্থায় এসেছে। ২০১৮ সালের বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধি নিয়ে আন্তর্জাতিক মুদ্রা তহবিলের প্রাক্কলিত ধারণা অনুযায়ী আমেরিকা, ইউরোপ, জাপান, এশিয়া এবং রাশিয়া বছরের প্রথমার্ধে ইতিবাচক প্রবৃদ্ধি অর্জন করবে। তারই ধারাবাহিকতায় বৈশ্বিক অর্থনীতি ২০১৮ সালে ৩.৭ শতাংশ প্রবৃদ্ধি অর্জন করবে বলে আশা করা হচ্ছে।

প্রিয় শেয়ারহোল্ডারবৃন্দ

আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, আপনাদের ব্যাংক প্রতিবছরই নিত্য নতুন মাইলফলক সৃষ্টি করে যাচ্ছে। সম্পদের উৎকৃষ্টতা অর্জন, প্রযোজ্যক্ষেত্রে জাতীয় এবং আন্তর্জাতিক আইন-কানুন সমূহের পরিপালন করে আপনাদের ব্যাংক সামষ্টিক অর্থনীতিতে উল্লেখযোগ্য অবদান রেখে যাচ্ছে। উনিশ বছরের অগ্রযাত্রায় ট্রাস্ট ব্যাংক সরকারি, আধা-সরকারি, স্বায়ত্তশাসিত, তৈরি পোশাক খাত, টেলিযোগাযোগ, ক্ষুদ্র ও মাঝারি শিল্প, কৃষি সহ অর্থনীতির প্রায় সকল গুরুত্বপূর্ণ খাতেই অবদান রেখেছে।

শেয়ার বাজারে আপনাদের সক্রিয় অংশগ্রহণ ট্রাস্ট ব্যাংকের প্রতি আপনাদের পরিপূর্ণ আস্থা প্রমাণ করে। আপনাদের বিশ্বাসের ওপর আস্থা রেখে আমি পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের এতটুকু আশ্রিত করছি যে, আপনাদের ব্যাংক টেকসই প্রবৃদ্ধি অর্জন, সর্বোচ্চ নিয়মনিতি পরিপালন এবং দীর্ঘমেয়াদি টেকসই অর্থনৈতিক ভিত্তি তৈরিতে নিরলসভাবে কাজ করে যাচ্ছে।

কৌশলগত প্রচেষ্টার অংশ হিসেবে আমরা প্রতিনিয়ত ব্যয় সংকোচন, ক্রমাগত মানব সম্পদ উন্নয়ন, সম্পদের গুণগত মান বজায় রাখা, খেলাপি ঋণের মাত্রা কমানো ও উন্নত প্রযুক্তির ব্যবহার নিশ্চিত করেছি। একই সাথে ব্যাংকের উন্নয়নের জন্য সম্ভাবনাময় সকল খাতে আমাদের অনুসন্ধান অব্যাহত রেখেছি। সামগ্রিক অর্থনীতির সক্রিয় সদস্য হিসেবে আমরা পরিবেশের প্রতি দায়িত্বশীল ভূমিকা পালন করছি। তারই অংশ হিসেবে আমরা বিভিন্ন ধরনের উদ্যোগ গ্রহণ করেছি। আমরা প্রাকৃতিক সম্পদের সুরক্ষা নিশ্চিতকল্পে গ্রীন ব্যাংকিং কার্যক্রমের অংশ হিসেবে অনলাইন ব্যাংকিং, অনলাইন বিল পরিশোধ, এসএমএস ব্যাংকিং এবং ই-স্টেটমেন্টের ব্যবহার নিশ্চিত করেছি।

প্রতিষ্ঠালগ্ন থেকেই ট্রাস্ট ব্যাংক প্রতিনিয়ত মানুষের কল্যাণের জন্য কর্পোরেট সামাজিক দায়িত্ব (সিএসআর) কার্যক্রমের আওতায় শিক্ষা, স্বাস্থ্য, খেলাধুলাসহ বিভিন্ন খাতে সহায়তা করে যাচ্ছে। ২০১৮ সালে আমরা ক্ষুদ্র ও মাঝারি শিল্প, রিটেইল এবং কর্পোরেট খাতে আমাদের কার্যক্রম সম্প্রসারণের প্রচেষ্টা অব্যাহত রেখেছি। গ্রাহকদের চাহিদা এবং সর্বোচ্চ সেবা নিশ্চিত করার লক্ষ্যে আমরা নিত্য নতুন সেবার উদ্ভাবন এবং পর্যাপ্ত ঝুঁকি মোকাবেলা করে ব্যাংকের আয় বৃদ্ধিতে প্রতিনিয়ত কাজ করে যাচ্ছি।

শেষ করার আগে, ট্রাস্ট ব্যাংকের প্রতি আপনাদের অবিচল আস্থার জন্য পরিচালনা পর্ষদের পক্ষ থেকে আমি প্রত্যেক সম্মানিত শেয়ারহোল্ডারকে ধন্যবাদ জানাচ্ছি। সময়োপযোগী বিভিন্ন নীতিমালা প্রণয়ন এবং সার্বক্ষণিক সহযোগিতা প্রদানের জন্য বাংলাদেশ ব্যাংক এবং অন্যান্য সকল সরকারি নিয়ন্ত্রক সংস্থার প্রতি আন্তরিক কৃতজ্ঞতা প্রকাশ করছি।

সবশেষে, মূল্যবান পরামর্শ ও সমর্থন প্রদানের জন্য ব্যাংকের পরিচালনা পর্ষদে আমার প্রিয় সহকর্মীবৃন্দ, ব্যবস্থাপনা পর্ষদ এবং ব্যাংকিং কার্যক্রমের সাথে জড়িত নিবেদিত সকল কর্মকর্তা-কর্মচারীদের প্রতি আন্তরিক ধন্যবাদ জানাচ্ছি।

শুভেচ্ছান্তে,

জেনারেল আবু বেলাল মোহাম্মদ শফিউল হক, GmWm, GmWm, GmWm  
tPqvi g'vb

we: "tPqvi g'vb g'tn" tqi BstiiR I eysj v eYxi t'qj t'Kib weI tq Abey`MZ AmigAm`Zv \_vKtj BstiiR fiv`wJB mWk etj weIetPZ nte|



## MD & CEO's Message

**Bismillahir Rahmanir Rahim**  
**Dear Esteemed Shareholders**  
**Assalamu Alaikum Warahmatullah**

I would like to take this auspicious opportunity to present a comprehensive round up of financial and operating performance of your esteemed Bank for the financial year 2017.

With the conclusion of year 2017, Trust Bank Limited (TBL) has stepped into 19<sup>th</sup> year of rigorous operations to maximize wealth of all shareholders. Trustworthiness of shareholders is the core capital rather than merely monetary figure upon which sustainable growth of any financial organization largely depends.

Trust Bank always gives utmost importance on fair and professional issues such as- a functional board and independence of management, function of board sub-committees, fair financial reporting, disclosure, compliance and maintaining consistency in shareholders' value enhancement.

Bangladesh economy showed resilience last year despite facing significant challenges including country-wide flooding in August, which took a heavy toll on infrastructure and crop development, and the accommodation of hundreds of thousands of forcefully displaced Myanmar nationals from their country. The future impact of this will be more disastrous unless resolved. Although strong year-on-year export growth was recorded in the period July to November 2017, a surge in imports of capital machineries led to deterioration in the trade balance. Although foreign remittance inflows were strong in December, there was a decrease in 2017 compared to 2016. Despite difficulties caused by deluge in the last year and the ongoing accommodation of refugees, the economy is expected to perform well this year, supported by growth in exports and remittance inflows and other favorable factors.

Investment flow in private sector noticed positive upward trend in the last year. NPL management was always a burning issue for all the financial institutions over the years and also will be in near future. NPL at TBL stood at 3.35% at year end 2017 which in a comparative situation may look better but there is no room for complacency. Because, higher NPL compelled to maintain higher provisioning which decline profitability and also weakened banks' capital base and overall financial health.

### **Strategy and Performance**

We tried to diversify our business portfolio in all the prospective sectors to enhance wealth maximization as well as to minimize operational risk. Like previous years, we have tried to maintain a robust liquidity, acquire retail deposits, make cautious lending and make necessary review of existing portfolio. We also tried to redesign some of our product(s) to maximize operational gain as well as enhance profitability. We made significant achievements in terms of growth of profits, loans and advances, deposits, capacity building, risk management, financial inclusion and improvement in quality of our portfolio. We are continuously updating our business goals in align with business surrounding and economic circumstances to address economic downturn/acceleration very professionally.

We have made operational profit of BDT 5,812 million in the year 2017 which made us more ambitious in coming days to exceed all of our previous landmark(s).

All of these have been possible through the professional and dynamic leadership and proper time bound guidance of honorable Chairman, respected members of the Board of Directors and support from Shareholders, Depositors, Customers and Regulators.

Information Technology (IT) security is a burning question all over the world especially in the developing countries like Bangladesh. In this era of IT based operation, it is mostly necessary to maximize wealth of any financial organization by way of ensuring cyber security. We were much more aware about security of our valued information and consciously investing a sizeable fund to protect our bank's informative assets than previous years.

Your Bank maintained a comfortable liquidity, growth in deposits, loans and advances, and network expansions. We ensured prudent lending, mobilized deposits from retail investors, diversified loans to SMEs and other good credit-worthy enterprises and deliberately kept foreign exchange exposure at a manageable level.

### **Consolidated Operating Result**

Total deposits stood at BDT 200,274 million in 2017 from BDT 172,738 million in 2016, registering a growth of 15.94 percent. Loans and advances stood at BDT 187,247 million in 2017 from BDT 144,438 million at the end of 2016, posting a growth of 29.64 percent compared to last year. Our Advance-Deposit ratio increased to 85.03 percent from 78.28 percent in 2016. Interest income increased to BDT 14,414 million from BDT 13,229 million in preceding year, which registered interest income increased by 8.96 percent. On the other hand, interest expenses increased to BDT 8,867 million from BDT 8,735 million in preceding year, which registered interest expense increased by 1.51 percent. Resulting of which Bank earned net interest income of BDT 5,547 million in the year 2017 from BDT 4,494 million in 2016 with a stable growth of 23.43 percent.

The Bank earned consolidated operating profit of BDT 6,066 million which is 31.32 percent up from BDT 4,619 million in 2016. However, our net income after tax stood at BDT 1,751 million from BDT 2,016 million in 2016, posting a negative growth of 13.14 percent. Earnings per share stood at BDT 3.14 from BDT 3.62 in 2016.

### **Robust Results in Core Banking**

The Bank earned total operating income of BDT 9,536 million in 2017 compared to BDT 8,237 million recording a growth of 15.76 percent over last year. We earned BDT 5,812 million as operating profit which was BDT 4,452 million in 2016. Our operating profit from core banking grew by 30.54 percent compared to the year 2016. On the other hand, the percentage of non-performing loans stood at 3.35 percent as at 31 December 2017 which was less than the industry average. This indicates that loans asset quality remained strong in spite of recording robust growth in loans portfolio. This also implies that to enhance our loans and advances; we did not compromise regarding quality and risk mitigating activities. Preceding facts and figures signify that our performance in core banking activities deserve a big hand.

### **Continued Growth in Islamic Banking**

Our Islamic banking activities are growing in a tandem with conventional banking. Deposits under Islamic Banking recorded a growth of 32.66 percent and stood at BDT 18,305 million from BDT 13,798 million in 2016. Investments under Islamic Banking stood at BDT 17,418 million in 2017 from BDT 11,832 million in 2016 registering growth of 47.22 percent. During 2017, Islamic Banking wing earned operating profit of BDT 582 million from BDT 471 million in 2016 with a sound growth of 23.60 percent.

### **Capital Adequacy and Solvency**

Total consolidated regulatory capital stood at BDT 20,796 million in 2017 as against BDT 19,798 million in 2016. Capital adequacy ratio (consolidated) is maintained at 12.92 percent of total risk weighted assets against minimum regulatory requirement of 10 percent under Basel III Accord. Bank also declared cash dividend to retain capital adequacy proportionate to business growth.



### **Other Major Achievements**

TBL has aimed at its core to be a Bank for financial inclusion and in this connection, we opened 2 new branches in 2017 extending network to 110 branches including 6 SME/Krishi branches. We opened 21 ATMs increasing the number to 205 at end of the year 2017. The Bank is also offering services through t-Lobby and there were 9 t-Lobbies at the end of 2017.

### **Commitments for 2018**

Our commitment is to become long term sustainable financial institution through financial inclusion and deliver optimum value to all stakeholders with the highest level of compliance. In line with that we have put more emphasis on liquidity management which is already become an inevitable issue for banking industry with zero respite and long term solvency through keeping our advance deposit ratio within standard range. Analysis of operating results of 2017 revealed that all profitability measures scaled up significantly. Now we have to stabilize it to ensure greater achievement in coming days.

Trust Bank will give more emphasis on balanced operational mix in terms of deposit mobilization and more cautious investment. In case of financing, we are focused on providing credits to SME, productive corporate and to those companies which have lower risk. We will remain focused on retail banking, rural financing and micro financing for diversified investment, besides our core corporate and middle market business. We are committed to build another milestone in 2018 in terms of profit generation, sustainable growth, compliance, service quality and maximization of wealth etc.

The Bank is going to open new branches, ATMs and t-Lobbies around the country in 2018 to widen scope of banks operations for financial inclusion. Keeping this in mind, we emphasized on digital financial services through redesigning our mobile banking business model. With an aim to financial inclusion, TBL re-launched and rebranded Trust Bank Mobile Money as 't-cash' on 01 April 2018. 't-cash' will enable its customers to avail financial services via their mobile phones through SMS, USSD. To provide 't-cash' services TBL has established around 5,000 active 't-cash' agents through distributors across the country. We are committed to provide quality services to the people from all walk of the society. We are committed as ever to exceed our all previous landmark of service quality and foster to lasting relationship with our clients.

### **Thanks and Gratitude**

On behalf of the Management, I would convey my sincere thanks and gratitude to the honorable Chairman and member of the Board of Directors for their strategic input and wise counsel which have been invaluable in steering the Bank to success. On the occasion of the 19<sup>th</sup> Annual General Meeting, I would like to extend my heartfelt thanks to the respected shareholders, government agencies as well all the regulatory authorities for their prudent guidance and all out cooperation.

I am deeply grateful to all our customers, investors and other stakeholders who have continuously placed their sensible trust on us.

I would conclude by expressing my special thanks and wholehearted gratitude to my beloved colleagues for their team effort, loyalty to the organization, continuous wholehearted support for turning Banks dream into reality as well as prudent use of professional knowledge to face challenges of banking industry.

With best regards,



**Faruq Mainuddin Ahmed**  
MD & CEO

## ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তার বাণী

বিসমিল্লাহির রাহমানির রাহিম  
সম্মানিত শেয়ারহোল্ডারবৃন্দ

ট্রাস্ট ব্যাংক লিমিটেডের ২০১৭ সালের আর্থিক ও পরিচালন সাফল্যের চিত্র আপনাদের সামনে উপস্থাপন করতে পেরে আমি নিজেই ভাগ্যবান মনে করছি। ২০১৭ সাল শেষে ট্রাস্ট ব্যাংক তার ব্যাংকিং কার্যক্রমের ১৯তম বছরে পদার্পণ করেছে। দীর্ঘ এই পথ চলায় আমরা ব্যাংকের গুণগত ও মানসম্পন্ন সম্পদ বৃদ্ধির নিরন্তর প্রচেষ্টা অব্যাহত রেখেছি। আমরা বিশ্বাস করি, শুধুমাত্র আর্থিক সম্পর্ক নয়, বরং শেয়ারহোল্ডারদের দৃঢ় আস্থা ই যে কোনো প্রতিষ্ঠানের মূল চালিকাশক্তি হিসেবে কাজ করে।

আমরা সবসময়ই স্বচ্ছ এবং পেশাদারি ব্যবস্থাপনার ওপর সর্বোচ্চ গুরুত্ব দিয়ে থাকি। কার্যকরী পরিচালনা পর্ষদ এবং সহায়ক কমিটিগুলো, ব্যবস্থাপনা পর্ষদের স্বাধীনতা, স্বচ্ছ আর্থিক প্রতিবেদন প্রস্তুতকরণ, আইনের যথাযথ পরিপালন এবং ধারাবাহিকভাবে শেয়ারহোল্ডারদের স্বার্থ রক্ষা আমাদের এ প্রচেষ্টারই অংশ।

বিগত বছরে বাংলাদেশ আকস্মিক বন্যা এবং মায়ানমার থেকে বিতাড়িত রোহিঙ্গা জনগোষ্ঠীর আশ্রয় দান সহ নানা চ্যালেঞ্জের সন্মুখীন হয়েছে। কিন্তু আমাদের অর্থনীতি সামগ্রিকভাবে দৃঢ় ছিল। এ সমস্যাগুলো সঠিকভাবে মোকাবেলা না করলে ভবিষ্যতে তা সামগ্রিক অর্থনীতির জন্যই দুর্ভোগ বয়ে আনবে। জুলাই-নভেম্বর, ২০১৭ সময়ে আমরা উল্লেখযোগ্য পরিমাণে রপ্তানি প্রবৃদ্ধি অর্জন করেছি। কিন্তু মূলধনী যন্ত্রপাতি আমদানি আমাদের বাণিজ্য ভারসাম্যে কিছুটা অসামঞ্জস্যতা সৃষ্টি করেছে। ২০১৭ সালের শেষের দিকে রেমিটেন্স অন্তঃপ্রবাহের পরিমাণ বৃদ্ধি পেলেও, সামগ্রিকভাবে তা ২০১৬ সালের তুলনায় হ্রাস পেয়েছে। তথাপি, রপ্তানি প্রবৃদ্ধি, রেমিটেন্সের অন্তঃপ্রবাহ বৃদ্ধি এবং অন্যান্য খাতের অবদান আগামী বছরগুলোতে আমাদের অর্থনীতির চাকাতে আরও সচল রাখবে বলে আশাবাদ ব্যক্ত করা যায়।

সাম্প্রতিক সময়ে বেসরকারি খাতে বিনিয়োগে উর্ধ্বগতি লক্ষ্য করা যাচ্ছে। বিগত বছরে শ্রেণীকৃত ঋণ ব্যবস্থাপনা সকল আর্থিক প্রতিষ্ঠানের জন্যই একটি আলোচিত বিষয় ছিল, যা সামনের বছরগুলোতেও বিদ্যমান থাকবে বলে ধারণা করা যাচ্ছে। ২০১৭ সালে ট্রাস্ট ব্যাংকের শ্রেণীকৃত ঋণের পরিমাণ ছিল ৩.৩৫ শতাংশ। এই হার ব্যাংকিং খাতের গড় হারের চেয়ে তুলনামূলকভাবে অনেক কম হলেও আত্মসন্তুষ্টির কোনো সুযোগ নেই। কারণ শ্রেণীকৃত ঋণের বিপরীতে কেবল মুনাফা থেকে সঞ্চিতি রাখলেই হয় না; বরং শ্রেণীকৃত ঋণ একই সাথে ব্যাংকের মুনাফা অর্জনের সক্ষমতাকে হ্রাস করে, মূলধনের ভিত্তি এবং অর্থনৈতিক স্বাস্থ্যকে দুর্বল করে তোলে।

### ব্যবসায়িক কৌশল ও সাফল্য

দীর্ঘমেয়াদে সম্পদের বহুমুখী ব্যবহার এবং ব্যবসায়ের পরিচালন ঝুঁকি হ্রাস করার লক্ষ্যে আমরা সম্ভবনাময় প্রতিটি খাতে বিনিয়োগ করার চেষ্টা করছি। পূর্ববর্তী বছরের মতো আমরা এ বছরও নিয়মিতভাবে পর্যাপ্ত তারল্য সংরক্ষণ, ক্ষুদ্র আমানত সংগ্রহ, সতর্ক বিনিয়োগ এবং ব্যবসায়িক কার্যক্রম মূল্যায়ন নিশ্চিত করেছি। মুনাফা বৃদ্ধি এবং কৌশলগত কারণে আমরা বিভিন্ন সেবাকে নতুন আঙ্গিকে রূপ দিয়েছি। মুনাফা অর্জন, ঋণ বিতরণ, আমানত সংগ্রহ, কর্মদক্ষতা বৃদ্ধি, ঝুঁকি ব্যবস্থাপনা, আর্থিক অন্তর্ভুক্তি এবং ব্যবসায়ের গুণগত মান বৃদ্ধির ক্ষেত্রে অভূতপূর্ব সাফল্য অর্জন করেছি। দেশের অর্থনৈতিক গতি-প্রকৃতি এবং পরিবর্তনশীল ব্যবসায়িক পরিবেশের সাথে তাল রেখে আমরা প্রতিনিয়ত আমাদের কার্যক্রমকে ঢেলে সাজিয়েছি। এ প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে।

ট্রাস্ট ব্যাংক ২০১৭ সালে ৫,৮১২ মিলিয়ন টাকা পরিচালন মুনাফা আয় করেছে, যা অতীতের সকল মাইলফলকে অতিক্রম করেছে। ট্রাস্ট ব্যাংকের এ সাফল্যে আমরা আশাবাদী। ব্যাংকের এ সাফল্যের মূলে রয়েছে ব্যাংকের মাননীয় চেয়ারম্যান ও পরিচালনা পর্ষদের সম্মানিত সদস্যদের সময়োপযোগী দিকনির্দেশনা, দক্ষ ব্যবস্থাপনা এবং শেয়ারহোল্ডার, আমানতকারী, গ্রাহকবৃন্দ ও নিয়ন্ত্রণকারী সংস্থার যথাযথ সহযোগিতা।

সারা বিশ্ব তথা বাংলাদেশের মত উন্নয়নশীল দেশে তথ্য প্রযুক্তির নিরাপত্তা একটি বহুল আলোচিত বিষয়। তথ্য-প্রযুক্তির এই যুগে প্রতিটি আর্থিক প্রতিষ্ঠানের জন্যই সাইবার-নিরাপত্তা নিশ্চিত করার মাধ্যমে সম্পদের সঠিক ব্যবহার নিশ্চিত করা অত্যন্ত গুরুত্বপূর্ণ। আমরা ব্যাংকের তথ্য নিরাপত্তা নিশ্চিত করতে পূর্ববর্তী বছরগুলোর তুলনায় বেশি সতর্ক ছিলাম।

আপনাদের ব্যাংক তারল্য সংরক্ষণ, ঋণ-আমানত ব্যবস্থাপনা এবং নেটওয়ার্ক সম্প্রসারণের ক্ষেত্রে অত্যন্ত সন্তোষজনক অবস্থানে আছে। আমরা বিগত বছরে পরিকল্পিত বিনিয়োগ, ক্ষুদ্র আমানত সংগ্রহ, ক্ষুদ্র এবং কুটির শিল্প খাতে বিনিয়োগ এবং বৈদেশিক বাণিজ্যের কার্যপরিধি নিয়ন্ত্রণে রাখতে সমর্থ হয়েছি।

### পরিচালন সাফল্য

২০১৭ সালে ব্যাংকের আমানত ২০১৬ সালের ১৭২,৭৩৮ মিলিয়ন টাকা থেকে ১৫.৯৪ শতাংশ বৃদ্ধি পেয়ে ২০০,২৭৪ মিলিয়ন টাকায় উন্নীত হয়। ব্যাংকের মোট ঋণ ও অগ্রিম ২০১৬ সাল শেষে ১৪৪,৪৩৮ মিলিয়ন টাকা থেকে ২৯.৬৪ শতাংশ বৃদ্ধি পেয়ে ২০১৭ সাল শেষে ১৮৭,২৪৭ মিলিয়ন টাকায় উন্নীত হয়। আমাদের ঋণ-আমানত হার গত বছর শেষে ৭৮.২৮ শতাংশ থেকে বৃদ্ধি পেয়ে ৮৫.০৩ শতাংশে দাঁড়ায়। সুদ আয়ের পরিমাণ গত বছরের ১৩,২২৯ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ১৪,৪১৪ মিলিয়ন টাকায় দাঁড়ায় যা গত বছরের সুদ আয় থেকে ৮.৯৬ শতাংশ বেশি। অন্যদিকে, সুদ বাবদ ব্যয়ের পরিমাণ ২০১৬ সাল শেষের ৮,৭৩৫ মিলিয়ন টাকা থেকে ১.৫১ শতাংশ বৃদ্ধি পেয়ে ৮,৮৬৭ মিলিয়ন টাকায় দাঁড়ায়, যার ফলে ব্যাংকের নীট সুদ আয় গত বছরের ৪,৪৯৪ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ৫,৫৪৭ মিলিয়ন টাকায় দাঁড়ায়, যা পূর্ববর্তী বছরের তুলনায় ২৩.৪৩ শতাংশ বেশি।

আপনাদের ব্যাংক আলোচ্য বছরে পরিচালন মুনাফা করেছে ৬,০৬৬ মিলিয়ন টাকা যা গত বছরের ৪,৬১৯ মিলিয়ন টাকার চেয়ে ৩১.৩২ শতাংশ বেশি। আমাদের কর পরবর্তী মুনাফা হয় ১,৭৫১ মিলিয়ন টাকা, যা গত বছরের ২,০১৬ মিলিয়ন টাকা থেকে ১৩.১৪ শতাংশ হ্রাস পেয়েছে। ২০১৬ সালের শেষে শেয়ার প্রতি আয় ছিল ৩.৬২ টাকা। ২০১৭ সাল শেষে শেয়ার প্রতি আয় দাঁড়িয়েছে ৩.১৪ টাকা।

## মূল ব্যাংকিং-এ সাফল্য

আমাদের মৌলিক ব্যাংকিং পরিচালনা আয় গত বছরের ৮,২৩৭ মিলিয়ন টাকা থেকে ১৫.৭৬ শতাংশ বৃদ্ধি পেয়ে ২০১৭ সালে ৯,৫৩৬ মিলিয়ন টাকায় দাঁড়ায়। পরিচালন মুনাফা হয় ৫,৮১২ মিলিয়ন টাকা যা ২০১৬ সালে ছিল ৪,৪৫২ মিলিয়ন টাকা। ট্রাস্ট ব্যাংকের পরিচালন মুনাফায় সামষ্টিক প্রবৃদ্ধির হার ২০১৬ তুলনায় ৩০.৫৪ শতাংশ বেশি। অন্যদিকে ব্যাংকের শ্রেণীকৃত ঋণের হার ৩১ ডিসেম্বর ২০১৭ সাল অনুযায়ী ৩.৩৫ শতাংশে দাঁড়ায় যা ব্যাংকিং খাতের শ্রেণীকৃত ঋণের গড় থেকে কম। তাই আমরা বলতে পারি ঋণ ও অগ্রিম বাড়াতে গিয়ে ব্যাংক ঋণ ও অগ্রিমের গুণগত মানে ছাড় দেয়নি। উপরোক্ত তথ্য থেকে আমরা বলতে পারি যে আমাদের মৌলিক ব্যাংকিং-এর সার্বিক সাফল্য প্রশংসার দাবী রাখে।

## ইসলামিক ব্যাংকিং কার্যক্রমের সম্প্রসারণ

প্রচলিত ব্যাংকিং-এর পাশাপাশি ট্রাস্ট ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম দ্রুত বেড়ে চলেছে। ২০১৭ সালে ইসলামিক ব্যাংকিং-এর আওতায় আমানতের পরিমাণ দাঁড়িয়েছে ১৮,৩০৫ মিলিয়ন টাকা, যা ২০১৬ সালে ছিল ১৩,৭৯৮ মিলিয়ন টাকা। এটি ২০১৬ সালের আমানতের তুলনায় ৩২.৬৬ শতাংশ বেশি। একইভাবে ২০১৭ সালে ইসলামিক ব্যাংকিং এর বিনিয়োগ ২০১৬ সালের চাইতে ৪৭.২২ শতাংশ বৃদ্ধি পেয়েছে। ২০১৬ সালে বিনিয়োগের পরিমাণ ছিল ১১,৮৩২ মিলিয়ন টাকা, যা ২০১৭ সালে ১৭,৪১৮ মিলিয়ন টাকায় উন্নীত হয়েছে। বছর শেষে ইসলামিক ব্যাংকিং কার্যক্রমের মুনাফা ২০১৬ সালের চাইতে ২৩.৬০ শতাংশ বৃদ্ধি পেয়ে দাঁড়িয়েছে ৫৮২ মিলিয়ন টাকা। ২০১৬ সালে ইসলামিক ব্যাংকিং কার্যক্রমের মুনাফা ছিল ৪৭১ মিলিয়ন টাকা।

## মূলধন পর্যাণ্ডতা

২০১৭ সালে ব্যাংকের একীভূত বিধিবদ্ধ মূলধনের পরিমাণ দাঁড়ায় ২০,৭৯৬ মিলিয়ন টাকা যা গত বছর শেষে ছিল ১৯,৭৯৮ মিলিয়ন টাকা। অর্থাৎ বাসেল-৩ বিধি মোতাবেক ন্যূনতম ১০ শতাংশ বুকিংভিত্তিক সম্পদের বিপরীতে ব্যাংক ১২.৯২ শতাংশ হারে মূলধন সংরক্ষণ করতে সক্ষম হয়। এ নিরিখে ব্যবসা বৃদ্ধির সাথে সাথে ব্যাংকের মূলধন পর্যাণ্ডতা বজায় রাখার জন্য আলোচ্য বছরে ব্যাংক নগদ লভ্যাংশের ঘোষণা করেছে।

## অন্যান্য অর্জন

অন্তর্ভুক্তিমূলক ব্যাংকিং এর সম্প্রসারণের লক্ষ্যে ২০১৭ সালে ব্যাংক ০২টি নতুন শাখা চালু করে। ২০১৭ সাল শেষে ব্যাংকের মোট শাখার সংখ্যা দাঁড়ায় ১১০ টিতে যার মধ্যে ৬ টি এসএমই/কৃষি শাখা। এ বছর আপনাদের ব্যাংক ২১ টি নতুন এটিএম বুথ স্থাপন করেছে। ফলে বছর শেষে ব্যাংকের এটিএম বুথের সংখ্যা দাঁড়িয়েছে ২০৫ টিতে। এ ছাড়াও ব্যাংক ৯ টি 'টি-লবি'র মাধ্যমে ব্যাংকিং সেবা দিয়ে যাচ্ছে।

## ভবিষ্যৎ পরিকল্পনাসমূহ

আর্থিক অন্তর্ভুক্তি এবং আইনের যথাযথ পরিপালনের মাধ্যমে দীর্ঘ মেয়াদে ট্রাস্ট ব্যাংককে একটি টেকসই আর্থিক প্রতিষ্ঠান হিসেবে প্রতিষ্ঠা করতে আমরা প্রতিশ্রুতিবদ্ধ। এ লক্ষ্যে আমরা ঋণ-আমানতকে একটি আদর্শ অনুপাতের মধ্যে রেখে সঠিক তারল্য ব্যবস্থাপনা ও দীর্ঘমেয়াদে আর্থিক সচ্ছলতা নিশ্চিত করছি। বিভিন্ন কার্যক্রম বিচার বিশ্লেষণ করে বলা যায়, ২০১৭ সালে মুনাফা অর্জন সহ অন্যান্য সকল সূচকে আমরা প্রবৃদ্ধি অর্জন করতে পেরেছি। আমরা সামনের দিনগুলোতে এই ধারাবাহিকতা বজায় রেখে আরও সাফল্য অর্জন করতে পারবো বলে আশাবাদ ব্যক্ত করছি।

বহুমুখী উৎস থেকে আমানত সংগ্রহ এবং বিকেন্দ্রীভূত খাতে ঋণ প্রদানে ট্রাস্ট ব্যাংক সবসময়ই গুরুত্ব প্রদান করে। এজন্য আমরা ঋণ প্রদানের ক্ষেত্রে ক্ষুদ্র ও মাঝারি শিল্প, উৎপাদনশীল ব্যবসা এবং নিম্ন বুকিং সম্পন্ন খাতকে গুরুত্ব প্রদান করি। এরই ধারাবাহিকতায় আমরা মুনাফা অর্জন, টেকসই উন্নয়ন, আইনের পরিচালন, সেবার মান উন্নয়ন এবং সম্পদের সর্বোচ্চ ব্যবহার নিশ্চিত করতে অঙ্গীকারবদ্ধ। আমরা অন্তর্ভুক্তিমূলক ব্যাংকিং কার্যক্রম ছড়িয়ে দিতে নতুন নতুন শাখা, বিভিন্ন স্থানে এটিএম এবং টি-লবি খোলার কাজ হাতে নিয়েছি। ২০১৮ সালের ১লা এপ্রিল থেকে ট্রাস্ট ব্যাংক মোবাইল মানি সেবাটি 'টি-ক্যাশ' নামে উন্মোচিত করা হয়েছে এবং এর কার্যক্রমকে বিস্তৃত পরিসরে ছড়িয়ে দিতে আমরা কাজ করছি। মোবাইল ফোনের এসএমএস, ইউএসএসডি কোড ব্যবহারের মাধ্যমে টি-ক্যাশ সেবাপ্রাপ্তকারীরা ব্যাংকিং সেবা গ্রহণ করতে পারবেন। টি-ক্যাশ সেবা প্রদানের জন্য ইতোমধ্যে সমগ্র দেশব্যাপী ৫,০০০ এজেন্ট নিয়োগ করা হয়েছে। আমরা সমাজের প্রতিটি স্তরেই গুণগত সেবা পৌঁছে দিতে প্রতিজ্ঞাবদ্ধ। আমরা প্রত্যাশা করছি, আগামী দিনগুলোতে আমরা আমাদের সকল মাইলফলক অতিক্রম করে আরও উন্নত সেবা, অন্তর্ভুক্তিমূলক ব্যাংকিং নিশ্চিত করে আপনাদের সাথে আমাদের সম্পর্ক আরও সুদৃঢ়ভাবে স্থাপন করতে পারবো।

## ধন্যবাদ জ্ঞাপন ও কৃতজ্ঞতা প্রকাশ

সময়োপযোগী কর্ম-কৌশল প্রণয়ন ও সুনির্দিষ্ট পথ নির্দেশিকা দিয়ে সকল ক্ষেত্রে নেতৃত্ব দেওয়ায় পরিচালনা পর্ষদের মাননীয় চেয়ারম্যান এবং সম্মানিত সদস্যদের প্রতি ব্যবস্থাপনা কর্তৃপক্ষের পক্ষ থেকে আমি সবাইকে আন্তরিক অভিনন্দন, ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। ব্যাংকের ১৯ তম সাধারণ সভার এই শুভক্ষণে সকল শেয়ারহোল্ডারদের প্রতি রইলো আন্তরিক অভিনন্দন ও ধন্যবাদ।

আন্তরিক ধন্যবাদ জ্ঞাপন করছি সম্মানিত গ্রাহক, বিনিয়োগকারী ও স্বার্থ সংশ্লিষ্ট সকল পক্ষের প্রতি। আপনারা আমাদের প্রতি যে বিশ্বাস ও আস্থা রেখেছেন তার জন্য আমরা আপনাদের কাছে কৃতজ্ঞ।

কৃতজ্ঞতা প্রকাশ করছি সকল নিয়ন্ত্রণকারী সংস্থাসমূহের প্রতি তাদের আন্তরিক ও প্রয়োজনীয় দিক নির্দেশনার জন্য। সর্বোপরি অব্যাহত সহযোগিতার জন্য ট্রাস্ট ব্যাংকের প্রিয় সহকর্মীদের প্রতি বিশেষ ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপনের মাধ্যমে আমি শেষ করছি।

ধন্যবাদান্তে,

ফারুক মঈনউদ্দীন

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# Sub Committees of Board

## Executive Committee

Maj Gen S M Matiur Rahman, afwc, psc  
Mr. Ashrafuzzaman Khan  
Brig Gen Md Jalal Ghani Khan, ndc, psc  
Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc  
Mr. Faruq Mainuddin Ahmed  
Mr. Md. Mizanur Rahman, FCS

Chairman  
Member  
Member  
Member  
MD & CEO  
Secretary

## Audit Committee

Mr. Shahedul Islam  
Mr. Mohamed Naser Alam  
Brig Gen Iqbal Ahmed, ndc, afwc, psc  
Mr. Md. Mizanur Rahman, FCS

Chairman  
Member  
Member  
Secretary

## Risk Management Committee

Brig Gen Hamidul Hoque, nswc, psc  
Mr. Ashrafuzzaman Khan  
Mr. Shahedul Islam  
Mr. Md. Mizanur Rahman, FCS

Chairman  
Member  
Member  
Secretary

# Senior Management

Mr. Faruq Mainuddin Ahmed  
Ms. Humaira Azam  
Mr. Junaid Masroor  
Brig Gen Md Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)  
Mr. Akhlasur Rahman Bhuiyan  
Mr. Ahsan Zaman Chowdhury

MD & CEO  
AMD  
DMD  
SEVP  
SEVP  
SEVP

## Financial Calendar

Financial Results of 2017	Date
First quarter results (un-audited) approved on	13 April 2017
Second quarter results (un-audited) approved on	30 July 2017
Third quarter results (un-audited) approved on	29 October 2017
Annual Financial Statements for the year 2017 approved on	29 April 2018

19 <sup>th</sup> Annual General Meeting	Date
Price Sensitive Disclosure	29 April 2018
Record Date	22 May 2018
Date of AGM	23 June 2018

18 <sup>th</sup> Annual General Meeting	Date
Price Sensitive Disclosure	15 March 2017
Record Date	06 April 2017
Date of AGM	24 May 2017
Credit of Bonus Share on	04 June 2017



# Corporate Governance

Corporate Governance is defined as a set of systems, processes and principles which ensures that a company is governed for the best interest of all stakeholders. At Trust Bank Limited (TBL), it is the system by which the Bank directed and controlled. It is about promoting corporate fairness, transparency and accountability. In other words, good 'Corporate Governance' is simply good business.

We Ensure:

- ◆ Adequate disclosure and effective decision making to achieve corporate objectives;
- ◆ Transparency in business transactions;
- ◆ Statutory and legal compliances;
- ◆ Protection of shareholders interests; and
- ◆ Commitment to values and ethical conduct of business.

## Shareholders' Meetings

The supreme authority in the Bank's affairs, within the limit established by the Articles of Association and statutory laws, rests with legitimate shareholders' meetings. The Bank's Annual General Meeting is held within statutorily allowed period every year. Decisions at shareholders' meetings are taken by majority vote unless there are contrary provisions in the Bank's Articles of Association or statutory laws.

## The Board of Directors

The Board of TBL is committed to the Bank to achieve superior financial performance and long-term prosperity, while meeting stakeholders' expectations of sound Corporate Governance. It handles the Bank's affairs and ensures that the organization and its operation are at all times in correct and appropriate order. The Board is, among other things, responsible for setting business objectives, strategies and business plans, formulating risk policies, confirming key aspects of the Bank's internal organization and making decisions on the establishment of branches. As a mechanism of budgetary control, the Board approves budget and reviews the business plan from time to time to give directions as per changing economic and market environment. The Board also reviews the policies and guidelines issued by Bangladesh Bank and gives directions for their due compliance. Furthermore, Board of Directors develops and reviews Corporate Governance framework as well as recommends to shareholders to appoint external auditors of the Bank.

## Composition

The Board of TBL consists of 11 (eleven) members including Managing Director as ex-officio member of the Board. As per the guidelines of Bangladesh Bank and in compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Guideline, the Board consists of 03 (three) Independent Directors.

## Appointment of New Director

Decision for appointment of new Director is made in the meeting of Board of Directors. A detailed biography along with other declarations prescribed by Bangladesh Bank is submitted to Bangladesh Bank for approval. After obtaining approval from Bangladesh Bank, necessary returns are submitted to Registrar of Joint Stock Companies & Firms (RJSC) and the Bank retains the certified copy.

## Re-election of Directors

As per Regulation 79 of Schedule-I of the Companies Act 1994 and clause 107-109 of Articles of Association of the Bank, at the ordinary general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Accordingly, the respective Directors of TBL will retire at the 19<sup>th</sup> Annual General Meeting (AGM).

## Independent Director

Independent Director means a director who does not hold any share or any managerial position or any other relationship with the company or have any related business and beneficial interest in financial institutions that may affect his/her independent decision. To comply with the circular issued by Bangladesh Bank and in compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Guidelines, the Board of Directors appointed 03 (three) Independent Directors on the Board.

## Board Meetings

During the year 2017, there were 14 meetings of the Board. The attendance of Directors at the Board meeting held during the year is stated at annexure-I.

## Executive Committee

The Executive Committee comprises of 05 (five) members from the Board including Managing Director & CEO. The Vice-Chairman of the Bank is the Chairman of the committee. The committee mainly scrutinizes the proposals sent to Board of Directors for decision. However, in order to have functioning and quick disposal of credit proposals and other relevant issue, Board has delegated authority to Executive Committee of the Board to approve proposals within certain limit and it is observed to be effective to accelerate the various decisions which otherwise had to wait for Board meeting. The committee met 47 times during the year 2017 and played instrumental role for the Board in approving strategic plans and policy guidelines. Attendance in EC meeting is appended in annexure-II.

## Audit Committee

The Audit Committee maintains regular contact with both external and internal auditors and ensures that complaints and observations from the auditors are acted upon. Furthermore, the Audit Committee discusses accounting principles and changes thereto. The Audit Committee consults and advises the Board on the scope of internal audits. The committee keeps under review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors. The committee ensures transparency and accountability in the operations of the Bank and the activities of the Bank are conducted within framework of policies, principles and plans as laid down by the Board and the guidelines of the regulatory authorities issued from time to time.

The committee is headed by an Independent Director and comprises of two other Directors including another Independent Director and the Company Secretary is the Secretary of Audit Committee. The committee has unrestricted access to all accounts, books and records to ensure that, the job is conducted properly. The committee had 11 meetings during the year 2017, based on which the committee submitted its report to the Board regarding its oversight function. The report is given in this annual report.

## Risk Management Committee

As per Banking Companies Act 1991 (amended up to 2018) and subsequent circulars issued by Bangladesh Bank, a Risk Management Committee has been formed. The committee is headed by a Director and

comprises of two other Directors. The committee oversight the Bank's risk management functions for identifying, monitoring and measuring the Bank's risk profile in a comprehensive and integrated manner. The committee focuses on six core risk management areas as prescribed by Bangladesh Bank including credit risk management, asset liability risk management, foreign exchange risk management, ICT risk management, internal control & compliance risk management and anti-money laundering risk management. Company Secretary is the Secretary of Risk Management Committee. The committee had 07 meetings in the year 2017.

## Directors' Remuneration

The non-executive directors (other than Managing Director) of the Board representing shareholders do not take any remuneration or reimbursement of any expenses except fees for attending meetings. The Board members receive only BDT 8,000/- for attending the Board/Committee meetings as per Bangladesh Bank, BRPD Circular Letter No. 11, dated 04 October 2015. The fees given to directors are disclosed in the note 28 (a) to the financial statements.

## Management

Managing Director is the Chief Executive Officer (CEO) of the Bank. The CEO and Board of Directors are jointly responsible for the management of the Bank. The Managing Director is responsible for day-to-day operations and in this respect observes the policy and directions of the Board of Directors. The day-to-day operations do not include measures which are unusual or extraordinary. Such measures are only taken by the Managing Director pursuant to special authorization from the Board of Directors unless waiting for a decision from the Board of Directors would seriously hamper the operation of the Bank. In such cases, the Board of Directors is promptly notified of the measures. The Managing Director also ensures that Bank's accounts and finances conform to applicable laws and accepted standards. Therefore, being empowered by the Board, Managing Director leads Management consisting of executives of the Bank. Management performs through several committees headed by Managing Director comprising a good number of executives of the Bank. The committees are Management Committee (MANCOM), Asset Liability Management Committee (ALCO), Credit Committee, Investment Committee and Basel Committee etc. Management exercises absolute power in respect of recruitment, posting and promotion of manpower in accordance with Bangladesh Bank's guidelines. In addition, Board has delegated adequate administrative, business and financial power to Management for quick and efficient discharge of Bank's activities.

## Financial Reporting, Statutory and Regulatory Reporting

In the preparation of quarterly, half-yearly and annual financial statements, the Bank has complied with the requirements of the Companies Act 1994, Banking Companies Act 1991 (amended up to 2018) and rules and regulations of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges.

## Internal Control

The Board of Directors acknowledges their overall responsibility for the Bank's system of internal control and for reviewing its effectiveness. Internal control is an ongoing process for identifying, evaluating and managing the significant risks faced by the Bank. The Bank has taken all-out efforts to mitigate all sorts of risk as per guidelines issued by Bangladesh Bank. Internal Control and Compliance Division is working towards mitigation of operational and compliance risk of the Bank.

## External Audit

MABS & J Partners, Chartered Accountants and Hussain Farhad & Co., Chartered Accountants are the statutory auditors of the Bank. They do not provide any other accounting, taxation or advisory services

to the Bank except certification of cash incentives payable to exporters. Being eligible, they have offered themselves for re-appointment for the next year. The Board also recommended for appointing MABS & J Partners, Chartered Accountants and Hussain Farhad & Co., Chartered Accountants as the statutory auditors of the Bank for the year 2018 to continue up to the conclusion of next Annual General Meeting.

### **Audit and Inspection by Bangladesh Bank**

Bangladesh Bank also undertakes audit and inspection at the Bank as per determined intervals. Compliance with observations and recommendations made by Bangladesh Bank help the Bank to improve internal control, risk management, corporate governance and regulatory compliance.

### **Going Concern Assumption**

The Directors confirm that the Bank has adequate resources to continue to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Relations and Communication with Shareholders**

The Bank acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information. All relevant information are placed in website of the Bank for convenience of the shareholders. Moreover, as per BSEC guidelines all the price sensitive information having possible impact on share price of the Bank are communicated to the shareholders by publication in the national dailies and to the DSE, CSE and BSEC through official letters for appearance in their website. Quarterly, Half-yearly and Yearly audited financial statements are published in national dailies as per prevailing guidelines. Finally, we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Bank. All the suggestions or recommendations made by the shareholders in AGM or any time during the year are taken very seriously for compliance and better Corporate Governance of the Bank.

### **Compliance of Regulatory Guidelines**

Bangladesh Securities and Exchange Commission issued Corporate Governance guidelines (Notification dated 07 August 2012), on 'comply' basis, for the companies listed with stock exchanges. Through the said notification, BSEC has asked the listed companies to report the compliance status of the said notification in the annual report.

### **Compliance Report on BSEC Notification**

The Board of Directors of Trust Bank Limited have taken appropriate steps to comply with Corporate Governance guidelines issued by BSEC. The details of the conditions are mentioned in Annexure-I, II, III, IV.



## Annexure-I

14 meetings of the Board of Directors were held in the year 2017; the attendance of the directors is furnished below:

Sl.	Name of Director	Position	Date of appointment	Present	Leave	Remarks
01	Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc	Chairman	25-06-2015	12	2	--
02	Maj Gen S M Matiur Rahman, afwc, psc	Vice Chairman	07-02-2016	14	0	--
03	Mr. Ashrafuzzaman Khan	Independent Director	23-02-2014	13	1	--
04	Mr. Shahedul Islam	Independent Director	28-04-2015	11	3	--
05	Brig Gen Md Jalal Ghani Khan, ndc, psc	Director	15-01-2016	14	0	--
06	Brig Gen Mohammad Omar Zahid, psc	Director	27-01-2016	14	0	--
07	Brig Gen Md Mohsin, SGP, ndc, psc	Director	27-01-2016	14	0	--
08	Brig Gen Md Main Ullah Chowdhury, awc, psc	Director	30-06-2016	14	0	--
09	Mr. Mohamed Naser Alam	Independent Director	28-11-2016	14	0	--
10	Brig Gen Mohammad Sumon Reza, psc	Director	29-12-2016	8	1	Resigned from Board on 26-09-2017.
11	Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	Director	27-02-2017	12	0	Appointed w.e.f 27-02-2017
12	Brig Gen Hamidul Hoque, nswc, psc	Director	27-09-2017	4	0	Appointed w.e.f. 27-09-2017

**N.B.** Leave of absence was granted to directors who could not attend some of the Board meetings.

## Annexure-II

47 meetings of the Executive Committee were held in the year 2017; the attendance of the Directors is furnished below:

Sl.	Name of Director	Position	Date of appointment	Present	Leave	Remarks
01	Maj Gen S M Matiur Rahman, afwc, psc	Chairman	07-02-2016	47	0	--
02	Mr. Ashrafuzzaman Khan	Member	23-02-2014	46	1	--
03	Brig Gen Md Jalal Ghani Khan, ndc, psc	Member	15-01-2016	47	0	--
04	Brig Gen Md Main Ullah Chowdhury, awc, psc	Member	30-06-2016	43	4	--
05	Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	Member	27-02-2017	40	1	Appointed w.e.f. 27-02-2017

**N.B. i)** Leave of absence was granted to directors who could not attend some of the EC meetings.

**ii)** On special invitation, Brig Gen Mohammad Omar Zahid, psc, Director attended 1 (one) EC meeting.

## Annexure-III

The pattern of shareholding of Trust Bank Limited as of 31 December 2017

**i) Shareholding by Parent/Subsidiary/Associated Companies and other related parties: Nil**

**ii) Shareholding by Directors as on 31 December 2017**

Sl#	Name of Director	Position	No. of Shares
01	General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc (Sponsor Director-Representing Army Welfare Trust)	Chairman	33,41,74,926
02	Maj Gen S M Matiur Rahman, afwc, psc	Vice Chairman (Nominated by AWT)	Nil
03	Mr. Ashrafuzzaman Khan	Independent Director	Nil
04	Mr. Shahedul Islam	Independent Director	Nil
05	Brig Gen Md Jalal Ghani Khan, ndc, psc	Director (Nominated by AWT)	Nil
06	Brig Gen Mohammad Omar Zahid, psc	Director (Nominated by AWT)	Nil
07	Brig Gen Md Mohsin, SGP, ndc, psc	Director (Nominated by AWT)	Nil
08	Brig Gen Md Main Ullah Chowdhury, awc, psc	Director (Nominated by AWT)	Nil
09	Mr. Mohamed Naser Alam	Independent Director	Nil
10	Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	Director (Nominated by AWT)	Nil
11	Brig Gen Hamidul Hoque, nswc, psc	Director (Nominated by AWT)	Nil

**iii) Shareholding by Executives:**

Name of the Executives	No. of Share
Chief Executive Officer	Nil
Company Secretary	Nil
Chief Financial Officer	Nil
Head of Internal Audit	Nil
Spouses and Minor children of above Executives	Nil

**iv) Shareholding by Other Senior Executives: Nil**

**v) Shareholders holding ten percent (10%) or more voting interest in the company as on 31 December 2017: Army Welfare Trust**

**Annexure-IV**

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

**(Report under condition no. 7.00)**

Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	<b>Board of Directors</b>			
1.1	Board's Size: Number of Board Members shall not be less than 5 (five) and more than 20 (twenty).	√		
1.2	<b>Independent Directors</b>			
1.2 (i)	At least one fifth (1/5) of the total number of Directors of Board shall be Independent Directors.	√		
1.2 (ii)	<b>Independent Directors means a Director:</b>			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2 (ii) (d)	Who is not a Member, Director or Officer of any Stock Exchange;	√		

Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any Member of Stock Exchange or an intermediary of the capital market;	√		
1.2 (ii) (f)	Who is not a partner or an Executive or was not a partner or an Executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies;	√		
1.2 (ii) (h)	Who has not been 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)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.	√		
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 Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	<b>Qualification of Independent Directors</b>			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A



Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.4	Chairman of the Board and Chief Executive Officer (CEO)			
1.4	The Chairman of the Board and the Chief Executive Officer shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	√		
1.5	The 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)	A 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.			N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
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.			N/A
1.5 (x)	Remuneration to Directors including Independent Directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer 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 therefrom has been adequately disclosed.	√		

Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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 issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	Reason for non-declaration of dividend.			N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1.5 (xxi)	<b>Pattern of shareholding and name wise details (disclosing aggregate number of shares).</b>			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.5 (xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.	√		
1.5 (xxi) (c)	Executives;	√		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company.	√		
1.5 (xxii)	<b>In case of the appointment/re-appointment of a director the company shall disclose:</b>			
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	<b>Appointment of CFO, HIA and CS</b>			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities and duties.	√		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors.	√		
3	<b>Audit Committee</b>			
3 (i)	The company shall have an Audit Committee as a 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 (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-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	<b>Constitution of Audit Committee</b>			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1 (ii)	The Board of Directors shall appoint Members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (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)	Expiration of the term of service of Audit Committee members making the number lower than 3(three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies).	√		
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 (one) Independent Director.	√		
3.2	<b>Chairman of the Audit Committee</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.	√		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	<b>Role of Audit Committee</b>			
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.	√		

Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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)	Disclosure of Audit Committee about the uses/applications of IPO 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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			N/A
3.4	<b>Reporting of the Audit Committee</b>			
3.4.1	Reporting to the Board of Directors.	√		
3.4.1 (i)	Reporting to the Board of Directors on the activities of the Audit Committee.	√		
3.4.1(ii) (a)	Reporting to Board of Directors on conflicts of interests;			N/A
3.4.1(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A
3.4.1(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			N/A
3.4.1(ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately.			N/A
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results signed by the Chairman and disclosed in the Annual Report)			N/A
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	√		
4	<b>External/Statutory Auditors</b> <b>The Issuer Company should not Engage its External/Statutory Auditors to Perform the Following Services of the Company Namely:</b>			
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; and	√		
4 (vii)	Any other service that the Audit Committee determines.	√		

Condition No.	Title	Compliance Status (has been Put in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
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 (i) of condition No. 7	√		
5	<b>Subsidiary Company</b>			
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.	√		
6	<b>Duties of The CEO and CFO</b>			
6(i)	The CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief.	√		
6. (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6. (i) (b)	These 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	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions.	√		



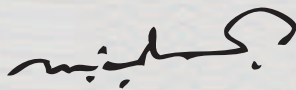
# COMPLIANCE CERTIFICATE

## **Compliance Certificate On Corporate Governance Guidelines To the Shareholders of Trust Bank Limited**

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Trust Bank Limited (the Bank) as stipulated in clause 7(i) of the BSEC notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of the Bank. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the Bank for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the compliance statement on the basis of evidence obtained and representation received thereon from the management of the Bank. It is neither an audit nor expression of opinion on the financial statements of the Bank.

Based on information and explanations given to us, we certify that the Bank has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above mentioned notification of Bangladesh Securities and Exchange Commission and applicable to the Bank for the year ended 31 December 2017.



**Md. Amirul Islam** FCS, FCA  
Senior Partner

Place: Dhaka  
Date: 15 May 2018

## BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: 00/2018/001

**BAPLC**

Date of issue: February 24, 2018

### Renewed Certificate

*This is to certify that*

**TRUST BANK LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies  
and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2018.*



  
Secretary-General  
(Acting)

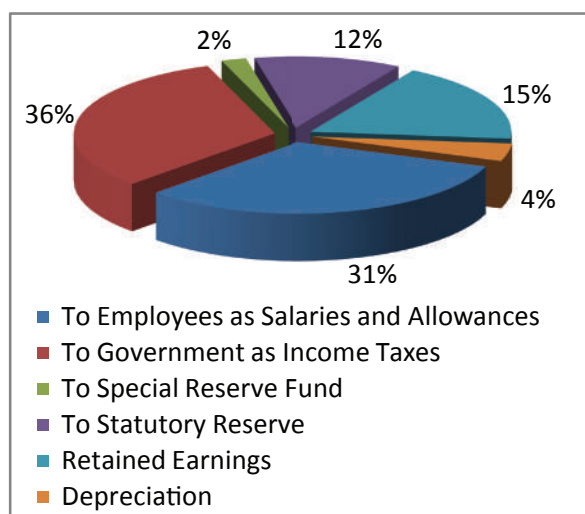
# Value Added Statement

Value addition is the wealth created by Trust Bank through its different banking operations during the tenure under consideration. The value added statement of the Bank shows how the value was created and distributed to meet certain obligations, rewards those responsible for its creation and the portion retained for the continued operation and expansion of the Bank.

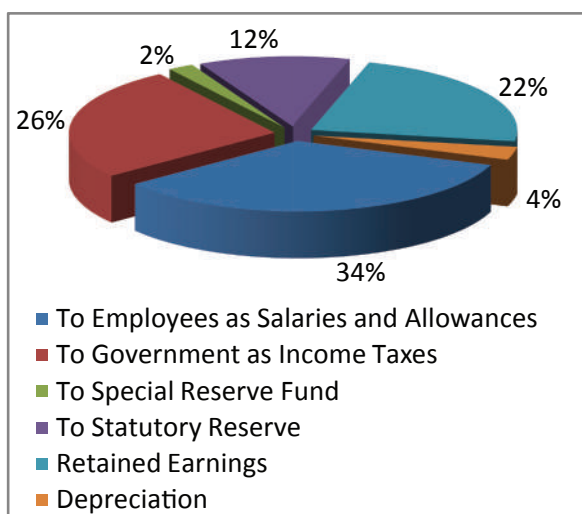
BDT in Million

Particulars	2017		2016		Growth
	Taka	%	Taka	%	
Income from Banking Services	18,401.11		16,970.85		8%
Less: Cost of Services and Supplies	10,296.74		10,164.73		1%
Add: Deferred Tax Income	24.23		25.30		-4%
<b>Value added by banking services</b>	<b>8,128.60</b>		<b>6,831.42</b>		<b>19%</b>
Less: Provision for Loan Loss and other Provisions	1,871.64		983.84		90%
<b>Total Value Added</b>	<b>6,256.96</b>		<b>5,847.58</b>		<b>7%</b>
<b>Distribution of added value</b>					
To Employees as Salaries and Allowances	1,935.52	31%	1,999.31	34%	-3%
To Government as Income Taxes	2,235.00	36%	1,485.00	26%	51%
To Special Reserve Fund	120.00	2%	120.00	2%	0%
To Statutory Reserve	788.08	12%	693.71	12%	14%
<b>Total</b>	<b>5,078.60</b>	<b>81%</b>	<b>4,298.02</b>	<b>74%</b>	<b>18%</b>
Retained Earnings	941.53	15%	1,315.14	22%	-28%
Depreciation	236.83	4%	234.42	4%	1%
<b>To Expansion and Growth</b>	<b>1,178.36</b>	<b>19%</b>	<b>1,549.56</b>	<b>26%</b>	
<b>Total Distribution of Added Value</b>	<b>6,256.96</b>	<b>100%</b>	<b>5,847.58</b>	<b>100%</b>	<b>7%</b>

Distribution of Added Value 2017:



Distribution of Added Value 2016:





# Five Years' Financial Summary

BDT in Million (where applicable)

Particulars	2017	2016	2015	2014	2013
<b>Operating Results</b>					
<b>SOLO Basis</b>					
Total Operating Income	9,535.77	8,237.29	7,529.33	5,978.24	3,725.32
Total Operating Expense	3,723.75	3,784.90	3,628.31	2,720.56	2,176.61
Operating Profit	5,812.02	4,452.38	3,901.03	3,257.68	1,548.71
Provision For Loans, Investment and Other	1,871.64	983.83	777.8	558.56	532.66
Profit Before Tax	3,940.38	3,468.55	3,123.25	2,699.12	1,016.05
Profit After Tax	1,729.61	2,008.84	1,539.33	1,299.20	324.43
<b>Financial Positions</b>					
<b>SOLO Basis</b>					
Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid-Up Capital	5,569.66	5,063.33	4,688.27	4,262.06	3,805.41
Total Shareholders' Equity	12,112.18	11,175.16	9,512.05	8,128.69	6,865.78
Deposits	200,453.45	173,059.88	150,854.20	125,059.13	102,467.67
Loans And Advances	184,910.70	141,987.43	130,614.65	106,886.08	79,279.58
Total Liabilities	227,658.45	199,066.35	170,717.52	137,217.43	109,873.79
Investments	28,545.46	30,739.01	24,262.21	19,352.22	19,023.49
Fixed Assets	704.06	802.07	827.55	603.64	483.79
Earning Assets	206,183.14	168,285.82	154,765.83	125,783.39	99,026.94
Total Assets	239,770.63	210,241.52	180,229.57	145,346.12	116,739.57
<b>Other Business</b>					
Import	85,196.90	72,571.62	74,255.59	77,421.44	44,450.92
Export	42,819.45	48,350.02	48,928.87	39,622.45	25,740.38
Foreign Remittance	29,494.11	23,171.76	24,214.99	16,174.03	13,164.65
Guarantee Issued	32,341.29	14,698.04	12,523.94	7,447.73	7,367.36
<b>Capital Measures</b>					
<b>Consolidated Basis</b>					
Total Risk Weighted Assets	160,906.95	135,455.40	128,770.20	112,460.10	91,968.20
Core Capital (Tier-I)	12,329.40	11,362.23	9,700.01	8,461.25	7,163.18
Supplementary Capital (Tier-II)	8,466.75	8,435.52	4,222.30	4,958.01	3,634.94
Total Capital	20,796.15	19,797.75	13,922.31	13,419.26	10,798.11
Tier-I Capital Ratio	7.66%	8.39%	7.53%	7.52%	7.79%
Tier-II Capital Ratio	5.26%	6.23%	3.28%	4.41%	3.95%
Total Capital Ratio	12.92%	14.62%	10.81%	11.93%	11.74%
<b>Credit Quality</b>					
<b>SOLO Basis</b>					
Non-Performing Loans	6,192.03	4,556.10	3,588.48	2,614.76	2,470.36
% Non-Performing Loans	3.35%	3.21%	2.74%	2.45%	3.12%
<b>Share Information</b>					
Market Price Per Share	42.60	23.80	24.10	14.50	20.00
Earnings Per Share	3.11	3.61	3.04	2.77	0.76
Price Earnings Ratio	13.72	6.60	7.93	5.23	26.32
Net Asset Per Share	21.75%	22.07%	20.29%	19.07%	18.04%
<b>Other Information</b>					
Cost Income Ratio	39.05%	45.95%	48.19%	45.51%	58.43%
Return on Average Equity	14.85%	19.42%	17.45%	17.33%	4.85%
Return on Average Assets	0.77%	1.03%	0.95%	0.99%	0.31%
No. of Branches	104	102	101	91	82
No. of SME/Krishi Branches	6	6	6	6	6
No. of Foreign Correspondence	23	24	25	24	24



## Directors' Report

The Board of Directors takes the privilege of welcoming you to the 19<sup>th</sup> Annual General Meeting of Trust Bank Limited. The Directors take immense pleasure in presenting the Directors' Report along with the audited financial statements of the Bank for the year ended on 31 December 2017 and the Auditors' Report thereon for your perusal and approval.





## External Environment Review

The year 2017 has been a mixed year of achievements and challenges for Bangladesh Economy. Most of the macro indicators reflect the positive trends. Considering the base year of 2005-06, the highest ever GDP growth (7.28%) was achieved in the FY 2017. Like previous years, major boost of growth has come from the industrial sector followed by the service sector. Contribution from financial intermediaries also improved substantially during FY 2017 despite deteriorating performance of the banking sector. Export earnings registered only 1.72% growth in FY 2017, RMG exports posted only 0.2% growths, while leather and leather products grew by 6.3%. Crisis in the banking sector, flood damage, post-flood management and Rohingya crisis were other dominating issues in the FY 2017.

## Gross Domestic Product (GDP) at Current Prices

The final data of GDP at current market prices stood at BDT 19,758,150 million in FY 2016-17, up by 14.02 percent of the previous fiscal year. The per capita GDP increased to BDT 1,22,152 in FY 2016-17 which was BDT 1,08,378 in previous fiscal year. On the other hand, per capita national income in FY 2016-17 stood at BDT 1,27,401 up from BDT 1,14,621 in the previous fiscal year. In US dollar, per capita GNI and GDP stood at USD 1,610 and USD 1,544 respectively in FY 2016-17 compared to USD 1,465 and USD 1,385 respectively in FY 2015-16.

## Agriculture

During the period FY 2016-17, the agriculture sector registered a growth of 2.97 percent, up by 0.18 percentage point compared to the previous year due to the better performance of all of its sectors and sub-sectors. Crop and horticulture grew by 0.96 percent, which is 0.08 percentage point higher than the previous year. 'Animal farming' and 'forest and related services' sub-sectors also progressed at faster paces than the year before. Fishing sector similarly grew at a rate of 6.23 percent, 0.12 percentage point higher than the previous year.

## Industry

In FY 2016-17, the industry sector grew by 10.22 percent, slightly lower than the growth of 11.09 percent in the previous year. Still among the fifteen sectors identified for computing national income, the industry sector (includes four sub-sectors such as mining and quarrying, manufacturing, electricity, gas and water supply and construction) is the highest contributory. According to the final estimates of Bangladesh Bureau of Statistics, the contribution of the industry sector to GDP has been estimated at 32.42 percent in FY 2016-17 which was 31.54 percent in FY 2015-16. In the FY 2016-17, the contribution of the manufacturing sector in real GDP was 21.74 percent which was 21.01 percent in FY 2015-16.

## Service Sector

In FY 2016-17, the service sector grew by 6.69 percent, up by 0.44 percentage points compared to the year before. Among the service sectors, wholesale and retail trade, hotel and restaurants, transport, storage and communication, real estate, renting and business activities performed better than the year before, but some other sectors such as education, public administration and defense exhibited slightly lower pace of progress.

## Inflation

From the beginning of FY 2013-14, a downward trend has been observed in year-on-year inflation. Starting from 7.35 percent rate of inflation in FY 2013-14, the year-on-year inflation declined to 6.41 percent in FY 2014-15, 5.92 percent in FY 2015-16 and finally stood at 5.44 percent in FY 2016-17. Satisfactory domestic production, favourable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to such sliding of overall inflation. Following downward trend, food inflation declined from 8.57 percent in FY 2013-14 to 6.68 percent in FY 2014-15 and 4.90 percent in FY 2015-16, but in FY 2016-17 shifting the direction it upturned to 6.02 percent.

## Interest Rate

Balancing the upside potentials and the risks, the policy stances- repo and reverse repo rates were kept unchanged at 6.75 percent and 4.75 percent respectively in FY 2016-17. The rate of Treasury bills (91-days, 182-days and 364-days) decreased approximately by 1.0-1.5 percentage points in June 2017 compared to July 2016. The weighted average interbank call money rate remained within 3.5-4.0 percent indicating adequate liquidity in the banking system. On the other hand, lower inflation rate, excess liquidity and healthier competition in the banking system exerted a downward pressure on the interest rate of both deposit and lending in FY 2016-17. The weighted average lending rate of commercial banks decreased to 10.39 percent at the end of June 2016 from 11.67 percent of at the end of June 2015. It further reduced to 9.56 percent at the end of June 2017. Similarly, the weighted average deposit rate was 6.80 percent at the end of June 2015, which reduced to 5.54 percent at the end of June 2016 and it further reduced to 4.84 percent at the end of June 2017.

## Export

In FY 2016-17, total export earnings moderated at USD 34,846.84 million, up by 1.72 percent from the previous fiscal year. Of the two major export items of the country, knitwear exports registered a modest growth of 3.01 percent with earnings of USD 13,757.25 million whereas exports of woven garments declined by 2.35 percent with export earnings of USD 14,392.59 million. Among the other major export items, export growth of leather and leather products (6.29%), pharmaceuticals (8.60%), chemical products (13.21%), engineering products (35.05%), plastic products (31.40%), handicrafts (44.66%), jute and jute goods (4.66%) were noticeable. On the other hand, export earnings from agricultural products, frozen food and live fish and petroleum by-product decreased by 7.20 percent, 1.74 percent and 17.93 percent respectively during the reporting period.

## Import

Import recorded a growth of 9.00 percent in FY 2016-17 against a growth of 5.94 percent in the preceding year. The total value of import (C&F) provisionally stood at USD 47,005.2 million during the reporting period, up from USD 43,122.5 million (based on the customs records) of the previous year. During this period, capital goods import increased by 9.46 percent indicating a spur in investment. In the case of capital goods, Import of capital machinery increased by 7.35 percent and other capital goods (including EPZ) increased by 10.63 percent.

## Remittance

Remittances inflow dipped to USD 12,769.5 million in FY 2016-17 from the previous year's inflow of USD 14,931.1 million with a deceleration rate of 14.48 percent despite the export of manpower grew significantly in the FY 2016-17. The slowdown of the economy of the Middle East countries arising from low oil prices and geo-political situation was mainly responsible for slowing remittances inflow. In FY 2016-17, manpower export stood at 0.91 million, up by 32.12 percent from the previous year. Therefore, it is expected that the remittance inflow will be boosted in the upcoming years.

## Foreign Exchange Reserve

Due to the surpluses in overall balance of Payment, foreign exchange reserve registered an increase in FY 2016-17. On 30 June 2016, foreign exchange reserves stood at USD 30,176 million, which increased to USD 33,407 million at the end of FY 2016-17, providing import coverage of 8.53 months.

## Exchange Rate

In FY 2016-17, the weighted average of interbank exchange rate stood at BDT 79.13 per USD, while it was BDT 78.26 per USD in FY 2015-16 showing a depreciation of about 1.10 percent. Over the same period, BDT appreciated against Euro by 0.72 percent and UK Pound Sterling by 13.57 percent but depreciated by 0.92 percent against Indian Rupees. Moreover, based on the basket of 15 currencies, the Real Effective Exchange Rate (REER) index appreciated by 1.87 percent from 105.53 to 107.5 in FY 2016-17.

## Banking Sector and TBL in 2017

In the year 2017, the banking industry of Bangladesh has dealt with a number of bottlenecks. The sector exposed a greater weakness in non-performing loans (NPL), lower capital adequacy, financial scams and the overall lack of governance. The amount of defaulted loans in the banking sector at the end of December, 2017 stood at BDT 743,030 million, while the amount at the end of December, 2016 was BDT 621,723 million.

Despite the banking sector of the country went through challenges, Trust Bank delivered solid financial performance and growth at the higher end. The Bank was able to stabilize its earning through its growth. The loan portfolio of the Bank grew BDT 42,923.27 million, or 29.64%, to BDT 184,910.70 million at 31 December 2017, compared to BDT 141,987.43 million at 31 December 2016. The solid growth in loans reflects the improving performance and appeal of the Bank towards its clients. Total deposits grew BDT 27,535.75 million, or 15.94% to BDT 200,274.20 million at year end, compared to BDT 172,738.44 million at 31 December 2016. Asset quality of the Bank remained solid as non-performing assets were 3.35% of total assets, compared to 3.21% of 2016.

## Cash Reserve Ratio (CRR)

Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the Central Bank.

CRR for the scheduled banks in Bangladesh was 6.5% which was same as the previous year's requirement. This ratio is maintained on the average time and demand liabilities of the Bank. According to the latest MPD circular No. 01 of Bangladesh Bank dated 23 June 2014, banks are required to maintain at least 6.00% of the average time and demand liabilities on daily basis and minimum 6.5% on bi-weekly basis with effect from 24 July 2014. The percentage of cash i.e., CRR maintained by our Bank as on 31 December 2017 was 6.57%.

## Statutory Liquidity Requirement (SLR)

Amount of liquid assets; such as, precious metals (Gold) or other approved securities, which a financial institution must maintain as reserves other than the cash.

Statutory Liquidity Requirement (SLR) for the scheduled banks in Bangladesh, except banks operating under Islamic Shariah and the specialized banks, has been set at 13% of their average demand and time liabilities, excluding inter-bank items, since 11 December 2010. The percentage of SLR maintained by our Bank as on 31 December 2017 was 15.30%.

## Activities of Trust Bank Limited Business Operation and Strategy Our Business Focus

The principal activities of the Bank are banking and related businesses under the Banking Companies Act 1991 (amended up to 2018). The core banking business includes accepting deposits and granting loans and advances out of those deposits and earning profit through creating value from gap between interest paid on deposits and interest earned on loans and advances. The depositors supply funds for loans and advances. The Bank collects deposits through deposit mobilization strategy comprising various deposit products under conventional banking and Islamic banking. The Bank's central revenue producing activities include all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders and business, house building loan, car loan as well as wide range of life style and need based loans for retail customers.

The Bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, phone banking, SMS banking, internet banking, any time banking for 24 hours a day and 7 days a week through ATM.

## Client as Trusted and Development Partner

We look after our every client to make him/her a development partner through addressing their needs and wants by providing best services at affordable prices. We put a client in the ladder where he/she climbs customer-supporter-advocate phases and finally becomes development partner of the Bank. Our mission is customer focused and we consider it as the customers' right to get modern, online and full range of banking services at an affordable price at anytime and anywhere. We are promise-bound through our mission to make the banking easy for our customers and support entrepreneurship, social responsibility and economic development of the country.

## Corporate Branding

Brand of our Bank is completely defined by the experience we deliver. Customers do not apparently buy things in Bank; they mainly buy experience from us. This experience does not solely depend on what services or what competitive benefits we provide; rather, how we provide and it is not only the task of one individual or division rather it's an everybody's business of the Bank.

For better understanding of the market demand, communication and making branding activities of Trust Bank more fruitful and effective, there is a department namely Corporate Branding and Market Communication Department (CBMC). CBMC is responsible for media management, coordination and correspondence with different advertisement agencies. It also looks after the branding issues and creative works etc.



*Trust Bank Defence Services Cup Golf Tournament – 2017*

As part of branding and market communication, Trust Bank sponsors various events and programs round the year. In 2017, we sponsored many such programs like Asian Tour Professional Golf Tournament, Olympic Day, different events of Bangladesh Taekwondo Federation, National Victory Day Parade, Annual Banking Conference, 'Healthcare, Pharmaceuticals and Biotech Trade Fair', International Information Rights Day, CCTV Network Project of Mymensingh District Town, International UN Peace Keeping Day etc.

We were also involved with 'Trust Bank Defence Services Cup Golf Tournament – 2017' as Title sponsor. Trust Bank is sponsoring a promising Golfer Mr. Md. Shafique Bakha, a professional golfer, for his future development in Golf Career. Mr. Bakha participated in many international professional golf tournaments in India, Nepal and Bhutan and won the Iran International Amateur Open 2017 held in Tehran.

Throughout the year, we keep the clients, stakeholders and well-wishers apprised of our activities through advertisements and press releases in famous print and electronic media.



*Sponsorship agreement between Trust Bank Limited and Golfer Mr. Md. Shafique Bakha*



## Cluster Management

Here in TBL, we run the Bank through an effective and efficient Cluster Management System. Every branch gets enough specialized support through the channels of Cluster Management. Our high quality Cluster Management is important to ensure excellence of the Bank. The cluster Heads/Managers monitor and supervise the overall activities of a cluster. The performance of the branches is linked to the professional expertise and capabilities of cluster members. Currently, there are 21 clusters in TBL which are managed by efficient and expert Cluster Managers who mainly do the followings:

- o Managing clusters with unprecedented ease.
- o Performing risk-free upgrades.
- o Simplifying administration.



*Cluster Heads' Conference -2017 of Trust Bank Limited.*

## Regulatory and Compliance Culture

The Bank's dealings with clients are guided by principle of fair dealings, honesty and integrity. The Bank's objective is to observe all standards of market integrity, good practice and conduct. The personal conduct of the staff is driven by high ethical standards. The Bank, furthermore, places great emphasis on safeguarding the confidentiality of client information. Internal Auditors are entrusted with responsibility to ensure that rules and policies relating to above mentioned issues are in place. Above all, the Bank is committed to ensure prompt and spontaneous compliance of all rules, regulations and guidelines issued by regulators from time to time.

## Financial Performance Review Summary

The Bank earned consolidated operating income of BDT 9,861.63 million for the year 2017. After keeping BDT 2,061.03 million as provision against classified and unclassified loans and advances, diminution in the value of investment, off-balance sheet exposure and other assets. The pre-tax profit stood at BDT 4,004.67 million for the year 2017, and net profit of the Bank after tax stood at BDT 1,750.86 million for the year 2017.

### Interest Income

Trust Bank earned consolidated interest income plus profit on Islamic Banking investment for BDT 14,413.60 million during the year 2017 as against BDT 13,228.57 million in 2016 registering a growth of 8.96% or BDT 1,185.03 million. This growth came as a result of maintaining sound portfolio, high yielding loan products, proper management in placement of fund and efficient utilization of fund.

### Interest Expenses

Consolidated interest and profit paid on deposits and borrowings measured at BDT 8,866.68 million in 2017 as against BDT 8,734.67 million in 2016 showing a slight increase by 1.51% or BDT 132.01 million. This nominal increase of interest expenses was due to the growth of deposits of the Bank during the year.



## Net Interest Income

The consolidated net interest income showed BDT 5,546.92 million as against BDT 4,493.91 million in the preceding year. During the year, net interest income increased by BDT 1,053.01 million representing a positive growth of 23.43% which was the main contributor to the operating income for the year 2017.

## Income from Investment

Excess investment relating to SLR was slightly decreased in 2017; therefore, consolidated income from investment was BDT 2,268.38 million whereas it was BDT 2,280.62 million in the year 2016. BDT 12.24 million or 0.54% was decreased from 2017 to 2016.

## Non-interest Income

The non-interest income consists of the commission, exchange and other operating income of the Bank. Consolidated non-interest income of the Bank was BDT 2,046.33 million in 2017; whereas, it was BDT 1,702.42 million in 2016.

## Total Operating Expenses

The consolidated operating expenses shown in Profit and Loss account was amounting to BDT 3,795.92 million in 2017 compared to BDT 3,858.00 million in the previous year. Salary and allowances constituted 51.66% of total of operating expenses in 2017 and there was 3.28% decrease in salary and allowances in the year 2017 from the year 2016. The total operating expenses of the Bank was decreased by 1.61% from previous year.

## Income Mix and Growth

BDT in Million

Particulars	2017	2016	Growth
Interest income / Profit on investment	14,413.60	13,228.57	8.96%
Interest / Profit paid on deposits and borrowings etc.	8,866.68	8,734.67	1.51%
Net interest income	5,546.92	4,493.91	23.43%
Investment Income	2,268.38	2,280.62	-0.54%
Non Interest Income	2,046.33	1,702.42	20.20%
Total operating income	9,861.63	8,476.95	16.33%
Total operating expenses (Excluding Contribution to Special Reserve Fund)	3,675.92	3,738.00	-1.66%
Profit before provision	6,185.70	4,738.95	30.53%
Provision for loans and advances / investments, Diminution in value of investment and Others	2,061.03	1,106.35	86.29%
Contribution to Special Reserve Fund	120.00	120.00	0.00%
Total Profit before Taxes	4,004.67	3,512.60	14.01%
Provision for Taxation (Current and Deferred)	2,253.81	1,496.78	50.58%
Net Profit after Taxation	1,750.86	2,015.82	-13.14%

## Profit before Provision

Consolidated operating profit before provision was BDT 6,185.70 million in the year 2017; whereas, it was BDT 4,738.95 million in the year 2016 before considering contribution to Special Reserve Fund. After accounting for contribution to Special Reserve Fund of BDT 120.00 million in 2017, the operating profit stood at BDT 6,065.70 million in 2017 compared to BDT 4,618.95 million in 2016.

## Provision for Loans and Advances, Off-balance Sheet Exposure and other

During the year 2017, consolidated provision for loans and advances was BDT 2,061.03 million compared to BDT 1,106.35 million in the year 2016 and increased by BDT 954.68 million.

## Profit before Taxes

After making above provision, consolidated net profit before tax of the Bank stood at BDT 4,005.00 million in 2017 compared to BDT 3,512.60 million in 2016 which refers to 14.01% growth.

## Provision for Income Tax

Consolidated Provision for Income Tax for the year 2017 stood at BDT 2,278.00 million against BDT 1,522.20 million in 2016. However, net provision for income tax was BDT 2,253.81 million after accounting for Deferred Tax of BDT 24.19 million in 2017.

## Net Profit after Tax

Consolidated net profit after tax stood at BDT 1,750.86 million in the year 2017 from BDT 2,015.82 million in the year 2016 and earnings per share was BDT 3.14 in the year 2017 whereas it was BDT 3.62 in the year 2016.

## Dividend

The Board of Directors in its 278 (05/2018) Meeting held on 29 April 2018 recommended 20% Cash Dividend for the approval of shareholders at the next Annual General Meeting (AGM) to be held on 23 June 2018.

## Financial Position Review Summary

Despite various external challenges, Bank's overall businesses grew significantly in 2017. Deposits of the Bank increased by 15.94% and stood at BDT 200,274.20 million at the end of year 2017. Consolidated loans and advances increased by 29.64% compared to year 2016 and stood at BDT 187,246.51 million at the end of the year 2017.

## Total Assets

Consolidated assets of the Bank stood at BDT 241,319.18 million in 2017 as against BDT 211,550.05 million in 2016 registering a growth of 14.07%. Increase in assets was mainly driven by significant growth of customer's deposits. The growth of deposits was used for funding growth in credit and investment. Loans and Advances constituted 77.59% of total assets while investment in government and other instruments held 12.69% of the total assets. Balance with other banks and financial institutions held at 1.68% of total assets. Moreover, other assets which are very current in nature made up 1.23% of total assets leaving only 0.30% of total assets tied up in fixed assets including premises, furniture and fixtures. The above common size analysis showed that almost 91.96% of total assets of the Bank are utilized in different earning assets along with fixed assets and others leaving 6.52% in liquid form for meeting cash withdrawal demand of customers and maintaining Cash Reserve Ratio (CRR) requirement of Bangladesh Bank.

## Summary of Property and Assets

BDT in Million

Particulars	2017	2016	Growth (%)	Asset Mix	
				2017	2016
Cash in hand and Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	15,734.75	15,645.63	0.57%	6.52%	7.40%
Balance with other Banks and FIs	4,048.94	14,734.85	-72.52%	1.68%	6.97%
Money at call and short notice	-	1,040.00	-	0.00%	0.49%
Investments	30,615.23	32,464.13	-5.70%	12.69%	15.35%
Loans and Advances/Islamic Banking Investments	187,246.51	144,438.41	29.64%	77.59%	68.28%
Fixed assets including premises, furniture and fixtures	712.87	812.82	-12.30%	0.30%	0.38%
Other assets	2,960.88	2,414.21	22.64%	1.23%	1.14%
<b>Total Assets</b>	<b>241,319.18</b>	<b>211,550.05</b>	<b>14.07%</b>	<b>100.00%</b>	<b>100.00%</b>

## Cash in Hand and Balance with Bangladesh Bank and its Agent Banks Including Foreign Currencies

As on 31 December 2017, consolidated cash in hand and balance with Bangladesh Bank and its agent banks (including foreign currencies) stood at BDT 15,734.75 million as against BDT 15,645.63 million of 2016 registering a growth by BDT 89.12 million or 0.57%. This increase in cash attributed to maintaining Cash Reserve Ratio (CRR) with Bangladesh Bank and to providing uninterrupted cash services to our growing customers. However, this asset remains 6.52% of the total assets in the year 2017.

## Balance with Other Banks and Financial Institutions

Trade Service Division of the Bank has to maintain some Special Notice Deposit (SND) accounts and Current Deposit (CD) accounts with other banks in and outside the country for smooth functioning of the treasury operations and international trade finance. The Bank also places excess fund with other banks and financial institutions as term deposits for optimizing the profit of the Bank. As on 31 December 2017, proper use of the fund, consolidated balance outstanding with other banks and financial institutions was BDT 4,048.94 million as compared to BDT 14,734.85 million at the end of 2016.

## Investments

In the year 2017, excess investment relating to SLR was slightly decreased; therefore, at the end of year 2017, Bank's investments stood at BDT 30,615.23 million showing a decrease by 5.70% as compared to that of 2016. Out of total investments, BDT 25,596.87 million was invested in government securities and the rest of the amount i.e. BDT 5,018.36 million was invested in Preference Shares, Ordinary Shares and Corporate Bonds.

## Loans and Advances

Consolidated loans and advances of the Bank as on 31 December 2017 was BDT 187,246.51 million as against BDT 144,438.41 million in the year 2016, showing an increase by almost 29.64% over the preceding year. The Loans and Advances cover up the areas of corporate (based on both Conventional and Islamic Shariah Mode), SME, Retail and Credit Card. The credit portfolio of the Bank also included mix of scheme loans, namely- Renovation and Reconstruction of Dwelling House Loan (RRDH), Consumers Durable Scheme Loan (CDS), Marriage Loan, Loan against Pension Benefit, Car Loan, HBF Loan and Commercial Loan. Corporate lending is still the core business of the Bank and continues to remain the major segment of the business. While providing loans to our customers, the policy of Bangladesh Bank is strictly followed. The portfolio has further been diversified to avoid risk of single industry concentration and remains in line with the Bank's credit norms relating to risk quality. The Customer Relationship has been strengthened and frequent visits to the clients have been ensured for further cementing existing relationship.

## Total Liabilities

Total Liabilities of the Bank comprise of broad three items such as Borrowing from other Banks, Financial Institutions and Agents, Deposits and other liabilities. Consolidated balance of liabilities of the Bank stood at BDT 241,319.18 million at the end of year 2017 as against BDT 211,550.05 million in 2016, representing a rise of 14.07%. Deposits constituted 82.99% of total liabilities of the Bank.

## Summary of Liabilities and Capital:

BDT in Million

Particulars	2017	2016	Growth	Liability Mix	
			%	2017	2016
Liabilities:					
Borrowings from other banks, financial institutions and agents	16,565.96	17,954.57	-7.73%	6.86%	8.49%
Deposits and other accounts	200,274.20	172,738.44	15.94%	82.99%	81.65%
Other liabilities	12,004.12	9,340.40	28.52%	4.97%	4.42%
<b>Total Liabilities/Non Owner's Claims on the Total Assets</b>	<b>228,844.28</b>	<b>200,033.41</b>	<b>14.40%</b>	<b>94.83%</b>	<b>94.56%</b>
Capital/Shareholders' Equity	5,569.66	5,063.33	10.00%	2.31%	2.39%
Statutory Reserve	4,815.48	4,027.40	19.57%	2.00%	1.90%
Other Reserve and Share Premium	7.23	40.32	-82.07%	0.00%	0.02%
Retained Earnings	2,082.53	2,385.58	-12.70%	0.86%	1.13%
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>12,474.90</b>	<b>11,516.63</b>	<b>8.32%</b>	<b>5.17%</b>	<b>5.44%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>241,319.18</b>	<b>211,550.05</b>	<b>14.07%</b>	<b>100.00%</b>	<b>100.00%</b>

## Deposit Portfolio

In the year 2017, consolidated deposits of the Bank increased by 15.94% and to BDT 200,274.20 million from BDT 172,738.45 million as recorded in the year 2016. The combination of competitive interest rates, depositor's trust in the Bank and mobilization efforts of the Bank Management resulted in the growth of deposits. Mix of deposits showed that fixed deposits contributed 48.67% of total deposits. The Bank's deposits include the deposits from both conventional and Islamic Banking deposit vehicle.

BDT in Million

Type of Deposits	2017	2016	Growth	Deposit Mix	
			%	2017	2016
Current/Al-wadeeah Current Accounts and Other Accounts	28,172.41	20,771.29	35.63%	14.07%	12.02%
Bills Payable	2,685.11	2,843.87	-5.58%	1.34%	1.65%
Savings Bank/Mudaraba Savings Deposits	28,898.71	24,167.09	19.58%	14.47%	13.99%
Fixed Deposits/Mudaraba Term Deposits	97,524.06	98,189.27	-0.68%	48.67%	56.84%
Short Notice Deposits/Mudaraba Short Notice Deposits	26,584.17	17,674.23	50.41%	13.27%	10.23%
Special Deposits Scheme	16,409.75	9,092.69	80.47%	8.19%	5.26%
<b>Total</b>	<b>200,274.20</b>	<b>172,738.44</b>	<b>15.94%</b>	<b>100.00%</b>	<b>100.00%</b>

## Borrowing from Other Banks, Financial Institutions and Agents

Borrowing represents the Long Term Borrowings from Unsecured Subordinated Non-Convertible Bond and Bangladesh Bank Refinance, EDF, IPFF, LTFF. The balance stood at BDT 16,565.96 million at the end of year 2017 as against BDT 17,954.57 million in 2016.

## Shareholders' Equity

Total Consolidated Shareholders' Equity increased by 8.32% and stood at BDT 12,474.90 million at the end of year 2017 as against BDT 11,516.63 million in the year 2016. Item wise details of Shareholder's equity are given below:

BDT in Million

Particulars	2017	2016	Changes %
Paid Up Capital	5,569.66	5,063.33	10.00%
Statutory Reserve	4,815.48	4,027.40	19.57%
Other Reserve and Share Premium	7.23	40.32	-82.07%
Retained Earnings	2,082.53	2,385.58	-12.70%
<b>Total Shareholders' Equity/Owner's Claims on the Total Assets</b>	<b>12,474.90</b>	<b>11,516.63</b>	<b>8.32%</b>

## Statutory Reserve

In accordance with the provision of the Bank Companies Act 1991, minimum 20% of operating profit before tax is required to be transferred to Statutory Reserve. In the year 2017, 20% of profit before Tax amounting BDT 788.08 million was transferred to Statutory Reserve and thus balance of Statutory Reserve stood at BDT 4,815.48 million in the end of year 2017.

## Asset Quality

Trust Bank Limited has structured approval process in its Head Office level for approving credit facilities. However, some delegation is also conferred to Branches for allowing specific credit facilities with proper documentation formalities and compliance. Our consolidated non-performing asset increases from 3.15% to 3.31% during the year 2017. The asset quality may be termed as strong. Moreover, our endeavour towards regularization as well as conversion of our existing non-performing loans into performing ones for maintaining the assets quality of the Bank is continuing through identifying, managing and mitigating risk associated with lending.

BDT in Million

Particulars	Consolidated			Solo		
	2017	2016	Changes %	2017	2016	Changes %
<b>Unclassified Loans</b>	<b>181,054.48</b>	<b>139,882.32</b>	<b>29.43%</b>	<b>178,718.67</b>	<b>137,431.34</b>	<b>30.04%</b>
Standard	174,853.47	135,383.98	29.15%	172,517.66	132,933.00	29.78%
SMA	6,201.01	4,498.34	37.85%	6,201.01	4,498.34	37.85%
<b>Classified Loans</b>	<b>6,192.02</b>	<b>4,556.09</b>	<b>35.91%</b>	<b>6,192.03</b>	<b>4,556.09</b>	<b>35.91%</b>
Sub-standard	1,004.75	903.83	11.17%	1,004.75	903.83	11.17%
Doubtful	613.16	638.42	-3.96%	613.16	638.42	-3.96%
Bad/Loss	4,574.12	3,013.84	51.77%	4,574.12	3,013.84	51.77%
<b>Total Loan</b>	<b>187,246.51</b>	<b>144,438.41</b>	<b>29.64%</b>	<b>184,910.70</b>	<b>141,987.43</b>	<b>30.23%</b>
<b>NPL (%)</b>	<b>3.31%</b>	<b>3.15%</b>	<b>4.84%</b>	<b>3.35%</b>	<b>3.21%</b>	<b>4.36%</b>



## Capital Management Plan

The Board of Directors is contemplating to maintain a strong capital base to support business growth to comply with regulatory requirement and to obtain good credit rating as well as CAMELS rating. A strong capital base is also considered as a cushion to absorb any unforeseen shock arising from credit, operations and market risks. The amount of minimum capital that should be maintained by the Bank against its risk weighted assets is measured by the Capital Adequacy Ratio laid down by Basel Capital Accord. Capital Adequacy is measured by the ratio of the Bank's Capital to Risk Weighted Assets both on Balance Sheet and Off Balance Sheet transactions. All assets have been assigned weights ranging from 0% - 100%. Off Balance Sheet items are included in the computation by converting them into Balance Sheet equivalents before being allocated a risk weight. Bank's capital has two components Tier-I (Core Capital) and Tier-II (Supplementary Capital).

### Common Equity Tier I (Going-Concern Capital)

The Consolidated Common Equity Tier I (Going-Concern Capital) was 7.66% of Total Risk Weighted Assets at the end of the year 2017. Common Equity Tier I represents the paid up capital, Minority Interest, Statutory Reserve and Retained Earnings. As on 31 December 2017, our Consolidated Common Equity Tier I (Going-Concern Capital) stood at BDT 12,329.40 million against BDT 11,362.23 million in 2016. The Tier I Capital constituted 59.29% of Total Capital while paid up capital constituted almost 44.65% of total Shareholder's Equity.

### Tier –II Capital (Gone Concern Capital)

Tier –II Capital (Gone Concern Capital) of the Bank represents General Provision, Subordinated Bonds and Revaluation Reserve of Held to Maturity Securities (50% of such Reserve). At the close of business on 31 December 2017, our Consolidated Tier –II Capital (Gone Concern Capital) stood at BDT 8,466.75 million as against BDT 8,435.52 million in 2016.

### Total Regulatory Capital

At the end of 2017, Consolidated Regulatory Capital stood at BDT 20,796.15 million against BDT 19,797.75 million in 2016 registering a growth of almost 5.04% over the preceding year and Consolidated Capital Adequacy Ratios were 12.92% and 14.62% of Total Risk Weighted Assets in 2017 and 2016 respectively against the Regulatory requirement of 10.625% and 10.00% for 2017 and 2016 respectively.

### Credit Rating

Based on the Financial Statements of 2016, Credit Rating Agency of Bangladesh (CRAB) assigned long term credit rating of the Bank at AA2 and short term rating ST-2 with the validity till 30 June 2018. These ratings imply the strong fundamentals of the Bank in the areas of stability of fund, profitability, business growth, diversified-portfolio and loan loss coverage etc. Long term rating of AA2 indicates very high investment grade and short term rating ST-2 indicates high certainty of timely payment of financial obligations.

The credit rating of Trust Bank Limited based on financial statements for year ended on 31 December 2017 is under process and will be published in due course.

## Retail Banking

### Asset

Retail Banking Division has continued to focus on strengthening the asset base in 2017; as a result, the Bank has seen a staggering 86% growth in the retail asset portfolio from the previous year. As on 31 December 2017, the total retail asset portfolio stood at BDT 33,251 million. This significant growth in the portfolio was largely due to the success of Loan Against Pension Benefit for Defense Personnel (other than Officer), a retail asset product of TBL launched in 2016. The product was targeted towards Soldier to Junior Commission Officer of Bangladesh Army and equivalent post holders of Bangladesh Navy and Air Force. As on 31 December 2017, the outstanding amount of the product was BDT 18,593 million against 23,018 number of accounts.

### Payroll Banking

06 (six) new prestigious organizations were included under Trust Payroll Banking in 2017. The Retail Banking Division demonstrated a notable success through establishing payroll relationship with various well-known organizations such as RAOWA Club, Uttara High School and BAF Shamsheernagar Air Base etc. The division has brought on board a new account relationship with West Zone Power Distribution Company Ltd. (WZPDCL) for 'Prepayment Metering System', which will be an effective source of low cost fund.

### Trust Youniverse and Loyalty

The Loyalty team has succeeded in signing favorable MoU with 12 (twelve) new organizations. 06 (six) of these MoU have been for EMI Easy Pay, a service that was initiated for TBL card holders in 2017. The Bank has signed MoU with 'Le Meridian Dhaka' and 'United Hospital Ltd' under the Trust Youniverse program for all TBL debit and credit card holders. Inclusion of these luxury brands under the loyalty umbrella in 2017 is expected to bring fruitful outcome in the years to come.



*MoU signing ceremony between Trust Bank Limited and United Hospital Limited.*

## Financial Literacy

Like the previous year, in 2017, Retail Banking Division continued to support and promote financial literacy program through school banking activities. Some of the highlights are listed below:

### 1. School Banking Campaigns

2017 was a year of significant increase in School Banking Campaigns. A total of 40 campaigns were arranged through branches, 35 of which were held outside of Dhaka and rest 5 were within Dhaka City.

### 2. School Banking Program

In 2017, TBL has organized a School Banking Program in Natore District as the Lead Bank where 23 banks and 38 schools participated. The program was graced by Mr. S. K. Sur Chowdhury, Honorable Deputy Governor of Bangladesh Bank as Chief Guest. The Bank's former Managing Director & CEO, Mr. Ishitiaeque Ahmed Chowdhury also attended the program as Special Guest.

## SME Financing

Trust Bank started its SME financing by opening a separate department in 2009. Since then, 14 new products have been launched to meet the demand of different customer segments in different areas. Under the umbrella of this division, the Bank has introduced SME 'Dedicated Help Desk' at branch level and 'Women Entrepreneur Development Unit' at Head Office. The overall performance of the division was better than the year before. The SME loan growth of the Bank has increased by 29% in 2017 compared to year 2016. Based on the performance, TBL was once ranked by SME Foundation as one of the 'Top Ten' SME favored banks in Bangladesh.

In the year 2017, the SME and Agriculture Division has been strengthened to meet the increasing demand of SMEs. The Bank considers SME business growth as the key to economic growth, innovation, job creation and social integration; and therefore, various financing and skill development initiatives have been taken. The Bank in association with SME Foundation, financed 200 women entrepreneurs in three hill districts of Chittagong (i.e. Khagrachari, Rangamati and Bandarban) and Jessore region under a specialized product named 'Trust Sukannya'. Under the product of 'Trust Akota', the Bank also financed a handloom cluster in Sirajgonj. BDT 40.40 million has been also disbursed among 1024 persons of 10/- Taka account holders.



*Maj Gen S M Matiur Rahman, afwc, psc, Adjutant General of Bangladesh Army & Vice Chairman of Trust Bank Limited greeted Ms. Umme Habiba Nila, a client of Trust Bank and owner of M/s Opus Sign, as she achieved the national SME Award-2017 from SME Foundation.*

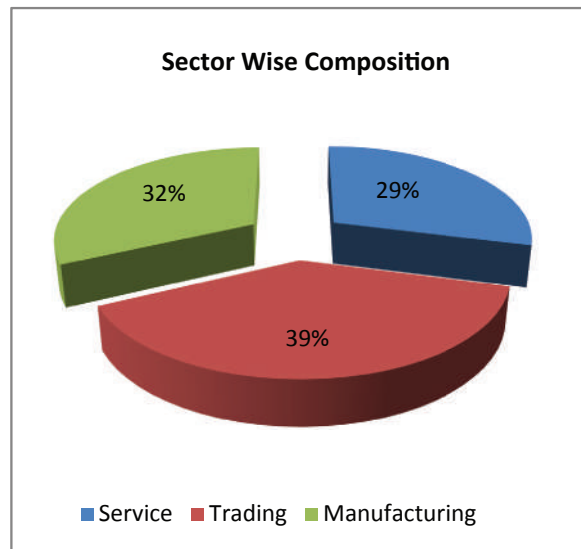
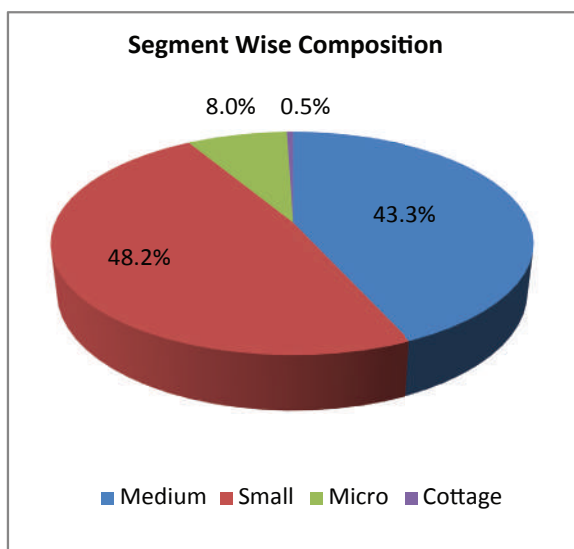
Realizing the need of skill development of SME entrepreneurs, the Bank has taken several initiatives thereby provided capacity building training to 115 potential women entrepreneurs in Khulna, Bogra and Comilla regions and SME awareness raising program among the TBL employees to make the SME financing more vibrant. MoU with 'Bangladesh Women Chamber of Commerce and Industry' and 'By the Women for the Women Forum' have been signed for providing capacity building training to potential women entrepreneurs across the country. The Bank has also sponsored the opening of holiday market in Dhaka for the women entrepreneurs, first of its kind in Bangladesh allocated by Dhaka North City Corporation.



*MoU Signing Ceremony between Trust Bank and Bangladesh Women Chamber of Commerce and Industry (BWCCI) for providing capacity building training to potential women entrepreneurs.*

## Composition of SME Financing

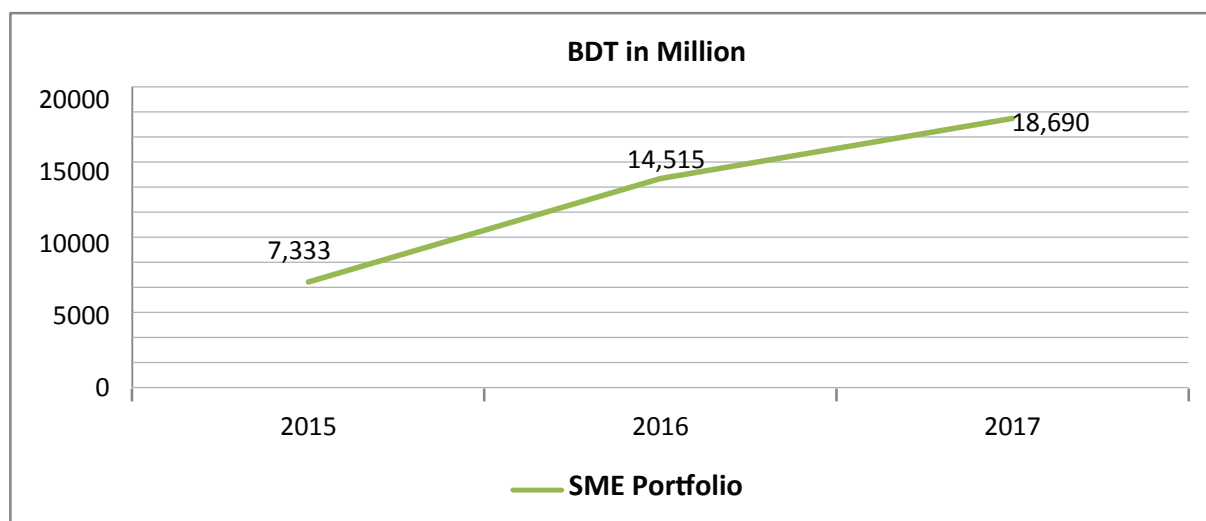
Segment-wise as well as sector-wise composition of total SME portfolio are shown below:





## Growth of SME Financing

SME loan portfolio of Trust Bank has been growing consistently over the years. Last three years SME loan growth is depicted as below:

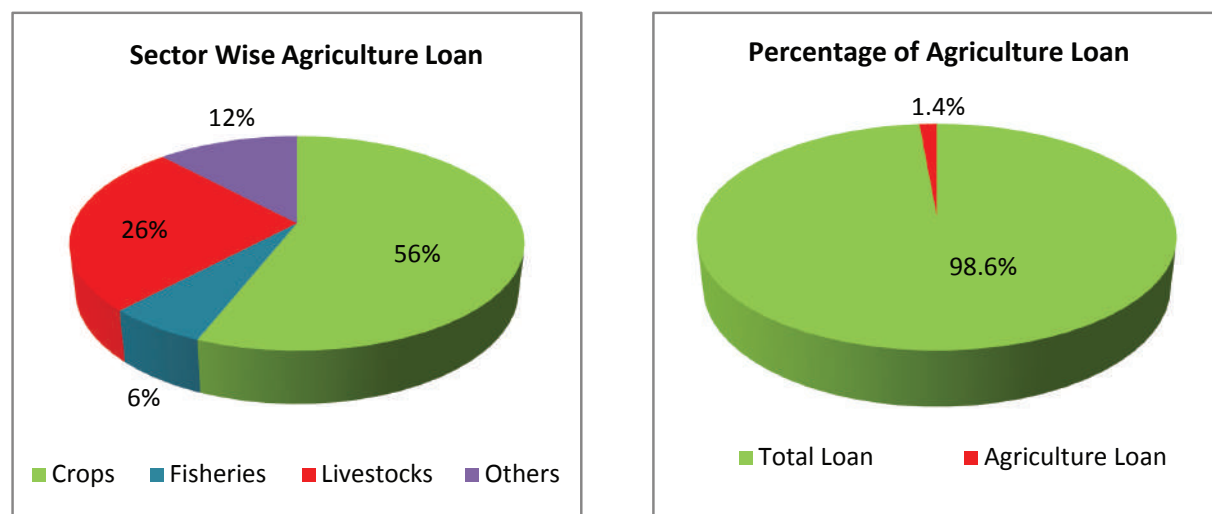


## Agriculture Financing

Every year, Bangladesh Bank sets targets for all banks to disburse agricultural loan to boost the agricultural sector. Trust Bank successively achieved the annual agriculture loan disbursement targets for the FY 2014-15, 2015-16 and 2016-17 respectively and received 'Letter of Appreciation' from Bangladesh Bank. TBL disbursed agriculture loan of BDT 5,640.00 million among 0.20 million farmers in the last three years. Moreover, the Bank has also achieved the annual target of 4% interest subsidy agriculture loan set by Bangladesh Bank in specific crops sector i.e. maize, spices, oil seed, pulse seed etc consecutively in the FY 2014-15, 2015-16 and 2016-17.

## Composition of Agriculture Loans

Trust Bank's agriculture financing is well-distributed in different sub-sectors which is shown by the following pie chart:





## Green Financing

TBL is committed to finance in green and environment friendly projects. It is the pioneer among the banks in Bangladesh for financing in biogas plants. With the network of its Branches, the Bank financed BDT 600.00 million to 3,000 biogas plants.

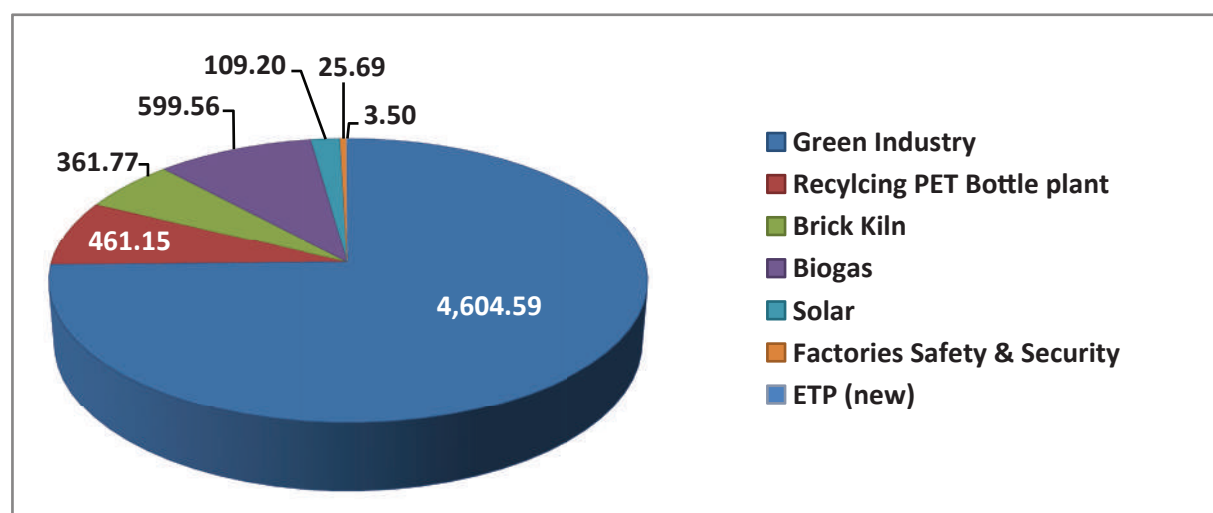
As part of green financing activities, TBL has financed in the projects of:

- ◆ Solar project at 'Howlipara', Jhinaidah through MFI linkages.
- ◆ 'Cityscape', a 16 storied building at Gulshan, Dhaka.
- ◆ Recycling PET Bottle Plant at Rupgonj, first of its kind in the country initiated by Bangladesh Petro-chemical Company Limited (BPCL). The project is an outcome of a joint agreement with IDCOL.

The Bank has opened two solar-based branches in the district of Lalmonirhat and Kishoregonj. The Central Bank has recognized the green activities and performance of the Bank. Because of its contribution and performance, the MD & CEO of the Bank has been nominated as the only member from banking industry for Bangladesh Bank's Technical Advisory Committee for Environment Friendly Banking.

**Composition of Total Direct Green Finance**

**BDT in Million**



## Islamic Banking

Islam, the complete code of life, has not only stated the way of religious activities but also the economic activities. Economic principles under Islam demands all economic activities including banking should run in accordance with the islamic shariah i.e. prohibition of interest (Riba) from all transactions and dealing in the businesses that are allowed (Halal) in shariah. Islamic Banking is governed by a set of strict rules derived from the Holy Qur'an and Sunnah of Prophet (PBUH). To ensure compliance of shariah guidelines in conducting business, Islamic Banking practices a strong documentary record keeping system eliminating all vagueness regarding business and responsibilities of the parties involved.

TBL is carrying out its Islamic Banking operations through 5 (five) Islamic Banking windows at TBL - Principal Branch, Millennium Corporate Branch, Dilkusha Corporate Branch in Dhaka, CDA Avenue Branch in Chittagong and Sylhet Corporate Branch in Sylhet as per Bangladesh Bank's approval. Besides the 5 (five) windows, all TBL branches can now provide Islamic Banking services through on-line banking system.

In addition to the shariah guidelines, Trust Islamic Banking (TIB) operations are strictly complied with the Bangladesh Bank's instructions regarding Islamic Banking operations and adheres to the followings:

- Completely Separate Fund Management – no mingling of fund with the conventional banking deposits of the Bank. Investments are made from the Islamic Banking deposits only.
- Separate Book-keeping, Profit and Loss Account by Islamic Banking module of Bank's CBS.
- Distinguished Shariah Supervisory Committee (SSC) for guidance on Shariah related issues.
- Profit sharing ratio (Depositor: Bank) was 65:35 for the year 2017.
- Profit distributions are executed as per approved weightage table.

## Deposit and Investment under Islamic Banking

As of 31 December 2017, TIB's 'Deposit and Investment' registered growths of 32.66% and 47.22% respectively from the corresponding financial position of 2016.

A dedicated team committed to Islamic Finance and Banking closely monitors and supervises the entire operations of TIB to ensure compliance, development and growth of Islamic Banking business. TIB offers a full range of deposit and investment products and services for corporate, retail and SME sectors.

A separate Balance Sheet, Profits and Loss Account and Statement of Cash Flows are shown in the Annexure D of this report. The figures appear in the annexure have been incorporated in the related heads of financial statement as recommended by Bangladesh Bank.



*Celebration of connecting 1000+ rural households with Solar Home System (SHS) through "TRUST POWER"-a HPSM investment product of Trust Bank (Islamic Banking) in association with Pacific Solar & Renewable Energy Ltd (PSREL)*

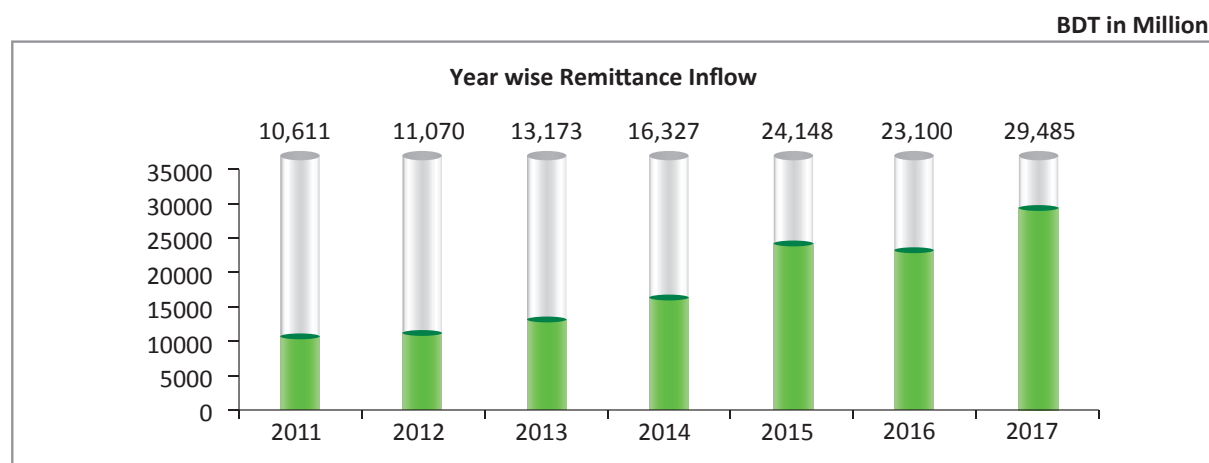
## Asset Liability Management

Asset Liability Management (ALM) is one of the most important functions of the Bank. ALM ensures efficient allocation of fund within an acceptable, measurable and defined risk structure. In order to review and formulate strategy to manage the balance sheet related issues, the Bank has established Asset Liability Management Committee (ALCO) headed by the Managing Director & CEO. ALCO meets at least once in every month to analyze, review and formulate strategy to manage the balance sheet of the Bank.

## Foreign Remittance

In 2017, there was a downward trend of inward foreign remittance in Bangladesh. Even though countrywide foreign remittance inflow faced a relative slump that year, the scenario in respect of volume routing through TBL was totally different and significant.

In 2017, TBL received inward foreign remittance of USD 327.06 million equivalent to BDT 29,485 million compared to USD 271.28 million equivalent to BDT 23,100 million of 2016 registering a significant growth rate of 27.64%. Strong correspondent relationship, effective strategy and proper guidance of top management were the determinant factors behind this grand success.



*Trust Bank Limited has been awarded the Gold award of Financial Branding Award-2017 for participating in the worldwide financial branding services.*

## Treasury Operations

The general mission of the Treasury Division is to manage the liquidity of a business. This means that all current and projected cash inflows and outflows must be monitored to ensure that there is sufficient cash to fund bank's day to day operations, as well as to ensure that excess cash is properly invested.

TBL Treasury Division has managed the Bank's liquidity efficiently and earned significant revenue of BDT 3,123.51 million in the year 2017. Money Market fund management was more challenging due to excess liquidity over the year 2017.

The investment banking continued to generate profits during the year 2017, in spite of the challenging environment in the fixed income market. The Bank has also contributed to the structural development of the market by participating in transactions of different products.

Value of investments in government securities and investment as placement in private bonds of TBL as on 31 December 2017 has been enumerated as follows:

SL.	Items	BDT in Million
1	Government Treasury Bills	7,942.92
2	Government Treasury Bonds	13,681.31
3	Investment in Subordinate Bonds	2,300.00
4	Investment in OBU	371.26
5	Investment in Bangladesh Bank Bills	2,998.29

## Investment Income

Investment income representing interest earned from investment in treasury bills, Bangladesh Bank bills, treasury bonds, placement in subordinate bonds, reverse repo, call lending and FDR placement, Exchange gain on foreign currency, investment in commercial papers etc. Investment income of TBL as on 31 December 2017 has been enumerated as follows:

SL.	Items	BDT in Million
1	Exchange Gain on Foreign Currencies	599.80
2	Treasury Bills and Bangladesh Bank Bills	365.66
3	Treasury Bond HTM	1,510.05
4	Money at Call and FDR	424.46
5	Reverse Repo	1.30
6	Subordinated Bond	130.72
7	FX Commission	19.78
8	Investment in OBU	55.74
9	Investment in Commercial Paper	16.00
	<b>Total Income</b>	<b>3,123.51</b>

The FOREX trading unit offers foreign exchange and derivative solutions to client and continued to play as a major player in this segment. These products and services are offered to various users as permitted by extant regulations.

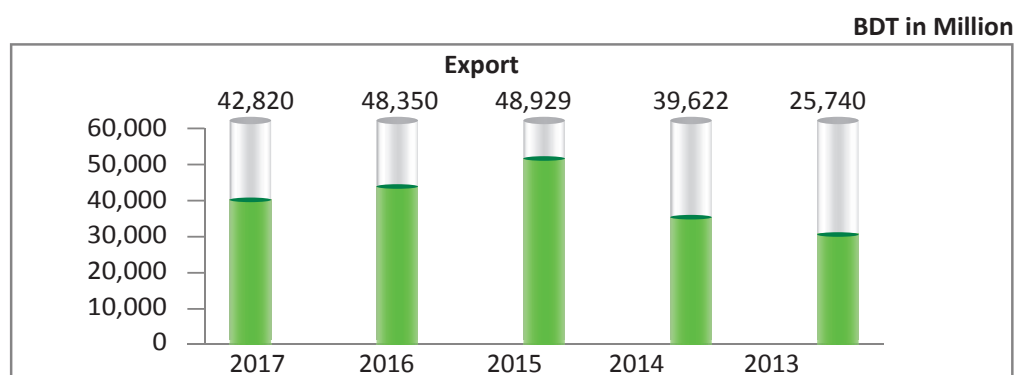
The asset liability management unit continued to actively manage the Bank's liquidity, interest rate and the securities portfolio held for compliance of statutory and regulatory requirements by Bangladesh Bank. This is done keeping in mind that the optimization of the yield on the overall portfolio while maintaining an appropriate portfolio duration given the volatile interest rate movement.

## International Business

### Trade Finance:

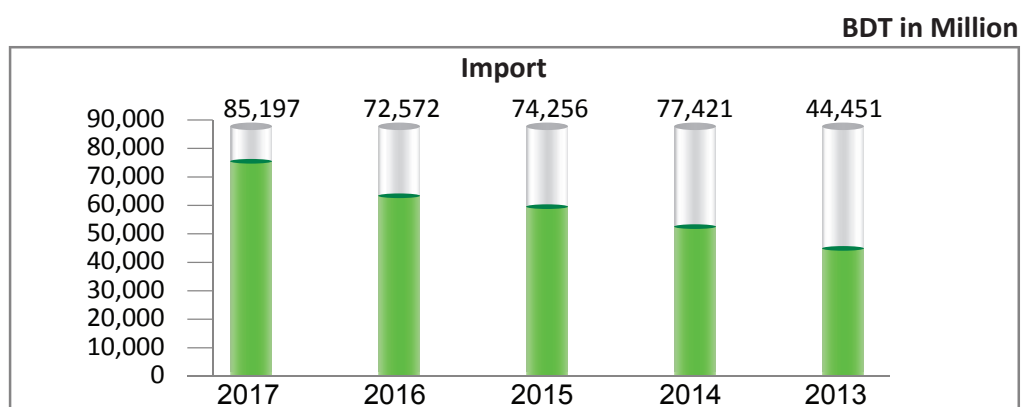
Trade Finance offers a wide range of services that can be tailored to meet the different needs of buyers and sellers (Importers and Exporters). Our range of resources and level of expertise in the various trading sectors and documentary credit specialists enables us to offer unrivalled services to all our customers, whether they are manufacturers, traders, suppliers, importers or exporters. The Bank has exhibited quality financing while facilitating total import and export business transacted during the year 2017 for BDT 85,197 million and BDT 42,820 million respectively.

## Export



The cumulative achievement of the export earning was BDT 42,820 million at the end of 2017. It shows that the Bank has contributed to cover 50% of total import payment. The export items were RMG, shrimp and frozen fishes, jute and jute goods, finished leathers and leather goods, fresh vegetables like potato, ceramics, handicrafts, pharmaceuticals, food items etc.

## Import



The cumulative import expenditure of the year 2017 stood at BDT 85,197 million. The main imported items were capital machineries, industrial machineries, industrial raw materials, foods, commodities and other consumer products.

## Offshore Banking Service

To meet the contemporary banking business demand, TBL started its Offshore Banking operation by establishing Offshore Banking Unit (OBU) on 04 December 2013. Within a very short span of time, it has become a profitable earning source of the Bank.

Currently OBU provides the following customized products and services to corporate clients in line with the Bangladesh Bank's Guidelines:

- Discounting of Import Bills (UPAS);
- Granting loans to Authorised Dealers (ADs) for export bill discounting;
- Participating in syndicate financing in foreign currency;
- Disbursing Investment Promotion and Financing Facility (IPFF) loan; and
- Lending to the enterprises in Bangladesh subject to prior approval from Bangladesh Investment Development Authority (BIDA).



Business Position of TBL, OBU for the year ended 31 December 2017 is as follows:

Business Area	USD in Million	BDT in Million
Total Deposits	48.16	4,004.60
Total Loans and Advances	48.71	4,050.36
Profit – OBU	0.76	63.11
Head Office profit from investment in OBU	0.67	55.74
Aggregate profit from OBU activities	1.43	118.85

## Information Technology at TBL

Trust Bank continues to enhance technology and processes to create more electronic services with a higher level of responsiveness. In 2017, the Bank made further enhancements to its banking platform, creating a more dynamic user-friendly experience to engage with its customers. The Bank also strives to improve its services by continuously monitoring the alternative delivery channels including ATMs to reduce manual movement.

Throughout the year 2017, TBL has taken various initiatives as enumerated below to ensure smooth functioning, ICT security, better control and better services:

- Rearranged the branch network infrastructure.
- Brought new services under agreement as per industry standard.
- Migrated to modern and upgraded Core Banking System (CBS) platform.
- Migrated to BACH-II from BACH-I as per Bangladesh Bank guideline.
- Introduced Call Center short code (16201).
- Introduced integrated software for Check Processing System (CPS).

## IT Services for Business Support

Trust Bank's continuous focus on Branch transformation initiatives ensures improved turnaround time for better front-end service delivery.

### ATM

ATMs allow customers to access their account, check account balance and withdraw cash 24X7 hours. ATMs enable customers' to withdraw their fund just as they would withdraw through a bank teller. At present total number of ATMs are 211.

### POS

Trust Bank has launched Bank POS and Merchant POS in 2010 and 2013 respectively. Bank POS are deployed at every branch of TBL and Merchant POS at different Merchant outlets. At present total number of POS machines are 287, where Bank POS are 130 and Merchant POS are 157.

## i-Banking Services

Internet Banking service has come up with new features wrapped with more security than before. It has enlarged its e-services for fund transfer, utility bill payment and made internet-banking experience simple and secure for customers.

### eStatement:

Trust Bank has implemented technology to facilitate to customer by delivering monthly transaction statement on the basis of customer request.

## SMS Banking

SMS Banking is a mobile technology that allows customers to request and receive banking information on customers mobile phone via Short Message Service (SMS). Individuals or corporate bodies can manage bank accounts, check account balances and investigate last few transactions (mini statement) using their mobile phones.

## Phone Banking

TBL customers can access to their accounts information using any phone even after regular banking hours. A customer can have the information through the phone banking services like accounts balance, information about bank products, currency rates, account statements and cards information.

## Mobile Banking

Mobile Banking is a process of no-branch banking which provides appropriate financial services to un-banked communities in both urban and rural areas at affordable cost.

TBL introduced Mobile Financial Service (MFS) named 'Trust Bank Mobile Money' on August 31, 2010 as a bank led model.

With an aim to bring banking services at the door step of the mass people; TBL re-launched and re-branded Trust Bank Mobile Money as 't-cash' effective from April 01, 2018. 't-cash' will support all the players with standard business platform, open interfaces and support a wide range of business model in the financial eco system.

't-cash' enables its customers to avail financial services via their mobile phones through SMS, USSD and Internet with speed, convenience and security. 't-cash' is Interest bearing mobile account.

't-cash' Customers can avail the mobile financial services at nationwide TBL Branches, SME Centers, t-Lobbies and accredited 't-cash' Agents. At present, TBL has deployed 5,000+ 't-cash' Agent points across the country.

As of late, Utility bill payments, School fees, Insurance Premium, Airtime Recharge, fees for NID and Passport etc have enriched the service scope of Mobile Banking of TBL.

## Passport Fees Collection

TBL has integrated its payment gateway with Passport office for collecting fees of Machine Readable Passport (MRP) and Machine Readable Visa (MRV) through t-cash and Trust Bank (Visa) Gateway. The applicant can pay the MRP and MRV fees through online and offline.

## Bangladesh Electronic Funds Transfer Network

Bangladesh Electronic Funds Transfer Network (BEFTN) has started its operation with the objective to encourage paperless payment methods for secured, faster and cost-effective transactions. It facilitates the transmission of payments between the banks electronically, which makes it faster and efficient means of inter-bank clearing over the existing paper-based system i.e. Bangladesh Automated Cheque Processing System (BACPS). It is able to handle a wide variety of credit transfers such as payroll, foreign and domestic remittances, social security, cash and fractional dividends, retirement, expense reimbursement, bill payments, corporate payments, government tax payments, veterans payments, government license fees and person to person payments as well as debit transfers such as mortgage payments, membership dues, loan payments, insurance premiums, utility bill payments, company cash concentration, government tax payments, government licences and fees etc.

## Implementation of Real Time Gross Settlement

TBL has implemented Real Time Gross Settlement (RTGS) service on 29 October 2015. RTGS is an advanced technology that facilitates inter-bank fund transfers on real time basis. RTGS is expected to help boost business-to-business (B2B) transactions, along with other general transactions by enabling instant settlement of transactions.

## e-GP

The e-GP system provides an online platform to carry out the procurement activities by the Public Agencies. The Bank incorporated the service in accordance with the existing rules and regulations.

## goAML Reporting

goAML is a middleware to report Cash Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs) to Bangladesh Bank as per their guideline. goAML is a web based application that can be accessed by the branches through a web browser.

## National Payment Switch Bangladesh

The Central Bank has already in live with National Payment Switch Bangladesh (NPSB) to facilitate interbank ATM transactions in Bangladesh. As a result, Trust Bank cardholders can use all the ATMs under NPSB network, which substantially reduced transaction cost.

## Complaint Box

This system will be used to receive complain from general customers/public as a ticket with unique number through this portal. The portal can simultaneously track complain, enquiry etc and the concerned division and/or branch can response to problem with status. The portal is capable to notify the requester through email on specific status change of each ticket and customer can view his/her previous submitted ticket details with status.

## Call Center

TBL provides 24/7 hours supports to the customers through 16201. Customers calling from abroad can avail the service through 09612316201. Call Center helps us providing a satisfied customer experience. Through Call Center, we offer a menu of choices to respond to customer's query quickly and efficiently. We believe that, satisfied customer is the key to our success.

## Transaction Alert Service

SMS alert service allows customer to stay updated about his/her account transactions through mobile. To receive transaction alerts, customers have to register first for the service. Our automated system generates alerts when customer account is debited/credited.

## Website Upgradation

Initiative has been taken to launch a new website which will be designed to make it easier to search having a new look, user friendly mega menu for easy selection, and an enhanced responsive design adaptable for all devices.

## Debit and Credit Card

TBL has associative membership with Visa International since 2006. The Bank has successfully launched Visa Debit Card, Visa Credit Card, Prepaid Card and Hajj Card. Definitely, our card services has created a new dimension to customer service.

## Disaster Recovery

Trust Bank Disaster Recovery (DR) site is located at Jessore. The DR site is operated concurrently with main data center. The synchronization between DR site and data center allows a minimal and downtime impact to our business operations. In the significant outage event of main data center, the DR site will take the place of the impacted site immediately.

## Trust Bank Investment Limited

Trust Bank Investment Limited (TBIL), a fully owned subsidiary of Trust Bank Limited, was formed and incorporated on 09 September 2010 as a public limited company under the companies act, 1994 in Bangladesh to handle the capital market operations. The company received permission from the Bangladesh Securities and Exchange Commission on 25 October 2010 as a full-fledged Merchant Bank and started its operation on 14 November 2010 by taking over the assets and liabilities of the Merchant Banking Division of TBL. As a full-fledged merchant bank, TBIL is entitled to undertake all merchant banking activities i.e. portfolio management, underwriting, issue management and corporate advisory services.

The outgoing year has been phenomenal for the country's stock investors, as price index of Dhaka Stock Exchange (DSE) saw a sharp rise by 23.98% to 6,244 points. DSEX, the key index of the DSE, ended at 6,244 points on the last trading day of 2017, up by 23.98% from 5,036 points on 29 December of last year.

In the outgoing year, the DSE's average turnover value stood at BDT 8,748.30 million, the highest since the stock market witnessed a crash in 2010. In 2017, the average daily turnover was BDT 4,944.30 million. Meanwhile, the market capitalization increased by 23.93% to BDT 4,228,941 million, which was BDT 3,412,441 million in the previous year.

The IPO (a key element to increase market strength and depth) was not good enough as expected. This year, fund raising from the stock market through IPO saw a sharp fall by 74.18% to BDT 2,192.50 million, the since 2009. In the last year, it was BDT 8,493.00 million.

The favorable macroeconomic indicators coupled with political stability jacked the foreign fund managers' confidence up and encouraged them to inject fresh fund in the securities. However, operating profit (profit before tax and provision) of TBIL for the year 2017 was BDT 223.45 million.

Dividend and Capital Gain from proprietary investment portfolio has become the major source of revenue for TBIL. TBIL is maintaining its own portfolio operations in compliance with the TBIL Investment Policy duly approved by the Board of Directors. In the year 2017, TBIL has realized a profit of BDT 197.14 million from its own portfolio investments, including both capital gain and dividend income.

Portfolio management services are the other major sources of earnings of TBIL. TBIL is providing 'Portfolio Management Services' to its client through IDA, BDA and NIDA accounts. TBIL manages investors' portfolio of its clients worth BDT 4,510.61 million against margin lending of BDT 2,335.83 million as on 31 December 2017. Revenue generating from Portfolio Management Services include Interest on Margin Loan, Portfolio Transaction Fee, Portfolio Management Fee and Annual Charges.

Underwriting is another source of revenue for Merchant Banking Operations. As on 31 December 2017, TBIL has underwriting commitments with 2 (two) issues for a total amount of BDT 60.53 million.

**Business Position of TBIL as on 31 December 2017**

SL.	Particulars	BDT in Million
1.	No. of Accounts	3,728
2.	Total Loan against Securities	2,335.83
3.	Total Portfolio Value at Market Price	4,510.61
4.	Average Daily Trade Volume	48.96
5.	Average Daily Trade Volume as % of that of DSE	0.56%
6.	Operating Profit	223.45

## Trust Bank Securities Limited

Trust Bank Securities Limited (TBSL) is a fully owned subsidiary of TBL and Corporate Shareholder of Dhaka Stock Exchange Ltd (DSE). The company offers full-fledged stock brokerage services of DSE and all Depository Participant (DP) related services of Central Depository Bangladesh Ltd (CDBL). TBSL is also providing mobile trade and internet trade services of its clients at home and abroad.

During the year 2017, the capital market of the country showed some positive trends. The individual as well as institutional investors were active throughout the year in the capital market. Moreover, huge foreign investors invested money in the country's bourses.

The overall performance of TBSL was better than the previous year. In 2017, the trade volume and income increased than the year 2016. During the year 2017, the company earned total income of BDT 45.505 million where operational income was BDT 35.690 million and non-operational income was BDT 9.815 million. On the other hand, total operating expenditure was BDT 15.281 million. Therefore, net profit before tax stood at BDT 30.224 million. Provisioning for income taxes and others of BDT (8.820) million, net profit after tax stood at BDT 21.404 million. After fair valuation of investment of BDT (0.150) million, total net income for the year stood at BDT 21.253 million which was BDT 6.978 million in the previous year.

The overall performance of TBSL between the year 2017 and 2016 is shown in the following table

**BDT in Million**

SI	Particulars	2017	2016	Growth (%)
1.	Total No. of BO A/C	643	500	28.6
2.	Total No. of Employees	08	09	(11.11)
3.	Total operating income	45.505	25.563	78.01
4.	Operating Expenses	15.281	13.845	10.37
5.	Profit before tax	30.224	11.717	157.95
6.	Provision for income tax and Others	(8.820)	(5.060)	74.31
7.	Total profit after tax	21.404	6.657	221.53
8.	Fair valuation of Investment	(0.150)	0.321	(146.73)
9.	Net profit/(loss) after tax	21.253	6.978	204.57

## Human Resources Management- Towards a Cultural Performance

### Manpower Status

In TBL, we believe that, 'together we achieve more'. Human Resources Division (HRD) of the Bank always works on sharpening human skills. Young talents are brought under the guidance of experienced



executives so that they can grow with more exposure. A comparative age group of employees in TBL is as follows:

Age Group	Executive	Officer	Total
up to 30	0	509	509
31 – 40	18	1122	1140
41 – 50	82	122	204
51 – 60	27	11	38
Above 60	4	0	4
<b>Grand Total</b>	<b>131</b>	<b>1764</b>	<b>1895</b>

TBL provides good working opportunity for female and a good number of female employees are serving the bank with their potentials.

Gender	No. of Employees	Percentage
Male	1390	73.35%
Female	505	26.65%
<b>Total</b>	<b>1895</b>	<b>100%</b>

## Recruitment

The main goal of our recruitment and selection process is about finding the best recruitment sources, hiring the best talents from the job market and keeping the organization competitive on the job market.

TBL does not only believe in hiring the best but also to get the best out of the hired employee. Employees are always considered as family members. All the advertisements are circulated through web based recruitment portal sever each year. TBL ensures recruiting people with best attitude and positive mind frame. TBL is an equal opportunity employer. The recruitment process is designed to attract and hire people having positive defiance and motivation to enrich them along with the organization.

In 2017, a total number of 142 regular employees and 23 contractual employees have been recruited. Among 142 employees, 53 Junior Officers (JO), 37 Trainee Assistant Cash Officers (TACO) and 25 Trainee Assistant Officers (TAO) have been recruited as fresh entrants and the rest in different positions as lateral entrants. The overall scenario of recruitment status in last two years is as follows:

Employment	Year	
	2017	2016
Regular	142	68
Temporary	23	54
<b>Total</b>	<b>165</b>	<b>122</b>

## Employee Engagement

The management believes that motivated employees can provide better output to the Bank as the employees spend most of their time in the Bank, for the Bank. Therefore, ensuring employee satisfaction, engagement, better work environment and stress management is necessary. Recently, TBL HRD initiated the following platforms to boost employee engagement:

## Colors of HR

It is a platform through the Intra web, an in house mail communication system of TBL. This platform is used for communicating HR development and engagement materials to the employees. New joiners are introduced to all employees through this platform also.



*Celebration of Pohela Boishakh-1424*

## HR-IT News

This is another initiative of the HR-IT Team, which focuses on feeding the employees of the Bank with the latest and important financial news.

## Human Resource Business Lyrics

Human Resource Business Lyrics is a platform for individual employees to project fresh business concept and process improvement, risk mitigation, value adding in existing products and customer service.

## Compensation and Benefit Strategy

Compensation and Benefits of TBL combines the need to maintain a high performance culture along with market competitiveness. Bank offers performance bonus, annual increment strictly based on their performance of previous year. In addition to the market driven compensation packages, TBL also offers series of other benefits, including credit facilities i.e. Staff-Any Purpose loan, Loan Against Salary, Loan Against Provident Fund, Staff House Building Loan, Staff Car facilities (for executives) etc. Provident Fund, Gratuity Fund and Superannuation Fund etc are also provided as long term benefits.

## Training and Development

Trust Bank Training Academy (TBTA) is working continuously to add value to the organization. Training enriches knowledge base, which helps to go with the latest banking theories and practices. Through the updated learning, it builds up professional and smart bankers who have the ability to cope with

modern banking technology and resolve all critical banking issues. The aim of TBTA is to build up quality manpower with skilled and professional expertise. TBTA strengthens human resources to achieve desired goals, gives high priority in raising the quality and quantity of training and development opportunities for new and seasoned employees. The Bank believes that, cost incurred for training and development is not a cost rather it is an investment.

The overall training scenario for the year 2017 is as follows:

Training	Year 2017		Year 2016	
	Training Program	Participants	Training Program	Participants
Foreign	7	9	4	5
In-House (TBTA)	36	1474	27	910
Local (BIBM and Others)	93	236	125	273
	<b>136</b>	<b>1719</b>	<b>156</b>	<b>1188</b>

### Administrative Arrangement in TBL

Newly established Administrative Division (AD) displayed highest possible effectiveness by ensuring timely procurement, supply of required items/equipment and providing essential services to all the branches and Head Office (HO) of TBL. Administrative cost of TBL, specially of HO has reduced significantly in comparison to previous years, although the number of branches, ATMs/outlets have increased. This reduced amount of the cost has directly contributed to the yearly profit of the bank.

AD has proved it's functional efficiency to the best, not only in reducing the cost but also in quality, speed and supervision. We are now saving more than BDT 6.50 million per month as TBL is out of the Managed Solution which will continue in coming years. Remarkable cost control has also taken place almost in all the expense areas. Some of the major expense areas of exemplary reductions are as under:

- o Link expense
- o Daily/Monthly and Yearly maintenance cost, specially of vehicle, fuel, electric equipment etc.
- o Annual maintenance cost of IT equipment
- o Entertainment
- o Stationeries
- o Many other items for admin requirements and upkeep of office premises.

Security Management Department (SMD) of AD took various initiatives to enhance the security of TBL. Number of steps were taken to augment the IT security along with SWIFT. Physical Security measures are taken to ensure the security of men, material and information. Many other projects are in hand to comply with the regulatory guidelines.

Revolutionary changes have also taken place in the purchase and procurement system of TBL. All kinds of items/equipment are now purchased through the Purchase and Procurement Department, which has ensured transparency, speedy supply and procurement of modern quality equipment/item through proper market survey and evaluation. Each and every item is placed to the Purchase Committee for evaluation and recommendation, before it is submitted to the competent authority for approval. Speedy procurement of quality IT equipment like Switches, Routers and Servers etc helped us to enhance our IT functions with efficiency.

Support and Delivery Department (S&DD) has ensured all kinds of timely and quality support services to both HO and all our branches. Advance planning of this department made the admin functions of TBL smooth and efficient. Establishing new branches or relocating the branches to facilitate the customers

and expand our business proved to be very effective decision of TBL authority. Some of the development works of S&DD those were undertaken in 2017 are:

- o **Establishment of New Branches:** 02 (Daulatpur Branch and Gazipur Cantonment Branch).
- o **Relocation of Branches:** 04 (Former Progoti Shoroni Branch relocated and renamed as Bashundhara Branch, Ashulia Branch, Mirer bazar SME/Krishi Branch and Joy para Branch).
- o **Establishment of New ATMs:** 21 (Dhaka, Gazipur, Khulna, Rajshahi, Munshiganj, Sirajgonj, Comilla, Sylhet, Narayanganj, Chittagong, Patuakhali, Natotore, Bhola, Rangamati and Shariatpur)
- o **Relocation of ATMs:** 02 (Comilla and Chittagong).
- o **New Vehicles:** TBL purchased 11 new vehicles of different types to facilitate employees to provide better service to the valued customers alongside the enhancement of business.



*Re- Inauguration of Bashundhara Branch (Old Progoti Sarani Branch) of Trust Bank Limited.*

## Risk Concept at Trust Bank

At Trust Bank, we have undertaken a holistic approach in our risk management structure with a view to developing a wide-ranging mechanism combining all processes, tools and techniques to manage the overall risk of the Bank. We believe that effective management of risk is a critical component of a comprehensive approach to execute Bank's strategy and essential to its long term success. The Board and management promote a sound and responsible approach to risk and ensure bank is not exposed to risk which is beyond mitigation.

## Credit Risk Management

Credit Risk management process at Trust Bank is steered by Credit Policy which clearly defines Bank's objective, criteria, credit approval process and well defined responsibilities of individuals associated with approving and administering the credit portfolio of the Bank. To be precise, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate units have been formed within the credit division. These are, (i) Credit Risk Management Division (CRM) and (ii) Credit Administration Division (CAD).



CRM Division is delegated with the duties of assessing asset quality and risk in lending to a particular customer, sanctioning credit, formulating policies and guidelines for lending operation. On the other hand, CAD is entrusted with the responsibility including but not limited to the overall supervision and constant monitoring and follow-up of credit health of the Bank, ensuring compliance with internal policies and procedures and external regulatory requirements of Central Bank and other regulators.

### Nature and Scope of CRM and CAD

The core function of Credit Risk Management team (CRM) is to optimize the risk adjusted return from Bank's loans and advances by maintaining an appropriate standard in approval process. The primary goals of risk management are to ensure that the outcomes of risk taking initiatives are consistent with the Bank's strategies and risk appetites, and that there is an appropriate balance between risk and return in order to maximize shareholders' return. In this approach, the Bank pays attention to both quantifiable and unquantifiable risk and refrains itself from the industry, services and products where it cannot objectively assess and manage the associated risks.

The Bank has an appropriate set of tools to identify inherent signals of a loan showing deterioration towards non-performance that calls for early precaution and necessary steps to avoid classification. At Trust Bank, each loan goes under regular and continuous monitoring and reviews by the Credit Administration Division to keep its status standard.

As an integral part of Risk Management, Bank has developed its own 'Early Alert' system for managing NPL which identifies first sign of weaknesses in accounts at an early stage. This system enables the Bank to determine whether the default is due to some inherent weakness or due to a temporary liquidity or cash flow problem and accordingly calibrate its response.

### Loan Classification and Provisioning

Trust Bank is compliant to BRPD Circular No. 14, dated 23 September 2012 of Central Bank while determining classification of a loan and endorsing provisioning there against. As always, Bank classified loans as per laid down procedures. As of 31 December 2017 classified loans of the Bank stood at BDT 6,192.03 million and total provision against classified, unclassified loans, Off-Balance Sheet and Off-Shore Banking business was maintained at BDT 5,650.00 million.

### Recovery of classified loans and advances

The health of loan portfolio reflects the fundamental condition of a bank. In the face of rising NPL, the Board of Directors and the Senior Management of Trust Bank remained extremely watchful to put bridle on NPL accounts. Regular monitoring has proven to be an effective tool to minimize credit risk. It has largely been possible to keep quality of a loan standard when strong and continuous monitoring was assured. An active and dynamic recovery and monitoring cell of the Bank is able to analyze any risk resulting in probable deterioration of asset quality.

Trust Bank identifies risks by physical visits to the project site, conducting valuation of stocks/inventories on regular basis. Visits/valuations are carried out by Relationship Manager of the respective branches and trained officials of 'Large Loan Monitoring Cell' and 'RMG Monitoring Cell' of Head Office newly established in 2017. Owing to our determination and concerted effort, cash recovery from classified loans were BDT 870.47 million and regularization of classified loans were BDT 4,403.33 million respectively. Consequently, Trust Bank has succeeded in not allowing higher NPL growth and maintained classified loans at 3.35 percent as of December, 2017 which was 3.21 percent last year and our efforts will continue to bring down NPL ratio below 2.75 percent this year.



## Operational Risk Management

Operational Risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Operations Division is entrusted with overall operational risk management of the Bank. The primary objective of operations is to ensure a high level of product and service delivery from all branches within a controlled culture.

TBL has implemented an operational risk umbrella that encompasses all aspects of potential risks- Bank protection, fraud prevention, business line risk oversight, regulatory compliance, business continuity, contingency plan, loss of physical asset etc.

At TBL, operation risks are managed based on the following principles:

- Supporting the units of the Bank on demand basis.
- Ensuring that the management system for operating risk complies with regulatory norms and legislative standards.
- Developing risk management tools.
- Separating authority and responsibility among Bank employees and establishing Dual-Control culture.
- Defining and communicating policies.
- Evaluating internal and external reports periodically.
- Developing databases.

## Internal Control & Compliance (IC&C) Risk Management

Internal control refers to the mechanism in place on permanent basis to control the activities in an organization. In absence of it, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds and forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the Bank performing better through the use of its resources, identify its weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations.

The Bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place. As per instruction of Bangladesh Bank, the Audit Committee of the Board has been constituted to assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, health report of the Bank and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2017, 11 numbers of meetings of the Audit Committee were held. The Bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determines how much follow up, monitoring and periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory and which may pose a potential threat for the Bank.

IC&C Division set out an audit plan for the year 2017 which was approved by the Audit Committee of the Board (ACB) of the Bank. In 2017, IC&C Division conducted Comprehensive Audit in 108 branches and 19 divisions/departments at Head Office. In the same year IC&C Division carried out 32 Spot Inspections including 04 Spot Inspections on 'Anti-fraud Internal Control' and IT audits in different branches. In addition, audit was also conducted in 06 TBIL branches and TBIL, Head Office in the year 2017.

IC&C Division of the Bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL) and Quarterly Operations Report (QOR) of the branches and other mechanisms.

To comply with the directives of Bangladesh Bank, a special meeting of the Board of Directors was held on 8 November 2017 to review the compliance/implementation status on the observations of Bangladesh Bank's Comprehensive Inspection Report.

## Money Laundering and Terrorist Financing Risk Management

With the expansion of global financial services and economic activities, compliance of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) in banking has become a major challenge. Money Laundering (ML) and Terrorist Financing (TF) can potentially damage and pose serious threats to the integrity and stability of a financial system. As such, compliance of global bodies of AML and CFT has now become the most serious issue for financial institutions. Non-compliance of AML and CFT standards developed by United Nations (UN) and international bodies shall affect the rating of compliance of the country. The negative rating may result imposition of sanction in country. So, effective compliance of AML and CFT is the key factor for a strong, sound and stable banking sector. To protect the banking industry from these threats, the Bank authority has been working in partnership with financial institutions and Bangladesh Financial Intelligence Unit (BFIU), government departments and other key stakeholders to put in place an effective regime to fight against these crimes.

Money laundering and terrorist financing activities is recognized as one of the core risks in our banking sector. Bangladesh has enacted Money Laundering Prevention Act (MLPA), 2012 (amended in 2015) and Anti Terrorism Act (ATA), 2009 (amended in 2013). TBL is aware and committed to comply with the directives of the Central Bank towards a cause which has not been identified in isolation but collectively by various International agencies including UN General Assembly.

For effective compliance of AML and CFT, TBL has introduced Money Laundering and Terrorist Financing Risk Management Guidelines, adopted Customer Acceptance Policy (CAP), declared AML compliance program by CEO in every year to all employees.

In compliance of BFIU guidelines, ML and CFT Risk Management guidelines of TBL ensures full compliance of all issues including the followings:

- o Management of Mandatory KYC and monitoring the Transaction Profile of all the accounts.
- o Monitoring of unusual/suspicious transaction and report to BFIU, if required.
- o Submission of Cash Transaction Report (CTR) to BFIU through goAML on every month.
- o Adequate training to the officials of TBL on AML and CFT.
- o Identification of customer on the basis of risk grading.
- o Identification of Politically Exposed Persons and Local Influential Persons accounts.
- o Declared Customer Acceptance Policy and introducing unique customer identification code.
- o Automated sanction screening through SWIFT for cross border transaction.
- o AML and CFT audit conducted by HO-AMLD on behalf of Central Compliance Committee.

For review the overall AML/CFT compliance status and mitigating the AML/CFT risks, TBL has a Central Compliance Committee (CCC) comprising of Chief Anti Money Laundering Compliance Officer (CAMLCO), Deputy CAMLCO and other divisional heads of Head Office. Routine affairs of monitoring etc are conducted by the dedicated team of Anti-Money Laundering Division, Head Office. A designated Branch Anti-Money Laundering Compliance Officer (BAMLCO) is appointed in every branch and is assigned to review and report the AML and CFT activities and measures of the branch.

## Corporate Social Responsibility

Trust Bank is actively committed to building trust in the financial industry by increasing transparency, improving engagement with customers and always serving with integrity. TBL Special Reserve Fund (SRF) started its activities from 2009 in view of Corporate Social Responsibility to make the Stakeholders ethically and socially liable to the society. The fund was constituted by the Bank for the benefit of humanitarian relief and disaster response; providing opportunities for disadvantage population with

support in the area of healthcare, education and training. The fund is used for the development of different purposes of education, health, disaster management, environment, culture and sports etc.



*Vice Chairman Major General S M Matiur Rahman, afwc, psc and Managing Director & CEO of the Bank handed over a Minibus for the Nursing College of Center for Rehabilitation of the Paralyzed (CRP), Savar.*

Sector Wise Financial Assistance of TBL during 2017:

Sector	BDT in Million
Education and Training	12.67
Health	61.00
Disaster Management	36.90
Sports	1.00
Others	24.20
<b>Total</b>	<b>135.77</b>

## Corporate Governance

The Bank has complied with Bangladesh Securities and Exchange Commission (BSEC) notification no. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 for ensuring Corporate Governance in the Bank. As per mentioned notification of BSEC, the compliance status of the Bank has been reported in this Annual Report for information.

## Rotation/Appointment of Directors

As per clause 107 and 108 of Articles of Association of the Bank, at the ordinary general meeting in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from Office. Accordingly, the respective Directors of TBL will retire at the 19<sup>th</sup> Annual General Meeting. As per clause 109 of the Articles of Association of the Bank and as per Company Act, 1994, the retiring Directors are eligible for re-election.

## Auditors' Report

The Board of Directors reviewed the Auditors' Report issued by the Bank's Auditor MABS & J Partners, Chartered Accountants and Hussain Farhad & Co., Chartered Accountants based on their audit of Financial Statements for the year ended 31 December 2017. The Auditors did not mention about any material misstatement or significant disagreement regarding review of the Bank's Financial Statements. The Auditors issued an unqualified opinion on the Financial Statements for the year 2017.

## Appointment of Auditors

In compliance of BRPD Circular Letter No. 12 dated 11 July 2001, regarding appointment of External Auditor of Bank Companies, one auditor can be appointed for three consecutive years. Our existing Auditors MABS & J Partners, Chartered Accountants and Hussain Farhad & Co., Chartered Accountants have completed their first year audit with due care and efficiency. They are eligible for re-appointment as Auditors for the year 2018 and they have expressed their interest for re-appointment, which is required to be approved by the shareholders in the AGM.

## Directors' Responsibility for Internal Control and Financial Reporting

The Board of Directors of the Bank is responsible for Bank's system of internal control. It has set appropriate policies on internal control and seeks regular assurance that the system is functioning effectively. Through the establishment of the Audit Committee, the Board of Directors regularly monitors the adequacy and effectiveness of internal control system of the Bank.

The MANCOM also 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.

As per directives of Bangladesh Bank a special meeting of the Board of Directors is arranged annually for reviewing the compliance/implementation status of the observations/recommendations of Bangladesh Bank's Comprehensive Inspection Report of the Bank.

In accordance with Company Law, the Directors are responsible for the preparation of the annual financial statements. The annual financial statements conform to Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and fairly present the affairs of the Trust Bank and its subsidiaries.

Accounting policies supported by judgments, estimates and assumptions in compliance with BAS and BFRS are applied on the basis that the bank shall continue as a going concern. Systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Based on the information and explanations given by management and the internal auditors, the directors are of the opinion that the internal financial controls are adequate and that the financial records may be relied upon for preparing the financial statements in accordance with BFRS and to maintain accountability for the Bank's assets and liabilities.

The Directors have a reasonable expectation that the Bank and its subsidiaries will have adequate resources to continue in operational existence and as a going concern for the foreseeable future. The annual Financial Statements of 2017 were approved by the Board of Directors on 29 April 2018.

## Responsibilities of the Chairman of the Board of Directors

As, the Chairman of the Board of Directors or Chairman of any committee formed by the Board of Directors does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administrative or operational and routine affairs of the Bank.

The Chairman may conduct on-site inspection of any branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board along with the statement of the CEO.

### Responsibilities and Authorities of the Managing Director

The Managing Director & CEO of the Bank discharges the responsibilities and effect the authorities in terms of the financial, business and administrative authorities vested upon him by the Board of Directors. He discharges 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. He will ensure compliance of the Banking Companies Act 1991 (amended upto 2018) and or other relevant laws and regulations in discharge of routine functions of the Bank.

### Thanks and Gratitude

The Bank closed the year 2017 displaying substantial improvement in the core areas of operation in terms of volume of business and net profit. This was possible due to the dedicated efforts of the employees of the Bank and sincere cooperation of all concerned. Above all, strong liquidity base, prudent fund and credit management, continued guidance and inspiration to the Management by the members of the Board immensely contributed to the overall development. The Board of Directors is indebted to the valued clients, shareholders, business associates and numerous well-wishers at home and abroad for their continued support, patronage and trust they reposed on the Bank. The Board of Directors express gratitude and thanks to the Government of Bangladesh, Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Dhaka Stock Exchange, Chittagong Stock Exchange and other regulatory bodies for their valuable guidance from time to time.

The Board of Directors also like to place on record the warm appreciation for sincere and dedicated service rendered by the executives, officers and staffs of the Bank that played an instrumental role for sustaining the competitiveness of the Bank.

The Bank aspires to do better in future and with this expectation we place before the esteemed shareholders the accounts of the Bank for the year 2017 for approval.

On behalf of the Board of Directors,



**Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc**  
Chairman



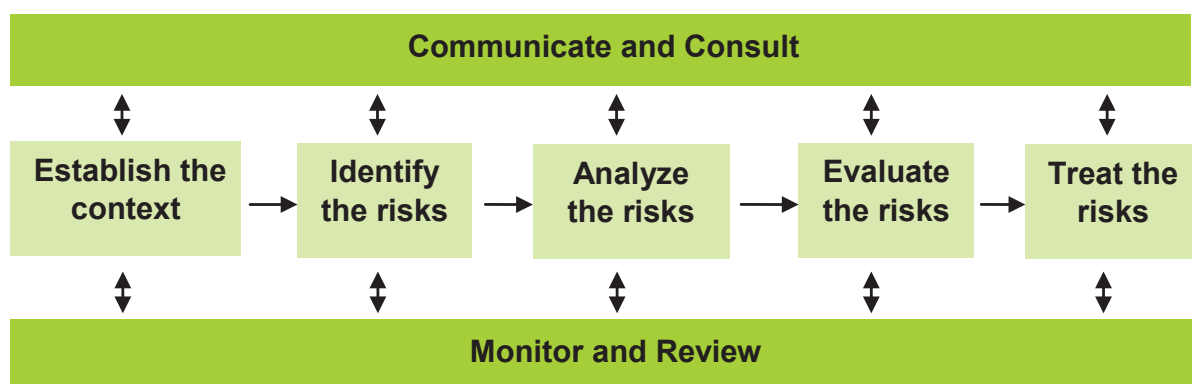
# Risk Management Report

Risk is the potential that an event, action or inaction will adversely impact the ability of an entity to achieve its organizational objectives. Risk management is about coping with the challenges of growth, complexity and competition in a sustainable manner. The wide variety of businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively. TBL's Risk Management Strategy is targeted to ensure that various risks are understood, measured and monitored and that the policies and procedures established to address these risks are strictly adhered to. The primary goals of our risk management function are to ensure that the outcomes of risk taking activities are consistent with the Bank's strategies and risk appetites.

## Risk Management Process

Risk management is a discipline at the core of the Bank and encompasses all activities those affect its risk profile. We therefore attribute considerable importance to the improvement of our ability to identify measure, monitor and control the overall risks assumed. Risk identification is to recognize and understand risks that may arise from both existing and new business initiatives and is an ongoing process which is understood at both the transaction and portfolio levels. Risk monitoring is carried out by having in place robust and effective management information systems to monitor risk levels and facilitate timely review of risk positions and exceptions. Risk control is carried out by establishing and communicating risk limits through policies, standards and procedures that define responsibility and authority for the various risks assumed by the Bank and these limits serve as a means to control exposures to these risks. Further, for risk control we apply a range of mitigating tools in minimizing exposure to various risks.

## Risk Management Process



## Risk Governance

The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism based on approved policies and guidelines. Risk governance structure of the bank constitute with Board Risk Management Committee (BRMC), Management Risk Committee and other risk management committees.

### Board Risk Management Committee (BRMC)

- ◆ An apex level committee for providing the Board with greater oversight and advice on the risk management and compliance frameworks.
- ◆ Approves policies related to risks and reviews various aspects of risks arising from the business undertaken by the bank.
- ◆ Monitoring effective execution of core risk management policies and principles.
- ◆ Making recommendations relating to the risk appetite and particular risks or risk management practices.

### Bank Risk Management Committee

- ◆ A strong management level Risk Management Committee comprising Heads of all core risk areas of the bank.
- ◆ Identifying and evaluating the risks relevant to the Bank, and the achievement of its objectives and strategies.
- ◆ Formulating relevant policies and procedures to manage these risks in accordance with the strategic vision and overall risk appetite.
- ◆ Designing, implementing and monitoring the effective implementation of risk management and internal control system.
- ◆ Implementing the policies approved by the Board.
- ◆ Implementing the remedial actions to address the compliance deficiencies as directed by the Board.
- ◆ Reporting in a timely manner to the Board any changes to the risks and the corrective actions taken.

### Risk Management Division (RMD)

- ◆ Serving as secretariat of Risk Management Committee of the Management.
- ◆ Risk Identification, risk measurement, risk monitoring, determining acceptance level of risk, risk controlling in line with the guidelines provided by Bangladesh Bank.
- ◆ Developing risk management policies, methodologies, guidelines, and procedures.
- ◆ Adopting proper financial protection measures through risk transfer, risk avoidance and risk retention programs.
- ◆ Informing the Board and all risk committee about the appetite for risk across the bank.
- ◆ Developing an effective Management Information System (MIS) for capturing significant information for sound risk management.

## Risk Appetite

The Bank has set in place a Risk Appetite Statement (RAS) which clearly identifies the aggregate quantum of risk the bank is willing to assume in different areas of business in achieving its strategic objectives. Regulatory requirements, strategic goals, capital adequacy and other prudential factors are incorporated into the RAS to facilitate sustainable value creation to stakeholders whilst ensuring compliance in an efficient manner. The RAS is reviewed and approved by the Board annually.

## Credit Risk

Credit risk refers to the deterioration in the credit quality of the borrower or the counter-party adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or willful default of the borrower in honoring the financial commitments to the Bank. Credit risk also refers the risk of negative effects on the financial result and capital of the Bank caused by borrower's default on its obligations to the Bank. Generally credits are the largest and most obvious source of credit risk. However, credit risk could steam from both on-balance sheet and off-balance sheet activities.

## Credit Risk Governance

The credit risk governance establishes the responsibility and approach through which the Board of Directors and Senior Management govern its business and the related credit risk management issues. Through an effective Board approved risk governance framework, the Bank seeks to ensure adequate risk oversight, monitoring and reporting of credit risk. The Board of Directors establishes parameters for risk appetite which are defined through strategic businesses plan as well as the credit policy. Senior management is responsible for implementing the Bank's credit risk management strategies and policies and ensuring that procedures are put in place to manage and control credit risk and the quality of credit portfolio in accordance with these polices. Credit Risk Management Committee (CRMC) which is headed by Chief Risk Officer (CRO) has been delegated the responsibility to oversee the credit risk taking activities and overall credit risk management functions. Credit risk management function is independent from the business divisions.

## Risk Identification, Measurement and Acceptance Criteria

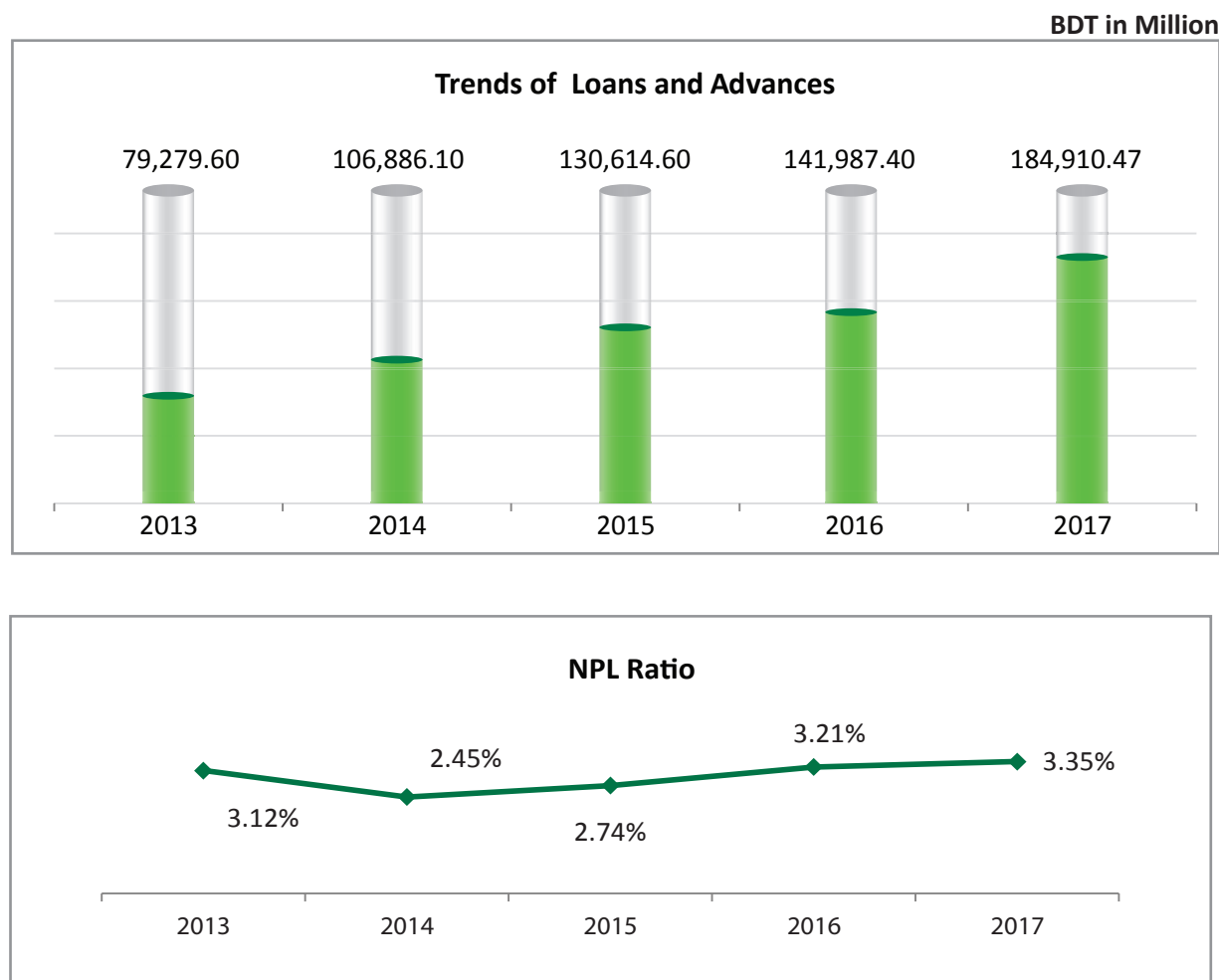
Every credit proposal has several risks out of which some are common to others and some are specific for that credit proposal as per its nature of business and customer. Concerned credit officials identify the appropriate risks involved with it and measure extend of effect on credit recovery. To measure credit risk in bank's credit portfolio, bank has put in place a Credit Risk Grading (CRG) system that serves as an indicator of diverse risk factors of counterparty and also for taking credit decisions in a consistent manner. After identification, credit officials compare the risk with the risk appetite and determine the acceptance of risk criteria based on Bank's desire and ability of risk acceptance.



## Review and Monitoring

1. All credit exposure, once approved are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
2. Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance of sanction terms and conditions and effectiveness of loan administration.
3. Customer with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

## Credit Risk Performance in 2017

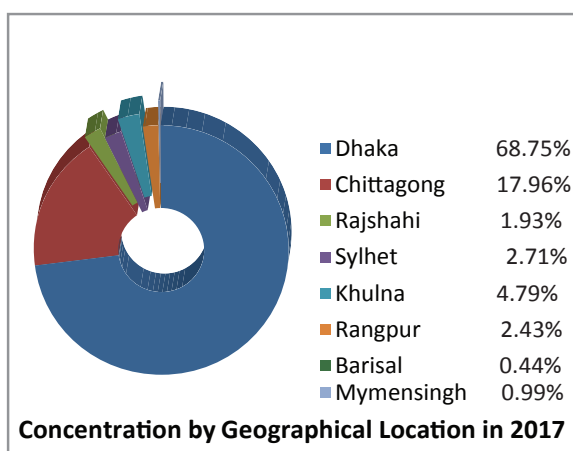
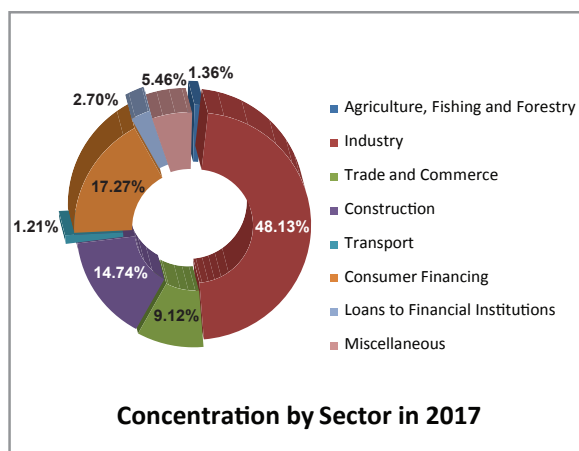


## Concentration Risk

Concentration risk is the probability of loss arising from significantly imbalanced credit exposure to a particular individual, group, industry sector or geographical area. The Bank manages concentration risk by means of appropriate structural limits and borrower-wise limits based on credit-worthiness. Bank's appetite for credit exposures is predefined for:

- ◆ Group of related borrowers
- ◆ Top 20 (twenty) borrowers concentration
- ◆ Major economic sectors
- ◆ Geographical areas

Concentration risk is monitored closely, and the relevant limits are reviewed and changed periodically to suit the changes in economic and environmental outlook, bank's policies and regulatory requirements.

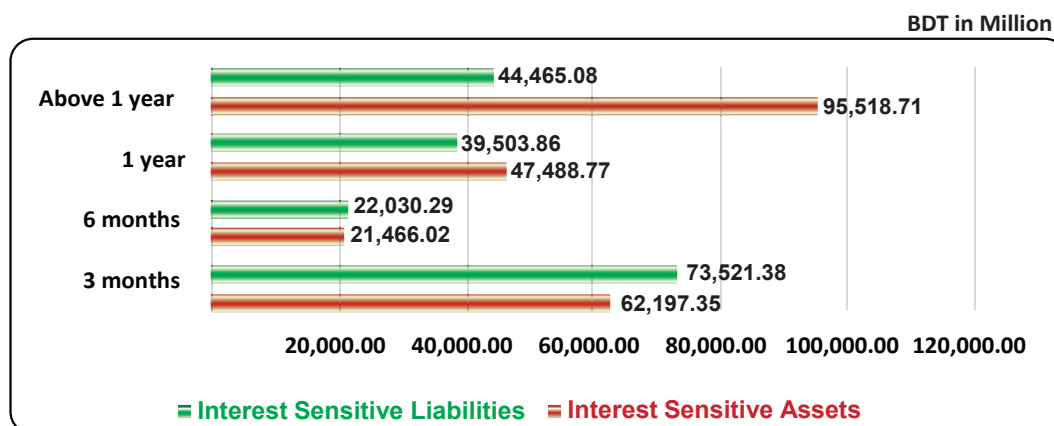


## Market Risk

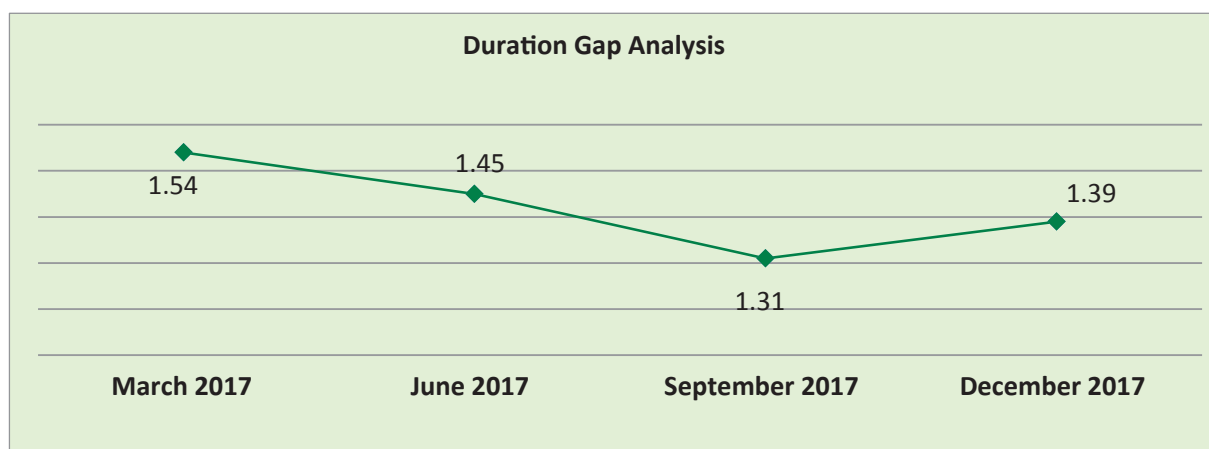
Market risk is the possibility of loss in on and off balance sheet positions arising from adverse changes in the value of market variables such as exchange rates, interest rates and equity prices. Market risk mainly arises from activities undertaken by the Bank's treasury, foreign exchange, equity and money market portfolios. The Bank has Board approved policies to mitigate and monitor its market risk. Asset Liability Management Committee (ALCO) is entrusted with the responsibility for managing market risk of the Bank from a strategic risk return perspective in accordance with the existing regulatory guidelines. Treasury Mid Office independently monitors all significant market risks as per approved limit pertaining to treasury transactions.

## Interest Rate Risk

Interest rate risk is the risk of an adverse impact on net income and on the value of assets and liabilities in response to changes in the prevailing interest rate levels in the market. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the bank's assets, liabilities, and off-balance-sheet instruments. The Bank proactively manages impact of Interest rate risk as a part of Asset Liability Management activities. ALCO decides strategies for managing interest rate risk at the desired level. Interest rate risk is quantified with various tools i.e. duration gap analysis, Earning At Risk (EAR), sensitivity analysis etc.



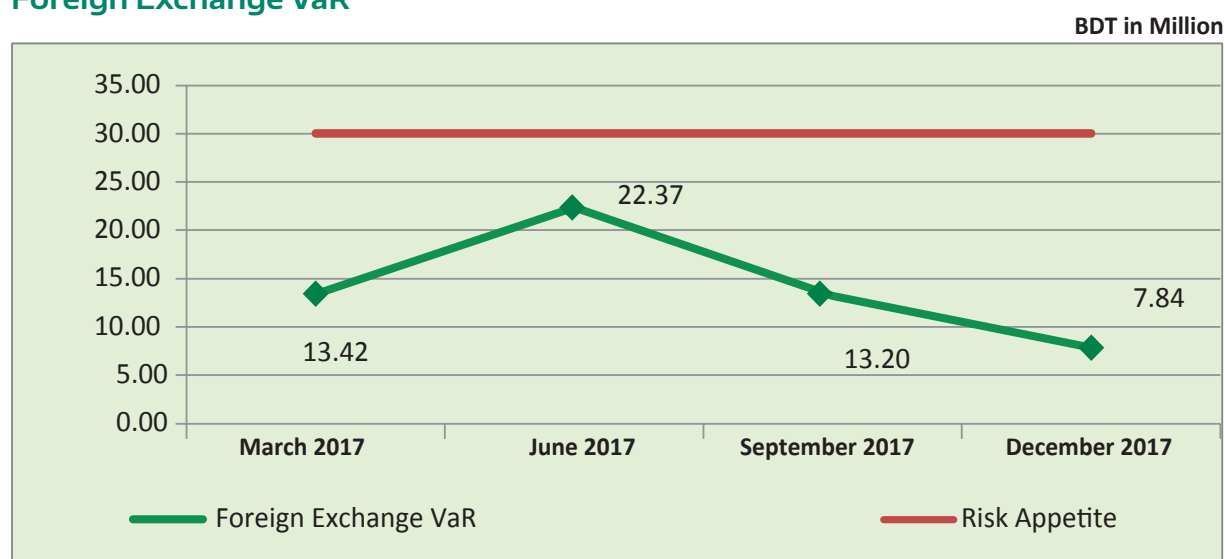




## Foreign Exchange Risk

Foreign exchange risk is the risk that a bank may suffer losses as a result of adverse exchange rate movements. Foreign exchange risk is managed through approved limits by the Board of Directors and in line with the Bangladesh Bank requirements. Limits include net open position, stop loss limits, dealer limits and counter party limits. Stress testing and Value at Risk (VaR) are used to quantify bank's risk in foreign exchange exposure. The Bank has been prudent in managing the foreign exchange risk throughout year under review. Foreign exchange VaR was well within the risk appetite limit throughout year. Furthermore, the Bank has been able to manage its open positions within the approved limit.

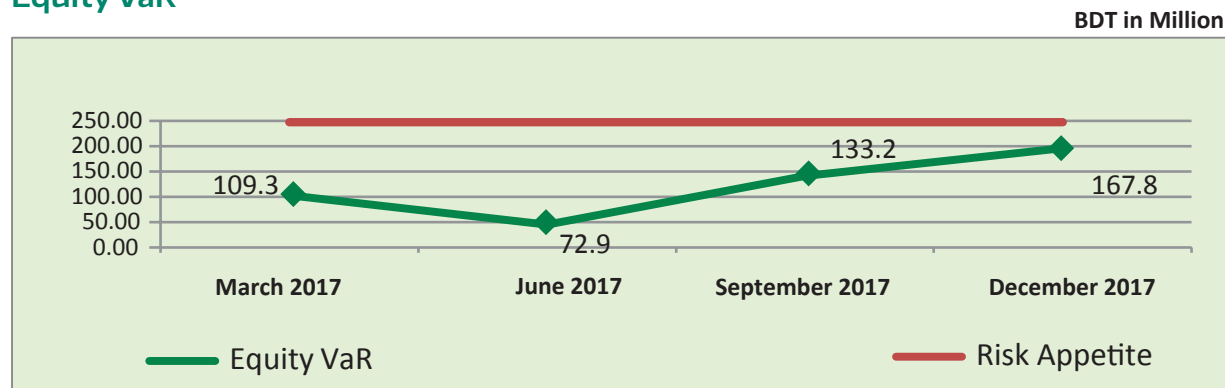
## Foreign Exchange VaR



## Equity Risk

Equity price risk is the risk of losses caused by changes in equity prices. Equity price risk associated with equities could be systematic or unsystematic. The former refers to sensitivity of portfolio's value to changes in overall level of equity prices, while the later is associated with price volatility that is determined by firm specific characteristics. Bank uses a range of techniques including marking to market, stress testing and VaR to assess equity risk across portfolio. The Bank also strictly adheres to the Guidelines issued by Bangladesh Bank regarding the exposure limit for the equity portfolio.

## Equity VaR



## Liquidity Risk

Liquidity risk is the current and prospective risk to earnings or capital arising from a Bank's inability to meet its current or future obligations on the due date. The goal of liquidity risk management is to meet all commitments on the due date and also be able to fund new investment opportunities by raising sufficient funds in the form of increasing fresh liabilities under normal and adverse conditions. These objectives are ensured by setting up policies, operational level committees, measurement tools and monitoring and reporting mechanism. Liquidity risk is managed within the framework of policies and limits that are approved by the Board of Directors. ALCO provides Senior Management oversight of liquidity risk and meets at least monthly to discuss the Bank's liquidity profile.

The Bank manages its liquidity on a static as well as dynamic basis using various tools such as gap analysis, ratio analysis, dynamic liquidity statements and scenario analysis. The liquidity profile of the Bank is analyzed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the actual maturity and expected occurrence of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, undrawn commitments, etc. The concentration of large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions. Basel III framework on liquidity standards as prescribed by Bangladesh Bank is adopted and put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The Bank has in place a contingency funding plan to ensure that decisive actions are taken in liquidity crisis situation.

## Liquidity Risk Indicators

Particulars	Liquidity Ratio as on 31 December 2017
Cash Reserve Requirement (CRR)	6.57%
Statutory Liquidity Requirement (SLR)	15.30%
Liquidity Coverage Ratio (LCR)	102.34%
Net Stable Funding Ratio (NSFR)	111.98%

## Internal Control And Compliance Risk Management

Internal control is a process, effected by a bank's Board of Directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. It is a dynamic, continuing series of activities planned, implemented and monitored by the board of directors and management at all levels within an organization. An effective

internal control system continually recognizes and assesses all of the material risks that could adversely affect the achievement of the Bank's goals. The Bank has Board approved Risk Based Internal Auditing (RBIA) model under which branches are rated taking into consideration of the "Business Risk" as well as "Control Risk" associated with their operation. The risk assessment by Internal Audit focuses more on compliance with regulatory requirements; controls over implementation of management policies, procedures and decisions related to the risks which were communicated and asked to enforce along with all other risks at branch level. The Audit Committee of the Board periodically assesses the performance of internal audit of the Bank.

### Internal Control and Compliance Process of Trust Bank:

- Departmental Control Function Check List (DCFCL) at the frequencies of daily, weekly, monthly and quarterly;
- Loan Documentation Check List (LDCL);
- Quarterly Operation Report (QOR) is needed to be prepared, maintained and reviewed.

In 2017 IC&C Division conducted following No. of Audit:

Summary	No. of Audit
No. of Comprehensive Audit on Branches	108
No. of Comprehensive Audit at Head Office	19

### Money Laundering and Terrorist Financing Risk Management

As a responsible and compliant institution, Trust Bank Ltd. is complying with all the rules and regulations related to AML and CFT policies/Guidelines issued by BFIU in its business approach's practice. The AML policy is reviewed and updated when required, based on legal, regulatory, business and operational changes. The policy also emphasizes the responsibility of every employee to protect the Bank from exploitation of money laundering and terrorist financing and management of the Bank declared 'zero' tolerance in case of any non-compliance regarding AML and CFT.

TBL has nominated Chief Anti Money Laundering Compliance Officer (CAMLCO) and Deputy CAMLCO with sufficient authority to implement and enforce corporate wide AML and CFT policies, procedures and measures. All branches have nominated Branch Anti Money Laundering Compliance Officer (BAMLCO) for ensuring that all existing acts, rules, BFIU's instructions and bank's own policies on preventing Money Laundering and Terrorist Financing are complied. AML and CFT training is conducted continuously for all the employees covering all aspects of AML and CFT measures in Bangladesh. The Bank arranges a conference once in a year as part of awareness program with the participation of senior management, branch managers and BAMLCOs of all branches. A yearly statement of commitment from the Chief Executive Officer is conveyed to all employees of the Bank that clearly sets forth its policy against Money Laundering and Terrorist Financing .

TBL has implemented screening program when hiring to ensure standard performance. To uphold the commitment on AML and CFT related issues all concerned division/department obtain prior opinion/clearance from AMLD while launching any new technology based product/service in TBL.

### Operational Risk

Operational risk is very much like a catch-all residual risk category. It is as diverse as the things that can go wrong with people, processes and systems. Operational Risk Management has become a contemporary issue for the Banking industry that cannot be predicted in advance and pose a greater effect in sudden and dramatic reduction in the overall values of the Bank. The aim of Operational Risk Management of the Bank is to aware the people regarding the problems that have already taken place (internal/external) and may occur in future. The Bank has established different processes that identify the nature and types of Operational Risk and their causes along with resulting effects on the Bank.

**The Bank seeks to manage operational risks through:**

- i. Inspection on Anti-fraud internal Control System of branches is conducted for identifying operational risk arise from day to day operations.
- ii. Central Customer Service and Complaint Management Cell of the Bank is engaged in resolving customer dissatisfaction arises due to failure in processes.
- iii. Adequate operational risk coverage is placed to verify that operating policies and procedures have been implemented effectively.
- iv. Maintaining adequate capital, in line with regulatory requirements, to cover for any losses arising out of operational loss events.
- v. Creating a culture of risk awareness of the Bank through comprehensive training programs together with high standards of ethics and integrity is also a key component of the Bank's risk mitigatory measure.

**Capital Requirement for Operational Risk:**

Details	BDT in Million
Total RWA for operational risk (on Solo basis)	13,201.77
Total capital requirement for operational risk at 11.25% (on Solo basis)	1,485.20

## IT Security Risk Management

Technological change and diffusion of new technologies are moving at an incredible pace. Such development and diffusion accelerates the importance of innovation of the Bank if the Bank is to remain competitive. IT is the bedrock for the Bank's survival and development in a rapidly changing global environment, and challenges us to devise bold and courageous initiatives to address ICT Security risk.

The ICT Security Management of Trust Bank ensures that the ICT functions and operations are efficiently and effectively managed. It also ensures maintenance of appropriate systems documentations, particularly for systems, which support financial reporting. Trust Bank participates in ICT security planning to ensure that resources are allocated consistent with business objectives which also is a part of ICT Security Management. Sufficient and qualified technical staffs are employed so that continuance of the ICT operation area is unlikely to be seriously at risk all times.

Bank has set up an effective governance framework to manage ICT Security risk management. A suitable organizational structure has been put in place to monitor various ICT security threats and minimize them. ICT Risk Management Committee has been formed for overall monitoring of ICT Risks and relevant mitigation measures of the Bank. There are other different levels of committees like; ICT Steering Committee, ICT Outsourcing Committee, ICT Security Committee for the governance of ICT operations of the Bank. The Bank aims to achieve the peak levels of technology service excellence by minimum outfitted risk.

## Risk Management Reporting

Risk Management papers is prepared as per Bangladesh Bank guideline on monthly interval considering all key risks i.e., credit, market, liquidity, operational risks etc. with appropriate risk indicators and management information. A Comprehensive Risk Management Report (CRMR) is prepared on half yearly basis covering all key risks areas with risk findings and specific recommendations. Monthly meeting of the Risk Management Committee is arranged for reviewing the risks identified in the risk management report. The discussions and conclusions reached in the meetings are recorded in the minutes and subsequently submitted to Bangladesh Bank. Any exceptions or significant risk exposures identified in these reports are presented to Board Risk Management Committee (BRMC) for discussion and necessary suggestions. Total 7 (seven) BRMC meetings were held during 2017.



## Disclosures on Risk Based Capital (Basel III)

### **For the year ended on 31 December 2017**

The public disclosure of prudential information is an important component of Basel Committee on Banking Supervision's framework of capital measurement and capital adequacy, known as Basel III. The Bank is required to set out the public disclosure upon its capital requirements, level of risks and risk management system in order to facilitate and enhance greater insight information for the outsiders and market participants to assess and analyze all risks and capital adequacy of the Bank. This disclosure shall be deemed as the essential market mechanism in escorting the Bank to achieve effective risks management system beyond simply the internal control of the Bank and the supervision of Bangladesh Bank.

In line with the Bangladesh Bank BRPD Circular no. 35 of 29 December 2010 as to Guidelines on Risk Based Capital Adequacy for Banks and subsequent BRPD Circular 18, dated 21 December 2014 on Guidelines on Risk Based Capital Adequacy, following detailed qualitative and quantitative disclosures are provided in accordance with the central bank directions covering scope of capital adequacy framework, capital of the Bank, risk exposure and assessment methodology, risk mitigation strategies and capital adequacy of the Bank.

To cope up with the international best practices and to make the Bank's capital shock absorbent Guidelines on Risk Based Capital Adequacy (RBCA) for Banks (revised regulatory capital framework in line with Basel II) was introduced from 01 January 2009 as a parallel run with BRPD Circular No. 10, dated 25 November 2002 (Basel I). At the end of parallel run, Basel II regime started from



01 January 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/ revisions. After that Bangladesh Bank issued Guidelines on Risk Based Capital Adequacy (RBCA) for Banks (revised regulatory capital framework in line with Basel III) vide its BRPD Circular 18 dated 21 December 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), adequate capital and disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance.

## Phase-in Arrangements

The phase-in arrangements for Basel III implementation will be as follows

Particulars	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	--	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%

**The Basel III framework consists of three-mutually reinforcing pillars**

**Pillar 1 (Minimum Capital Requirement):** covers the calculation of RWAs for credit risk, market risk and operational risk.

**Pillar 2 (Supervisory Review Process):** covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. Bank's own internal models and assessments support this process.

**Pillar 3 (Market Discipline):** covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management.

Market discipline comprises a set of disclosures on the capital adequacy and risk management framework of the Bank. Pillar 3 disclosures as per BB circular on Basel-III Capital Regulations are set out in the following sections for information.

## 1. Scope of Application

### Qualitative Disclosures

**(a) The name of the top corporate entity in the group to which this guideline applies**

The framework applies to Trust Bank Limited (TBL) on 'Consolidated Basis' as there are two subsidiaries of the Bank as on the reporting date i.e. 31 December 2017. However, 'Solo Basis' information has been presented beside those of 'Consolidated Basis' to facilitate comparison.

**(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)**

Trust Bank Limited has 2 (Two) subsidiaries i.e.

- ◆ Trust Bank Investment Limited
- ◆ Trust Bank Securities Limited.

### **A brief description of the Bank and its subsidiary are given below**

**Trust Bank Limited:** The Bank was established as a Public Limited Company (Banking Company) as on the 17 June 1999 under the Companies Act 1994 for carrying out all kinds of banking activities and commenced its operation on the 17 June 1999 with the permission of Bangladesh Bank.

It was listed with Dhaka Stock Exchange Limited as on 24 September 2007 and Chittagong Stock Exchange Limited as on 25 September 2007 respectively. As on 31 December 2017 the Bank is operating its business through head office having 103 branches, 06 SME/Krishi branches, 1 SME Service Center, 9 T-Lobby, 7 CDMs (Cash Deposit Machine) and 205 ATM booths all over Bangladesh.

**Off-shore Banking Unit (OBU):** Off-shore Banking Unit is a separate business unit governed by the applicable rules, regulations and guidelines of Bangladesh Bank vide letter no. BRPD(P-3) 744(116)/2010-2462 dated: 2 June 2010. The number of OBU was 1 (one) as on reporting date 31 December 2017 located at Dilkusha Corporate Branch. Investments in OBUs are risk weighted with the exposure of the Bank.

There are 2 (Two) Subsidiaries of Trust Bank which is as under

#### ◆ **Trust Bank Investment Ltd**

Trust Bank Investment Limited was incorporated as on 9 September 2010 as a public limited company bearing registration No. C- 86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25 October 2010 as a fully fledged merchant bank bearing certificate no. MB-45/10. The company started its operation on 14 November 2010. The registered office of the company is located at 36, Dilkusha Commercial Area, Dhaka - 1000.

The main objectives of the company are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services etc.

#### ◆ **Trust Bank Securities Limited**

Trust Bank Securities Limited was incorporated as on 7 February 2013 as a private limited company bearing registration no: C-107267/13 under the Companies Act, 1994. The registered office of the company is located at Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate Dhaka Cantonment, Dhaka-1206.

The main objective of the company is carry on business of stock broker/dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the company.

#### **(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group:**

Not applicable

### **Quantitative Disclosures**

#### **(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.**

Not Applicable

## **2. Capital Structure**

### **Qualitative Disclosures**

#### **(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or in Tier 2.**

For the purpose of calculating capital under capital adequacy framework, the capital of banks shall be classified into two tiers. The total regulatory capital will consist of sum of the following categories:

## I. Tier 1 Capital (Going-Concern Capital)

- ◆ **Common Equity Tier 1**
- ◆ **Additional Tier 1**

## II. Tier 2 Capital (Gone-Concern Capital)

**Common Equity Tier 1 Capital:** It is called 'core capital' comprises of highest quality of capital elements consists of –

- Fully paid-up capital
- Statutory reserve
- Non-repayable share premium account
- General reserve
- Retained earnings
- Minority interest in subsidiaries
- Dividend equalization account

**Less:** Regulatory adjustments applicable on CET1

### Additional Tier 1

- Non-cumulative irredeemable preference share
- Instruments issued by the Banks that meet the qualifying criteria for AT1
- Minority interest i.e. AT 1 issued by consolidated subsidiaries to third parties as specified in annex-4 of Basel III guidelines (for consolidated reporting)

**Less:** Regulatory adjustments applicable on AT1

**Tier-2 Capital:** It is called 'gone-concern' capital represents other elements which fall short of some of the characteristics of the core capital consists of-

- General provision
- All other preference shares
- Subordinated debt
- Minority interest i.e. Tier-2 issued by consolidated subsidiaries to third parties (for consolidated reporting only)
- Revaluation Reserves as on 31 December 2014 (50% of fixed assets and securities and 10% of equities)
- Other (if any item approved by Bangladesh Bank)

**Less:** Regulatory adjustments applicable on Tier-2 capital

Compliance status of TBL as per condition for maintaining regulatory capital for the year 2017		
1.	Common Equity Tier I of at least 4.5% of the total RWA	Complied
2.	Tier I capital will be at least 6% of the total RWA	Complied
3.	Minimum CRAR of 10% of the total RWA	Complied
4.	Additional Tier I capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET 1, whichever is higher	Complied
5.	Tier II capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET 1, whichever is higher	Complied
6.	In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 1.25% of the total RWA is being introduced which is maintained in the form of CET 1	Complied

## Quantitative Disclosures

(b) The amount of Regulatory capital of Trust Bank Limited under Basel-III during 2017 as below

BDT in Million

Particulars	Solo	Consolidated
<b>1.Common Equity Tier-1 (Going Concern Capital)</b>		
Fully Paid-up Capital/Capital Deposited with BB	5,569.66	5,569.66
Statutory Reserve	4,815.48	4,815.48
Retained Earnings	1,719.82	2,082.53
Minority interest in Subsidiaries	0	0
Less: Deferred Tax Assets (DTA)	(136.27)	(138.27)
Total Common Equity Tier-1 Capital	<b>11,968.69</b>	<b>12,329.40</b>
<b>2. Tier-2 Capital (Gone-Concern Capital)</b>		
General Provision	3,266.64	3,266.64
Subordinated debt	5,200.00	5,200.00
Revaluation Reserves for Securities up to 50%	0.27	0.27
Less: Revaluation Reserves for Fixed Assets, Securities and Equity Securities (follow Phase-in deductions as per Basel III) Guideline	(0.16)	(0.16)
Total Admissible Tier-2 Capital	8,466.75	8,466.75
Total Regulatory Capital	<b>20,435.43</b>	<b>20,796.15</b>

## 3. Capital Adequacy

### Qualitative Disclosures

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities:

Trust Bank Limited with its focused strategy on risk management has always been consistent in maintaining capital adequacy ratio above the regulatory requirements. The Bank is subject to the capital adequacy norms as per master circular on Basel-III capital regulations issued by the Bangladesh Bank. The Basel III capital regulation is being implemented from 2015.

With regard to regulatory capital computation approaches (Minimum Capital Requirement) the Bank is following the prescribed approach of Bangladesh Bank. Below are risk wise capital computation approaches that the Bank is currently applying:

- For Credit Risk – Standardized Approach
- For Market Risk – Standardized Approach
- Operational Risk – Basic Indicator Approach

The Bank has a Board approved policy on Internal Capital Adequacy Assessment Process (ICAAP) as stipulated by Bangladesh Bank. The ICAAP also details the risk appetite of the Bank, assessment of material risks, the process for capital adequacy assessment to support business projections, adequacy of risk control framework, capital raising plans and Bank-wide stress testing.

The periodic assessment of Bank's performance against the risk appetite defined under ICAAP and results of stress testing are reported to the Board of Directors for their review. CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 10%.

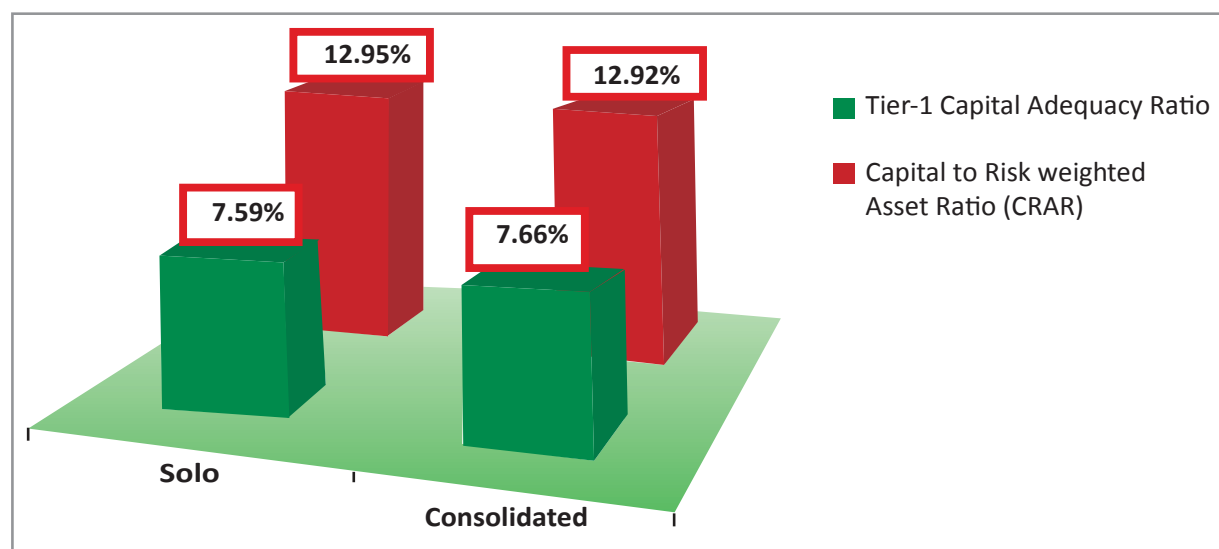
## Quantitative Disclosures

BDT in Million

Particulars	Solo	Consolidated
b) Capital requirement for Credit Risk*	16,043.23	15,957.18
c) Capital requirement for Market Risk*	220.11	604.44
d) Capital requirement for Operational Risk*	1,485.20	1,540.42
Total Capital Requirement* (b+c+d)	<b>17,748.54</b>	<b>18,102.04</b>
e) Capital to Risk weighted Asset Ratio (CRAR)	7.59%	7.66%
2.Tier 1 Capital Adequacy Ratio	7.59%	7.66%
3.Tier-2 Capital Adequacy Ratio	5.37%	5.26%
Capital to Risk-weighted Asset Ratio (CRAR)	12.95%	12.92%
Minimum Capital Requirement (MCR)	15,776.47	16,090.70
f) MCR (10%) + Capital Conservation Buffer (1.25%)	17,748.54	18,102.04
g) Available Capital under Pillar 2 Requirement	2,686.89	2,694.11

\* Capital requirement is calculated based on MCR (10%) + Capital Conservation Buffer (1.25%)

### Capital to Risk-weighted Asset Ratio (CRAR)



## 4. Credit Risk

### Qualitative Disclosures

#### (a) The general qualitative disclosure requirement with respect to credit risk:

Credit risk is the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Credit risk management is the process of mitigating those losses by understanding the adequacy of both a bank's capital and loan loss reserves at any given time.



The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the Bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, assisting in completion of documentation formalities and above all maintaining relationship with the branches and customers have so long been done by Credit Risk Management.

#### (i) Definitions of past due and impaired

Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. All the loans and advances are grouped into four categories for the purpose of classification, which are as followings:

- Any continuous loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date.
- Any demand loan if not repaid within the fixed expiry date for repayment or after the demand by the Bank will be treated as past due/overdue from the following day of the expiry date.
- In case of any installment(s) or part of installment(s) of a fixed term loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue from the following day of the expiry date.
- The short-term agricultural and micro-credit if not repaid within the fixed expiry date for repayment will be considered past due/overdue after six months of the expiry date.
- **All classified loans can be defined as below:**

Types of Facility	Loans Classification					
	Sub Standard	Provision (%)	Doubtful	Provision (%)	Bad and Loss	Provision (%)
	Over Due Period		Overdue Period		Overdue Period	
Continuous Loan and Demand Loan	3 months or more but less than 6 months	20%	6 months or more but less than 9 months	50%	9 months or more	100%
Fixed Term Loan up to BDT 10 Lac	6 months or more but less than 9 months	20%	9 months or more but less than 12 months	50%	12 months or more	100%
Fixed Term Loan more than BDT 10 Lac	3 months or more but less than 6 months	20%	6 months or more but less than 9 months	50%	9 months or more	100%
Short Term Agricultural and Micro Credit	12 months or more but less than 36 months	5%	36 months or more but less than 60 months	5%	60 months or more	100%

**(ii) Description of approaches followed for specific and general allowances and statistical methods:**

**Rate of provision:**

Business Unit		Rates of Provision				
		Un-Classified (UC)		Classified		
		Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad Loan (BL)
Consumer	House Building and loans for professionals	1%	1%	20%	50%	100%
	loans for professionals	2%	2%	20%	50%	100%
	Other than house building and professionals	5%	5%	20%	50%	100%
Loans to BHs/MBs against Share etc.		2%	2%	20%	50%	100%
Small and Medium Enterprise Finance		0.25%	0.25%	20%	50%	100%
Short term Agri-Credit and Micro Credit		1%	1%	5%	5%	100%
All Others		1%	1%	20%	50%	100%

**(iii) Discussion of the Bank's Credit Risk Management Policy:**

The credit risk management policy of the Bank aims at a sustained growth of healthy loan portfolio. It articulates while evolving a well-defined system to identify measure, monitor and control various risks attached to credit portfolio of the Bank. This entails reducing exposures in high risk areas, concentrating more on the promising industries/sectors/segments, striking balance between risk and return on assets and ensuring optimization of stake holder's value.

The policy also seeks to achieve prudent credit growth—both qualitative and quantitative-while adhering to the prudential norms with balanced sectoral deployment of credit to control credit concentration across Industries, sectors, segments and at the same time increasing the market share. The policy also aims at consistency and standardization of credit practices. There is a defined credit appraisal and credit approval authority, reporting cum monitoring/follow-up system and loan review mechanism/credit audit system in place at the Bank as spelt out in Board approved credit risk management policy.

## Quantitative Disclosures

**(b) Total Gross Credit Risk Exposure Broken down by Major Types of Credit Exposure**

Particulars	BDT in Million
<b>Continuous loan (CL-2)</b>	
Consumer Finance	1,568.33
Small and Medium Enterprise (SME)	6,621.40
Loans to BHs/MBs/SDs against Shares	22.71
Other Corporate Loans	19,488.85
<b>Total</b>	<b>27,701.29</b>

<b>Demand loan (CL-3)</b>	
Small and Medium Enterprise	6,988.98
Consumer Finance	-
Corporate Loans	39,789.21
<b>Total</b>	<b>46,778.19</b>
<b>Term loan (CL-4)</b>	
Consumer Finance (including staff, other than HF)	2,748.16
Housing Finance (HF)	8,748.40
Small and Medium Enterprise (SME)	5,082.24
Loans to BHs/MBs/SDs against Shares	18.22
Corporate Loans	88,475.72
<b>Total</b>	<b>105,072.74</b>
<b>Short term Agri-credit and microcredit (CL-5)</b>	
Short term Agri-credit	259.91
<b>Total</b>	<b>259.91</b>
Staff loan	1,045.55
Off Shore Banking	<b>4,052.79</b>
<b>Total Exposure of Trust Bank Limited</b>	<b>184,910.47</b>

**(c) Geographical Distribution, Broken down in Significant Areas by Major Types of Credit Exposures of TBL**

Division	BDT in Million
Dhaka	127,137.47
Chittagong	33,206.11
Khulna	8,855.30
Sylhet	5,011.41
Rajshahi	3,570.65
Barisal	810.00
Rangpur	4,487.56
Mymensingh	1,831.97
<b>Total</b>	<b>184,910.47</b>

**(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure of TBL**

Industry Type	BDT in Million
Agro and Fisheries	2,509.12
RMG	16,472.11
Textile	5,909.46
Food and allied industries (Edible Oil included)	10,335.11
Pharmaceutical industries	2,199.89
Chemical, fertilizer, etc.	2,368.61
Cement and ceramic industries	4,311.45
Ship building industries	-
Ship breaking industries	3,273.33
Power and gas	6,899.69

Other manufacturing or extractive industries (Rubber and Plastic, Paper, Steel Engineering and Metal Products included)	19,550.67
Service Industries (Telecom and ICT, Medical Service included)	16,353.19
Other Industry	1,325.25
Trade and Commerce	16,866.57
Construction and Housing	27,251.26
Transport	2,245.16
Consumer Financing (Personal Services)	31,933.40
Loans to Financial Institution (NBFI and NGO included)	5,001.12
Others	10,105.19
<b>Total Exposure</b>	<b>184,910.47</b>

**(e) Residual Contractual Maturity Breakdown of the Whole Portfolio, Broken down by Major Types of Credit Exposure of TBL**

Particulars	BDT in Million
Repayable on demand	12,224.00
Not more than three months	71,363.89
More than three months but not more than one year	53,811.33
More than one year but not more than five years	34,991.62
More than five years	12,519.63
<b>Total</b>	<b>184,910.47</b>

**(f) By major industry or counterparty type of TBL**

- Amount of impaired loans and if available, past due loans, provided separately

Industry	BDT in Million	
	Impaired*	Past due
Small and Medium Enterprise Financing	1,153.41	7,455.03
Consumer Financing	91.13	762.98
Housing Finance	-	510.00
Loans for Professionals to setup business	-	-
Loans to BHs/MBs/SDs against Shares etc.	-	-
Other Corporate Credit	1,109.98	7,495.35
Short Term Agri Credit and Micro Credit	3.07	55.12
Staff Loan	-	-
<b>Total</b>	<b>2,357.59</b>	<b>16,278.48</b>

\* Impaired Loan is determined from Gross NPL after deducting the value of eligible security.

▪ **Specific and general provision (Required)**

BDT in Million

Sector	General Provision	Specific Provision
Small and Medium Enterprise Financing	38.13	1,451.71
Consumer Financing	202.36	75.32
Housing Finance	84.09	87.91
Loans for Professionals to setup business	0.11	-
Loans to BHs/MBs/SDs against Shares etc.	0.82	-
Other Corporate Credit	2,029.81	768.17
Short Term Agri Credit and Micro Credit	2.57	0.25
Against Off-Balance Sheet	852.38	-
TBL Total	<b>3,210.27</b>	<b>2,383.36</b>
Off-shore Banking Unit	<b>40.53</b>	-
Grand Total	<b>3,250.80</b>	<b>2,383.36</b>

▪ **Charges for specific allowances and charge-offs during the period**

BDT in Million

Against Unclassified Loans and Advances	
Provision held on 1 January	1,716.00
Provisions made during the year	453.77
Provision held at end of year	<b>2,169.77</b>
Against Special Mention Accounts	
Provision held on 1 January	76.07
Provisions made during the year	127.89
Provision held at end of year	<b>203.96</b>

General Provision for Off Balance Sheet Exposures	
Provision held on 1 January	614.28
Provisions made during the year	238.10
Provision held at end of year	<b>852.38</b>

Provision for Off-shore Banking Units	
Provision held on 1 January	29.01
Provisions made during the year	11.52
Provision held at end of year	<b>40.53</b>



**(g) Gross Non Performing Assets (NPAs)****BDT in Million**

Gross Non Performing Assets (NPAs)	6,192.03
Non Performing Assets (NPAs) to outstanding loans and advances	3.35%
<b>Movement of Non Performing Assets for NPAs</b>	
Opening balance	4,556.09
Additions	3,359.37
Reductions	(1,723.43)
Closing Balance	6,192.03
<b>Movements of specific provisions for NPAs</b>	
Opening balance	1,694.67
Provision made during the period	1,099.65
Write-off	(308.77)
Write back of excess provisions	(102.19)
Closing Balance	2,383.36

## 5. Equities: Disclosures for Banking Book Positions

### Qualitative Disclosures

**(a) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons:**

Investment in equity is mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons. Investment in equity securities by TBL is broadly categorized into two parts:

- ◆ **Quoted securities** include common shares, mutual funds listed with stock exchanges. These instruments are categorized as trading book assets. Investment in trading book includes securities holding for capital gains, dividend income and securities holding for strategic reasons.
- ◆ **Unquoted securities** are categorized as banking book equity exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held to Maturity (HTM) and securities that are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Usually these securities are Held for Trading (HFT) or investment for making capital gains.

**(b) Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices:**

The equity markets are traditionally volatile with a high-risk, high-returns profile. As such investors in the equity market have to plan and strategize to reduce their risks and increase their returns. 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 guidelines, 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.

## Quantitative Disclosures

BDT in Million

Particulars		Amount
(i) 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	2,241.68
	Market Price	1,925.32
Difference		(316.36)
(ii) Cumulative realized gains (losses) arising from sales and liquidations in the reporting period		177.66
(iii) Total unrealized gains (losses)		(316.36)
(iv) Total latent revaluation gains (losses)		Nil
(v) Any amounts of the above included in Tier 2 capital		Nil
(vi) 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	General Market Risk*	216.60
	Specific Risk*	216.60

\*Capital Requirement is calculated based on MCR (10%) + Capital Conservation Buffer (1.25%)

## 6. Interest Rate Risk in the Banking Book (IRRBB)

### Qualitative Disclosure

**(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement:**

Interest rate risk is the risk which affects the Bank's financial condition due to changes of market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) as also the net worth of the Bank (economic value perspective). Bank assesses the interest rate risk both in earning and economic value perspective.

The process of interest rate risk management by the Bank involves determination of the business objectives, expectation about future macro-economic variables and understanding the money markets and debt market in which it operates. Interest rate risk management also includes quantifying the appetite for market risk to which Bank is comfortable.

The Bank proactively manages impact of IRRBB as a part of its ALM activities. ALM policy defines the different types of interest rates risks that are to be monitored, measured and controlled. ALCO decides strategies for managing IRRBB at the desired level. ALM Committee periodically gives direction for management of interest rate risk on the basis of its expectations of future interest rates. Based on the guidance, ALCO manages the IRRBB with the help of various tools i.e. gap analysis, EaR, Duration of Equity (DoE) and stress testing for basis risk.

### IRRBB Identification, Measurement, Monitoring and Reporting:

IRRBB architecture is the framework to measure, monitor and control the adverse impact of interest rates on the Bank's financial condition within tolerable limits. This impact is calculated from following perspectives:

- ◆ Earnings perspective: Indicates the impact on Bank's Net Interest Income (NII) in the short term.
- ◆ Economic perspective: Indicates the impact on the net- worth of bank due to re-pricing of assets, liabilities and off-balance sheet items.

The ALM and Market Risk Policies define the framework for managing IRRBB through measures such as:

- ◆ **Interest Rate Sensitivity Report:** This analysis is used to measure and manage interest rate risk exposure specifically, Bank's re-pricing and maturity imbalances. Gap reports stratify bank's rate sensitive assets, liabilities and off-balance sheet instruments into maturity segments (time bands) based on the instrument's next re-pricing or maturity date.
- ◆ **Duration Gap Analysis:** A weighted maturity/re-pricing schedule is used to evaluate the effects of changing interest rates on Bank's economic value by applying sensitivity weights to each time band. Such weights are based on estimates of the duration of the assets and liabilities that fall into each time band.
- ◆ **Stress Testing:** It is used for measuring the interest rate risk on its balance sheet exposure for estimating the impact on the Capital to Risk Weighted Assets Ratio (CRAR).

## Quantitative Disclosures

**(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method of measuring IRRBB, broken down by currency.**

BDT in Million

Particulars	Amount		
Market Value of Assets	236,312.10		
Market Value of Liabilities	223,800.50		
Weighted Average of Duration of Assets (DA)	2.19		
Weighted Average of Duration of Liabilities (DL)	0.85		
Duration GAP (DA-DL)	1.39		
Yield to Maturity (YTM-Assets)	7.08%		
Yield to Maturity (YTM-Liability)	4.44%		
Magnitude of Interest Rate Change	<b>1%</b>	<b>2%</b>	<b>3%</b>
Change in market value of equity due to and increase in interest rate	(3,067.43)	(6,134.86)	(9,202.29)
Stress Testing	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>
Regulatory capital (after shock)	17,653.80	14,586.40	11,519.00
RWA (after shock)	158,444.00	158,444.00	158,444.00
CAR (after shock)	11.14%	9.21%	7.27%

## 7. Market Risk

### Qualitative Disclosures

The Bank has set up vigorous market risk management process which sets out the broad guidelines for managing market risk that the Bank is exposed to. Management of market risk encompasses risk identification, measurement, setting up of limits and triggers, monitoring, control, reporting and taking corrective actions, where warranted.

The market risk management process at the Bank ensures that the treasury dealings in the product that are exposed to market risk are within the risk appetite of the Bank. The Board approved risk appetite is handed down as limits to financial markets group. The prescribed limits are monitored by the market risk and reported as per the guidelines laid down from time to time. The Bank manages its market risk by taking equal and opposite derivative positions in the market. Our trading activities are conducted in our financial markets and treasury businesses.

Treasury's trading activity represents dealings that include the management of interest rate, foreign exchange (FX) and credit spread risk associated with wholesale funding, liquid asset portfolios and hedging of foreign currency earnings and capital deployed offshore.

**(a) Views of Board of Directors on trading/investment activities:**

There is an approved policy to monitor risks related to changes in market dynamics. The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions whilst meeting customers' requirements.

**(b) Methods used to Measure Market risk:**

The Bank currently follows the standardized approach for computation of market risk as per the guidelines of Bangladesh Bank. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for specific risk and general market risk as under:

Component of Market Risk	Capital Charged for Market Risk	
	General Market Risk	Specific Market Risk
Interest Rate Risk	Applied	Applied
Equity Price Risk	Applied	Applied
Foreign Exchange Risk	Applied	
Commodity Position Risk	Applied	

**(c) Market Risk Management System**

To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Of the ratios, the key ratios that ALCO regularly monitors are Liquidity Coverage Ratio, Net Stable Funding Ratio and Maximum Cumulative Outflow, liquid asset to total assets, volatile liability dependency ratio, snap liquidity ratio and short term borrowing to liquid assets ratio.

ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio. To manage foreign exchange risk of the Bank, it has adopted the limit set by central bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher.

**(d) Policies and Processes for Mitigating Market Risk**

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, foreign exchange position and transactions to mitigate foreign exchange risks.

## Quantitative Disclosures

The Capital requirements for specified risk are as follows:

BDT in Million

Market Risk	Capital Requirement
Interest Rate Related instruments	35.76
Equities	61.57
Foreign Exchange Position	122.74
Commodities	-
Total	220.07

\*Capital Requirement is calculated based on MCR (10%) + Capital Conservation Buffer (1.25%)

## 8. Operational Risk

### Qualitative Disclosures

#### (a) Views of BOD on System to Reduce Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is inherent in all activities arising out of Bank's business and operations and could result in financial losses, litigation, regulatory fines or other damage to the Bank. The severity of impact on the Bank, its employee and customers is dependent on the efficacy with which operational risk is managed by the Bank. The goal is to keep operational risk at appropriate levels, in light of the Bank's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment in which it operates. The Bank manages these risks through appropriate risk controls and loss mitigation actions. These actions are put in place through the policies, procedures, contractual business continuity arrangements, training and risk monitoring and reporting.

#### (b) Performance Gap of Executive and Staff

Performance of employees is critically important to achieve organizational goals for that reason TBL ensures equal opportunity to its employees. TBL has a policy to provide competitive remuneration package and best working environment to attract and retain the most talented people available in the industry. Our recruitment and selection procedure are governed by the philosophies of equality, transparency and assortment.

The Bank believes that, training and knowledge sharing is the best way to reduce the performance gap. TBL offers a wide range of internal and external training programs to enhance the capabilities of its employees so that they can perform their assigned job more efficiently. As a result, there is no significant performance gap.

#### (c) Potential External Events

Like other banks, TBL also operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, change in demand, natural disaster etc. Considering the potential external risks, TBL is continuously working on identifying, assessing, mitigating, monitoring such operational risks factors which may have impact on the achievement of the Bank's business objectives.

#### (d) Policies and Processes for Mitigating Operational Risk

Operational risk is the risk of financial losses related to breakdown in internal control and corporate governance. Such breakdown can be the result of human errors, inadequate or failed internal process



and technical system, fraud or any other adverse external event. The Bank has adopted policies to deal with different operational risks.

The Internal Control & Compliance Division of the Bank, the inspection teams of Bangladesh Bank, and external auditors had conducted inspections in different branches and divisions at Head office throughout the year and prepared the reports according to the findings of those inspections. Considering the suggestions and observations of those reports management took essential control measures and corrective actions.

#### Summary of audits in 2017 conducted by IC&C Division:

No. of Comprehensive Audit at Branches	108 Branches
No. of Comprehensive Audit at Head Office	19 Divisions/Departments
No. of Spot Audits	9 IT Audit and 1782 no. pay point audits
No. of Spot Inspection	32 spot inspection report

TBL strongly follows the KYC norms for its customer dealings and other banking operations. Banks Anti-Money laundering activities are headed by CAMLCO in the rank of Executive Vice President and their activities are devoted to protect against all money laundering and terrorist finance related activities.

The newly established Central Customer Service & Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.

#### (e) Approach for Calculating Capital Charges for Operational Risk

The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014, Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by  $\alpha$  (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:

$$K = [(GI\ 1 + GI\ 2 + GI\ 3) \alpha] / n$$

Where-

K = the capital charge under the basic indicator approach

GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded)

$\alpha$  = 15 percent

n = number of the previous three years for which gross income is positive.

## Quantitative Disclosures

#### The capital requirements for operational risk

BDT in Million

Particulars	RWA	Capital Requirement
Minimum Capital Requirement: Operation Risk	13,201.77	1,485.20

\* Capital Requirement is calculated based on MCR (10%) + Capital Conservation Buffer (1.25%)

## 9. Liquidity Ratio

### Qualitative Disclosures

Banks in general are vulnerable to liquidity and solvency problems resulting from asset and liability mismatches. Liquidity risk is the risk that the Bank does not have adequate financial resources to meet its commitments in time as they fall due or will have to do so at excessive cost.

Thus, liquidity risk can be of two types

- ◆ **Funding liquidity risk:** the risk that a firm will be unable to fulfill its current and future cash flow and collateral needs without affecting its daily operations or its financial condition
- ◆ **Market liquidity risk:** the risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market.

#### (a) Views of Board of Directors on system to reduce Liquidity Risk

TBL manages liquidity risk in accordance with its Asset Liability Management (ALM) Policy. This policy is framed as per the extant 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. The Bank formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM policy.

The Bank proactively manages liquidity risk as a part of its ALM activities. The Bank uses various statements, liquidity ratios and stress testing through scenario analysis. TBL has also framed a Liquidity 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.

#### (b) Methods used to measure Liquidity risk

TBL follows Bangladesh Bank's Risk Based Capital Adequacy Guideline in line with Basel III for proper assessment and management of liquidity risk of the Bank. TBL also started to follow DOS circular no. 1, dated 1 January 2015, on Implementation of Basel III Liquidity Ratio.

The measurement tools those are used to assess liquidity risks are:

- ◆ **Liquidity Coverage Ratio (LCR)**
- ◆ **Net Stable Funding Ratio (NSFR)**
- ◆ **Statutory Liquidity Requirement (SLR)**
- ◆ **Cash Reserve Ratio (CRR)**
- ◆ **Asset to Deposit Ratio (ADR)**
- ◆ **Structural Liquidity Profile (SLP)**
- ◆ **Regulatory Liquidity Indicators (RLIs)**
- ◆ **Maximum Cumulative Outflow (MCO)**
- ◆ **Medium Term Funding Ratio (MTF)**
- ◆ **Volatile Liability Dependency Ratio**
- ◆ **Liquid Asset to Total Deposit Ratio**
- ◆ **Liquid Asset to Short Term Liabilities**

### (c) Liquidity Risk Management System

ALM strategy of TBL is designed to ensure that funding is available to meet liability repayments on time and to fund all investment opportunities in times of stress either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

Responsibility of managing liquidity lies with ALCO of the Bank which meets at least once in every month. ALM desk closely monitors and controls liquidity requirements on a daily basis by proper coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting on a regular basis.

### (d) Policies and processes for Mitigating Liquidity Risk

At TBL, ALCO has responsibility for monitoring liquidity measures and limits. ALCO reviews the policy at least annually or as and when required by taking into consideration of any changes in the market dynamics and appropriateness and put recommendation for changes in policy to the Board for approval. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk.

#### Quantitative Disclosures:

BDT in Million

Liquidity Coverage Ratio (%)	102.34%
Net Stable Funding Ratio (%)	111.98%
Stock of High quality liquid assets	43,155.80
Total net cash outflows over the next 30 calendar days	42,166.99
Available amount of stable funding	207,996.26
Required amount of stable funding	185,744.81

## 10. Leverage Ratio

### Qualitative Disclosures:

#### (a) Views of BOD on System To Reduce Excessive Leverage

In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The leverage ratio is intended to achieve the following objectives:

- ◆ Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- ◆ Reinforce the risk based requirements with an easy to understand and a non-risk based measure.

The policy for leverage ratio including on and off balance sheet exposure and capital related policy. Boards of Directors of TBL are continuously monitoring the exposure limit of lending, capital strength of the Bank in order to avoid building-up excessive on- and off-balance sheet leverage. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the Bank.

## **(b) Policies and Processes for Managing Excessive on and off-balance Sheet Leverage**

TBL follows Bangladesh Bank's Risk Based Capital Adequacy guideline in line with Basel III. There are approved limits for instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against such risk.

## **(c) Approach for Calculating Exposure**

The Bank will maintain leverage ratio on quarterly basis. The exposure measure for the leverage ratio will generally follow the accounting measure of exposure.

In order to measure the exposure consistently with financial accounts, the following will be applied by the Bank:

- ◆ On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/ deficit on available for sale (AFS)/ Held-for-trading positions).
- ◆ Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure.
- ◆ Netting of loans and deposits is not allowed.

## **(d) Calculation of Leverage Ratio**

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.

**Leverage Ratio = Tier 1 Capital (after related deductions)/ Total Exposure (after related deductions)**

### **Quantitative Disclosures:**

BDT in Million

Particulars	Solo	Consolidated
Leverage Ratio (%)	4.45%	4.55%
On balance sheet exposure	237,387.26	238,935.82
Off balance sheet exposure	31,992.06	32,052.59
Total exposure	269,243.06	270,850.14

# 11. Remuneration

Trust bank Limited is committed to ensure remuneration practices that enable the Bank to attract, develop and retain top talents. The remuneration system combines the need to maintain a high performance culture along with market competitiveness. The following remuneration disclosures have been prepared in accordance with 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' provided by Bangladesh Bank.

The qualitative remuneration disclosures are broader in scope and cover all the employees where as the quantitative information relates to senior managers and material risk takers of the Bank, for the financial year ended 31 December 2017.

## **Qualitative Disclosures**

### **(a) Information relating to the bodies that oversee remuneration**

Remuneration Committee provides assistance to the Executive Committee (EC) of Trust Bank Limited. Having recommendation from the EC, the Board of Directors approves the policies regarding

remuneration. The committee consists of the following members as at Dec 31, 2017

- **Brig Gen Md. Mehdi Hassan (Retd), SGP, ndc, afwc, psc (Retd.), SEVP, Chairman**
- **Mr. Khaled Mahbub Morshed, EVP**
- **Mr. Mohammad Mohsin, EVP**
- **Ms. Mahmuda Momen, VP**
- **Maj. ABM Nurul Islam (Retd), VP**

In summary the committee is responsible for

- ◆ Any changes in remuneration policy and structure
- ◆ Building competitive remuneration packages for employees in align with remuneration practices of the industry.
- ◆ Providing basis on which performance based remuneration will be provided

The Bank has no permanent external consultant for managing remuneration, but expert opinion may be sought by the Management, in case to case basis, regarding taxation and other issues. The Bank has no foreign subsidiaries; rather it has branches in different regions of the country. The remuneration policy follows same rule and does not change due to the employees working in different regions of the country. Including MD & CEO the Bank has Thirty Eight (38) Senior managers (SVP and above), at the end of the reporting period.

#### **(b) Information Relating to the Design and Structure of Remuneration Processes**

##### **Objective of Bank's Compensation policy is**

- ◆ To ensure fair reward management system for the employees in line with the Bank's core values and strategic business goals
- ◆ To provide a competitive pay package compared to the best practices in the industry
- ◆ To ensure effective governance of compensation

This year, the salary structure of the Bank has been reviewed by the remuneration committee and approved by the Board where the structure was adjusted with the market situation.

The structure of remuneration arrangements for employees consists of following components:

- ◆ Fixed remuneration;
- ◆ Future benefits; and
- ◆ Variable pay

The fixed remuneration is made up of base remuneration including salary and other allowances paid in cash. Fixed remuneration differs from grade to grade and generally changes with the promotion/demotion to the higher/lower grades and increment. Gratuity Fund, Provident Fund and Superannuation Funds are maintained by the Bank for employees as a future/long term benefit. Such remunerations differ based on the grade, basic pay and length of service of an employee.

Variable pay consists of incentive bonuses paid on the basis of the individual performance subject to annual profit of the Bank. Therefore, individual performance is measured and reviewed against set goals, which include financial and non-financial metrics.

Moreover, the employees having job responsibilities involving risk factors are allowed risk allowances as prescribed in the policy. In addition, employees with supervisory responsibilities are also provided additional benefits besides their regular pay.



**(c) Description of the ways in which current and future risks are taken into account in the remuneration processes**

Banking sector of Bangladesh being very competitive, remuneration system is basically driven by market dynamics. Due to huge competition in a crowded market with substantial number of participants, restructuring of compensation package is more frequent than other industries. Trust Bank always strives to ensure internal equity and fair treatment in its remuneration system. It takes into account the following key risks when managing and determining remuneration processes:

- Financial risks
- Compliance risks

To make the compensation package fair, market survey is conducted from time to time when felt required so that the package logically compensates employee for their expertise, time, mental and social engagement with the organization. Moreover, the Bank manages key risks through its strategic and business unit plans, risk management framework, policies and procedures.

**(d) Description of the Ways in which the Bank Seeks to Link Performance**

Employees' performance is appraised annually in line with the achieved objectives, which have a positive and direct impact in their pay package. So, individual's remuneration may vary according to their performance.

**(d) Description of the Ways in which the Bank Seeks to Adjust Remuneration to Take Account of Longer-term Performance**

The Bank's remuneration system is designed to reward long-term as well as short-term performance, encourage retention and recognize special performance in the organization. The Bank provides remuneration considering the long-term performance of the employees (i.e. provident fund, gratuity, superannuation etc).

In case of following situation remuneration can be adjusted before vesting:

- Disciplinary action (at the discretion of management)
- Resignation of the employee prior to the payment date.

At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action (at the discretion of management)

**(f) Description of the Different Forms of Variable Remuneration that the Bank Utilizes and the Rationale for Using those Different Forms:**

The main forms of such variable remuneration includes

- ◆ Monthly cash benefits (manager's charge allowance, cash handling allowance etc)
- ◆ Incentive plan for the employees to be paid annually (incentive bonus)

The form of variable remuneration depends on the job level of individual, risk involved, the time horizon for review of quality of the assignments performed.

## Quantitative Disclosure

### **(g) Number of Meeting held by the Remuneration Committee during the Financial Year and Remuneration Paid to its Member:**

The committee held 4 nos. of meetings during the financial year. No fees are paid to remuneration committee member or for attending such meeting.

### **(h) Number of Employees having received a Variable Remuneration Award during the Financial Year:**

Incentive Bonuses: 38 senior managers

#### **Number and total amount of guaranteed bonuses awarded during the financial year**

**Festival bonuses:** On an average 37 no. of employees received 3 number of guaranteed festival bonuses amounted BDT 1,24,22,300.

#### **Number and total amount of sign-on award made during the financial year**

Nil

#### **Number and total amount of severance payments made during the financial year**

Nil

### **(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-lined instruments and other forms**

Nil

#### **Total amount of deferred remuneration paid out in the financial year**

Nil

### **(j) Breakdown of amount of remuneration awards for the financial year to show**

- ◆ Fixed Remuneration: BDT 125,857,962.00
- ◆ Variable Remuneration: BDT 646,000.00
- ◆ Incentive Bonus: BDT 19,706,352.00

### **(k) Quantitative Information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration**

#### **Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments**

Nil

#### **Total amount of reductions during the financial year due to ex post explicit adjustments**

Nil

#### **Total amount of reduction during the financial year due to ex post implicit adjustments**

Nil

# Report of the Audit Committee

In compliance with BRPD circular # 12 dated 23 December 2002, Audit Committee of the Board of Directors was formed on 5 February 2003 in the 64<sup>th</sup> Board Meeting of the Bank. Major objectives of the Audit Committee are:

- The Audit Committee will assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the Bank.
- The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process and Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

## Composition of Audit Committee

As per Corporate Governance Guideline of BSEC, the committee has been reconstituted. The present composition of the committee is as follows:

Name	Status with Committee	Remarks
Mr. Shahedul Islam	Chairman	--
Mr. Mohamed Naser Alam	Member	--
Brig Gen Iqbal Ahmed, ndc, afwc, psc	Member	--
Mr. Md. Mizanur Rahman, FCS	Company Secretary	--

In compliance with Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, Mr. Shahedul Islam has been appointed as the Chairman of the committee.

## Roles and Responsibilities of Audit Committee

The purposes, authority, duties and responsibilities of the Audit Committee are clearly mentioned in the Audit Committee Charter. To recognize the importance of oversight responsibilities of the Board as enunciated in the aforementioned BRPD circular with special emphasis on ensuring compliance of all applicable legislations, the prime responsibilities of the Audit Committee, among others, are as follows:

### a) Internal control

1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have understanding of their roles and responsibilities;
2. Review the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications;
3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
4. Review the existing risk management procedures for ensuring an effective internal check and control system;
5. Review the corrective measures taken by the management as regards to the 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 inform the Board on a regular basis;

6. Review Management/ Internal Control weakness as issued/identified by statutory auditors;
7. Monitor choice of accounting policies and principles, internal control risk management process, hiring of external auditors and its' performance;
8. 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 expense, working capital etc), on a quarterly basis, as part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus;
9. Review the Norms/Practices/Investigation on the current issue of trading of foreign currency;
10. Review activities of any division/department/unit of Head Office and recommend to Board to set better layout/guideline for improvement.
11. Review CSR activities;
12. Review the financial statements, in particular the investments made by the subsidiary company.

**b) Financial Reporting**

1. Review the annual, half yearly and quarterly financial statements before submission to the Board for approval and determine whether they are complete and consistent with the accounting standards set by the regulatory authority;
2. Meet with management and the external auditors to review the financial statements before their finalization.

**c) Internal Audit**

1. Review the activities of the internal audit and the organization structure and ensure that no unjustified restriction or limitation hurdles the internal audit process.
2. Review the efficiency and effectiveness of internal audit function;
3. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

**d) External Audit**

1. Review the auditing performance of the external auditors and their audit reports;
2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
3. Make recommendations to the Board regarding the appointment of the external auditors.

**e) Compliance with Existing Laws and Regulations**

Review whether the laws and regulations framed by the regulatory authorities (i.e. Bangladesh Bank, BSEC and other bodies) and internal regulations approved by the Board have been complied with.

#### **f) Other Responsibilities**

1. Place compliance report before the Board on quarterly basis regarding regularization of the errors and omissions, fraud and forgeries and other irregularities as detected by the internal and external auditors and inspectors of regulatory authorities;
2. Perform other oversight functions as desired by the Board and evaluate the committee's own performance on a regular basis.

#### **Meeting of the Committee**

During the year 2017, eleven (11) meetings were held. In these meetings Managing Director, Head of IC&C, Head of Credit Administration and Chief Financial Officer were invited to attend as and when the committee required their presence.

#### **Activities**

During the year under review, the Audit Committee focused on the following major issues:

1. Review and approval of annual audit plan of IC&C Division of Head Office;
2. Review of significant audit reports of different branches and divisions/departments of Head Office and compliance thereof submitted by Management;
3. Review the status of classified loans of the Bank;
4. Review the external auditors' report and their management letter and compliance thereof;
5. Review management's actions in computerization of the Bank and its applications and Management Information System (MIS) of the Bank;
6. Review of summary report containing reasons of high NPL of different branches of the Bank;
7. Review of overall functions of Credit Administration Division;
8. Review of report on loss Incurring different Branches of the Bank;
9. Review the summary report on Internal Audits of Branches and Divisions of Head Office.

#### **Review of Financial Statements of 2017**

The committee in its 74 (02/2018) meeting held on 29 April 2018 reviewed the annual financial statements for the year of 2017 wherein representatives of external auditors were present. The external auditors expressed their opinion before the committee that they have observed much improvement in the quality of Bank's assets in their 1 year period. The representatives further opined that quality of Bank's financial reporting has also improved and assured the Audit Committee that the financial statements for the year 2017 prepared by the Management represent a true and fair view of the state of affairs of the Bank. The Audit Committee, therefore, recommended those for approval by the Board of Directors.



**Shahedul Islam**  
Chairman, Audit Committee



# শরীয়াহ সুপারভাইজরী কমিটি চেয়ারম্যান মহোদয়ের বাণী

বিসমিল্লাহির রাহমানির রাহীম

সকল প্রশংসা আল্লাহ সুবহান-ওয়া-তা'লার জন্য যিনি এক ও অদ্বিতীয়, দয়াবান এবং ক্ষমাশীল। আমাদের মহানবী (সঃ) এর প্রতি দরুদ ও সালাম যিনি সমগ্র সৃষ্টির জন্য রহমত স্বরূপ।

ট্রাস্ট ইসলামিক ব্যাংকিং বিগত ২০১৭ সালে আমানত ও বিনিয়োগসহ ব্যবসায়িক ক্ষেত্রে উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করায় মহান আল্লাহ রাব্বুল আলামীনের নিকট শুকরিয়া জ্ঞাপন করছি। ইসলামিক ব্যাংকিং কার্যক্রম পরিচালনায় শরীয়াহ নীতিমালা বাস্তবায়নে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও ইসলামিক ব্যাংকিং বিভাগের সচেতনতা ও আন্তরিকতায় শরীয়াহ সুপারভাইজরী কমিটির পক্ষ থেকে সবাইকে আন্তরিক অভিবাদন জানাচ্ছি। বিগত বৎসরে ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম সমূহে শরীয়াহ সুপারভাইজরী কমিটি বিভিন্ন বিষয়ের উপর তাদের বিবেচনা প্রসূত সিদ্ধান্ত এবং দিকনির্দেশনা স্বাধীন ভাবে প্রদান করেছে, সর্বোপরি ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম পর্যালোচনায় সন্তোষ প্রকাশ করেছে। শরীয়াহ সুপারভাইজরী কমিটি ব্যাংকের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে ট্রাস্ট ইসলামিক ব্যাংকিং এর সার্বিক কার্যক্রম ও এর ব্যবসায়িক অগ্রগতির জন্য আন্তরিক মোবারকবাদ জ্ঞাপন করছে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, ট্রাস্ট ইসলামিক ব্যাংকিং- বিনিয়োগ ও আমানতের ক্ষেত্রে সর্বাত্মক শরীয়াহ নীতিমালাকে প্রাধান্য দিয়ে ব্যাংকিং কার্যক্রম পরিচালনা করেছে। সর্বোপরি সেবার মান বৃদ্ধি, প্রবৃদ্ধি ও আপনাদের আস্থার জন্য মহান আল্লাহ তা'লার শুকরিয়া আদায় করছি। মহান আল্লাহ সুবহান-ওয়া-তা'লা আমাদের সকলকে শরীয়াহ নীতি পরিপালনে শক্তি দান করুন, আমিন।

মা-আসসালাম

মুফতী মুহাম্মদ আবদুল্লাহ  
চেয়ারম্যান, শরীয়াহ সুপারভাইজরী কমিটি  
ট্রাস্ট ব্যাংক লিমিটেড

# শরীয়াহ সুপারভাইজরী কমিটির প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহীম

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ

ট্রাস্ট ব্যাংকের ২০১৭ সালের ইসলামিক ব্যাংকিং এর সার্বিক কার্যক্রম ও এর ব্যবসায়িক উন্নতির জন্য আমি মহান আল্লাহ তা'লার শুকরিয়া আদায় করছি। শুরুতেই ট্রাস্ট ব্যাংক লিঃ এর ইসলামিক ব্যাংকিং কার্যক্রমে সর্বাঙ্গিক সমর্থন, দিকনির্দেশনা ও আস্থা সহ উদ্যোগের জন্য পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষকে আমরা আন্তরিক মোবারকবাদ জ্ঞাপন করছি।

## শরীয়াহ পরিপালন

ট্রাস্ট ইসলামিক ব্যাংকিং এর সকল পণ্য এবং সেবা সমূহ শরীয়াহ নীতিমালার আলোকে শরীয়াহ সুপারভাইজরী কমিটি কর্তৃক অনুমোদন সাপেক্ষে চালু করা হয়েছে। ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক উত্থাপিত ইসলামিক ব্যাংকিং কার্যক্রম সমূহে শরীয়াহ সুপারভাইজরী কমিটি তাদের বিবেচনা প্রসূত সিদ্ধান্ত এবং দিকনির্দেশনা স্বাধীনভাবে প্রদান করেছে এবং ব্যাংকের ইসলামিক ব্যাংকিং কার্যক্রম পর্যালোচনা করেছে।

ট্রাস্ট ইসলামিক ব্যাংকিং কার্যক্রমের লাভ-ক্ষতির হিসাব পৃথকভাবে করা হয় এবং তহবিল পরিচালনায় ব্যাংকের প্রচলিত (Conventional) অংশের সাথে এর কোন সম্পর্ক নেই। আলোচ্য বছর আমরা শরীয়াহ সুপারভাইজরী কমিটির ছয়টি (০৬) সভা করেছি যা ইসলামিক ব্যাংকিং পরিচালনায় এবং শরীয়াহ পরিপালনে যথোপযুক্ত ও কার্যকরী ভূমিকা রেখেছে।

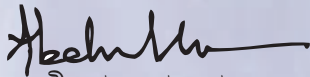
## শরীয়াহ অডিট

ট্রাস্ট ইসলামিক ব্যাংকিং কার্যক্রমে শরীয়াহ পরিপালন নিশ্চিত কল্পে ব্যাংকের ৫টি শাখায় (উইডো) শরীয়াহ অডিট পরিচালনা করা হয়েছে। ব্যাংক কর্তৃক মনোনীত “মুরাকীব” (Auditor) এ সকল অডিট পরিচালনা করেছেন এবং ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও শরীয়াহ সুপারভাইজরী কমিটিতে তার প্রতিবেদন উপস্থাপন করেছেন। শরীয়াহ অনিয়মগুলোর বিষয়ে কেন্দ্রীয় শরীয়াহ কাউন্সিল প্রদত্ত নীতিমালা ও ট্রাস্ট ব্যাংক শরীয়াহ সুপারভাইজরী কমিটি অনুমোদিত নীতিমালার আলোকে প্রণীত শরীয়াহ গাইডলাইনের ভিত্তিতে শরীয়াহ অডিট পরিচালনা করা হয়েছে। যার ফলে শরীয়াহ নীতিমালার পরিপালন আরও আস্থা ও গতিশীলতা অর্জন করেছে।

## ধন্যবাদ জ্ঞাপন ও কৃতজ্ঞতা প্রকাশ

সম্মানিত শেয়ারহোল্ডারবৃন্দ, ট্রাস্ট ইসলামিক ব্যাংকিং বিগত ২০১৭ সালে আমানত ও বিনিয়োগসহ ব্যবসায়িক প্রবৃদ্ধি অর্জন করায় এবং ইসলামিক ব্যাংকিং কার্যক্রম পরিচালনায় শরীয়াহ নীতিমালা বাস্তবায়নে সচেষ্টিতা ও আন্তরিকতার জন্য ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ ও ইসলামিক ব্যাংকিং বিভাগকে আন্তরিক মোবারকবাদ জ্ঞাপন করছি এবং একই সাথে আপনাদের সকল উদ্যোগ ও সহযোগিতার জন্য ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি। মহান আল্লাহ সুবহান-ওয়া-তা'লা আমাদের সকলকে শরীয়াহ নীতি পরিপালনে শক্তি দান করুন এবং তাঁর রহমতের ছায়া তলে আশ্রয় দান করুন, আমিন।

মা-আসসালাম



মুফতী মুহাম্মদ আবদুল্লাহ

চেয়ারম্যান, শরীয়াহ সুপারভাইজরী কমিটি

ট্রাস্ট ব্যাংক লিমিটেড



## Positive Indicator of 2017

Particulars	Consolidated	Growth %
Loans and Advances	187,246,508,984	29.64%
Deposits	200,274,194,889	15.94%
Earning Assets	206,183,137,025	22.52%
Total Assets	241,319,179,455	14.07%
Total Shareholders' Equity	12,474,902,381	8.32%
Paid-Up Capital	5,569,662,160	10.00%
Total Capital	20,796,151,800	5.04%
Tier-I (Core Capital )	12,329,404,336	8.51%
Tier II Capital (Gone-Concern)	8,466,747,464	0.37%
Statutory Reserve	4,815,477,540	19.57%
Net Asset Value (NVA)	12,474,902,381	8.32%
Interest Income	14,413,599,327	8.96%
Net Interest Income	5,546,920,621	23.43%
Operating Income	9,861,625,974	16.33%
Operating Profit	6,065,701,141	31.32%
Profit before Tax	4,004,668,793	14.01%

# Independent Auditors' Report & Financial Statements of Trust Bank Limited



# Independent Auditors' Report to the Shareholders of Trust Bank Limited

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

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

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

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

## Other Matter

The Consolidated and Separate Financial Statements of the Group and the Bank for the year ended 31 December 2016 were solely audited by Syful Shamsul Alam & Co., Chartered Accountants, who expressed an unmodified opinion on those Financial Statements on 14 March 2017.



## Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in notes 2.33.4 appeared to be adequate with immaterial control deficiencies as identified in management report.
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities.
- c) financial statements of subsidiary companies of the Bank namely Trust Bank Investment Limited and Trust Bank Securities Limited have been audited by A. Qasem & Co. and M I Chowdhury & Co., Chartered Accountants, respectively as on 31 December 2017. These accounts have been properly reflected in the consolidated financial statements;
- d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- f) the expenditure incurred was for the purposes of the Bank's business;
- g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2.1 as well as with related guidelines, circulars issued by Bangladesh Bank and the instruction given by Bangladesh Bank vide letter no. DBI-1/114/2018-1292, dated 24 April 2018, after the tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Trust Bank Limited held on April 02, 2018;
- h) provisions have been made for advances which are, in our opinion, doubtful of recovery;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanation required by us have been received and found satisfactory; and
- k) we have reviewed over 80% of the risk weighted assets covering 22 out of the 110 nos. Branch of the Bank and we have spent around 9,164 person hours for the audit of the books and accounts of the Bank.



**Hussain Farhad & Co.**  
Chartered Accountants



**MABS & J Partners**  
Chartered Accountants

Dated, Dhaka  
29 April 2018

**TRUST BANK LIMITED**  
**and its subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		3,200,839,875	3,354,653,593
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		12,533,909,320	12,290,974,572
		15,734,749,195	15,645,628,165
<b>Balance with other banks and financial institutions</b>	4 (a)		
In Bangladesh		2,401,769,977	12,456,950,291
Outside Bangladesh		1,647,171,366	2,277,896,641
		4,048,941,343	14,734,846,932
<b>Money at call and short notice</b>	5	-	1,040,000,000
<b>Investments</b>	6 (a)		
Government		25,596,870,065	29,063,495,448
Others		5,018,363,741	3,400,634,897
		30,615,233,806	32,464,130,345
<b>Loans and Advances/Islami Banking Investments</b>	7 (a)		
Loans, Cash Credit, Overdrafts etc./ Investment		182,876,655,537	141,092,897,001
Bills purchased and discounted		4,369,853,447	3,345,516,811
		187,246,508,984	144,438,413,812
<b>Fixed assets including premises, furniture and fixtures</b>	8 (a)	712,868,478	812,822,751
<b>Other assets</b>	9 (a)	2,960,877,649	2,414,205,902
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>241,319,179,455</b>	<b>211,550,047,907</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10 (a)	16,565,960,958	17,954,568,344
<b>Deposits and other accounts</b>	11 (a)		
Current / Al-wadeeah Current Accounts and other Accounts		28,172,405,389	20,771,286,904
Bills Payable		2,685,106,501	2,843,870,218
Savings Bank / Mudaraba Savings Deposits		28,898,709,201	24,167,087,940
Fixed Deposits / Mudaraba Term Deposits		140,517,973,798	124,956,200,748
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		200,274,194,889	172,738,445,810
<b>Other liabilities</b>	12 (a)	12,004,121,227	9,340,403,441
<b>Total Liabilities</b>		<b>228,844,277,074</b>	<b>200,033,417,595</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	5,569,662,160	5,063,329,240
Minority Interest	13 (a)	789	789
Foreign Currency Translation Reserve		1,780,871	452,615
Statutory Reserve	14	4,815,477,540	4,027,401,519
Other Reserve	15	5,447,527	39,863,658
Retained Earnings	16 (a)	2,082,533,494	2,385,582,491
<b>Total Shareholders' Equity</b>		<b>12,474,902,381</b>	<b>11,516,630,312</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>241,319,179,455</b>	<b>211,550,047,907</b>

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>	17 (a)		
Acceptances and endorsements		17,979,437,869	16,366,476,215
Letter of Guarantees		32,401,820,473	14,758,570,174
Irrevocable Letter of Credits		37,093,735,397	25,505,981,328
Bills for collection		3,706,832,462	4,857,108,464
		<b>91,181,826,201</b>	<b>61,488,136,181</b>
<b>Other Contingent Liabilities</b>			
Value of travelers' cheques in hand		-	-
<b>Total:</b>		<b>91,181,826,201</b>	<b>61,488,136,181</b>
<b>Other commitments</b>			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>91,181,826,201</b>	<b>61,488,136,181</b>

The annexed notes 1-45 form an integral part of the Financial Statements.



Vice Chairman



Director



Director



Managing Director

Signed as per annexed report of same date



Hussain Farhad & Co.  
Chartered Accountants

Dated: Dhaka  
29 April 2018



MABS & J Partners  
Chartered Accountants

**TRUST BANK LIMITED**  
**and its subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
Interest income / Profit on Investment	19 (a)	14,413,599,327	13,228,572,274
Interest / Profit paid on deposits and borrowings etc.	20 (a)	8,866,678,706	8,734,666,439
<b>Net interest income</b>		<b>5,546,920,621</b>	<b>4,493,905,835</b>
Income from investments	21(a)	2,268,376,726	2,280,622,737
Commission, exchange and brokerage	22 (a)	1,462,011,593	1,151,821,811
Other operating income	23 (a)	584,317,034	550,600,970
		4,314,705,353	3,983,045,518
<b>Total operating income</b>		<b>9,861,625,974</b>	<b>8,476,951,353</b>
Salaries and allowances	24 (a)	1,960,836,209	2,027,314,807
Rent, taxes, insurance, electricity, etc.	25 (a)	706,720,622	663,144,674
Legal expenses		1,682,980	1,999,163
Postage, stamps, telecommunications, etc.	26 (a)	101,339,056	145,246,267
Stationery, printing, advertisement etc.	27 (a)	47,521,164	65,470,579
Managing Director's salary and benefits		13,569,900	13,264,200
Directors' fees	28 (a)	3,679,000	2,549,000
Auditors' fee		747,500	661,250
Charges on loan losses		-	-
Depreciation and repair of bank's assets	29 (a)	239,355,896	237,411,040
Other expenses	30 (a)	720,472,506	700,936,472
<b>Total operating expenses</b>		<b>3,795,924,833</b>	<b>3,857,997,452</b>
<b>Profit before provision</b>		<b>6,065,701,141</b>	<b>4,618,953,901</b>
Provision for loans & advances / Investments	31 (a)	1,808,276,135	1,078,862,395
Provision for Diminution in value of Investment	32 (a)	12,330,903	(11,023,507)
Other provision	33	240,425,310	38,514,670
		2,061,032,348	1,106,353,558
<b>Total Profit before Taxes</b>		<b>4,004,668,793</b>	<b>3,512,600,343</b>
Provision for Taxation			
Current tax	12.7 (a)	2,277,997,618	1,522,197,384
Deferred tax		(24,188,155)	(25,420,168)
		2,253,809,463	1,496,777,216
<b>Net Profit after Taxation</b>		<b>1,750,859,330</b>	<b>2,015,823,127</b>
<b>Appropriations</b>			
Statutory Reserve	14.1	788,076,021	693,709,181
General reserve		-	-
		788,076,021	693,709,181
<b>Retained surplus</b>		<b>962,783,309</b>	<b>1,322,113,946</b>
Earning per share (EPS)	35 (a)	3.14	3.62

The annexed notes 1-45 form an integral part of the Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per annexed report of same date

  
**Hussain Farhad & Co.**  
Chartered Accountants

Dated: Dhaka  
29 April 2018

  
**MABS & J Partners**  
Chartered Accountants

**TRUST BANK LIMITED**  
**and its subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash		14,428,583,490	13,233,562,972
Interest payments		(9,065,057,922)	(9,058,267,218)
Dividend receipts		21,451,491	22,639,744
Fees and commission receipts in cash		1,347,371,234	1,110,515,580
Recoveries of loans previously written off		58,500,711	-
Cash paid to employees		(2,176,937,366)	(2,018,405,254)
Cash paid to suppliers		(46,803,165)	(50,062,984)
Income Taxes paid		(1,697,576,779)	(1,299,830,667)
Received from other operating activities (item-wise)	36 (a)	2,951,410,768	2,725,495,306
Payments for other operating activities (item-wise)	37 (a)	(1,493,685,025)	(1,447,903,179)
<b>Operating profit before changes in operating Assets and Liabilities</b>		<b>4,327,257,437</b>	<b>3,217,744,300</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>			
Statutory Deposits		-	-
Net Investment in trading securities		(1,617,728,843)	94,249,668
Loan & advance to other banks		-	-
Loan & advance to customers		(42,771,019,811)	(10,807,625,287)
Other assets (item-wise)	38 (a)	(636,298,369)	73,268,922
Deposits from other banks		1,258,898,017	(308,397,657)
Deposits from customers		26,452,732,366	22,526,772,644
Other liabilities account of customers	-	-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39 (a)	110,653,570	(135,033,660)
<b>Net cash from operating activities (A)</b>		<b>(12,875,505,633)</b>	<b>14,660,978,930</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		3,432,658,552	(6,728,876,164)
Purchase of property, plant & equipment		(104,415,724)	(169,765,710)
Purchase of intangible assets		(314,623)	(16,736,191)
Sale of property, plant & equipment		24,088,039	400,480
Purchase/ Sale of Subsidiary		-	-
<b>Net cash from investing activities (B)</b>		<b>3,352,016,244</b>	<b>(6,914,977,585)</b>
<b>C. Cash flow from financing activities</b>			
<b>Increase/(Decrease) in Borrowing:</b>			
Call loan		-	(1,110,000,000)
Other borrowings		(1,426,876,432)	6,028,276,135
Dividend paid in cash		(759,499,386)	(328,178,747)
<b>Net cash from financing activities (C)</b>		<b>(2,186,375,818)</b>	<b>4,590,097,388</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>(11,709,865,207)</b>	<b>12,336,098,733</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>73,529,948</b>	<b>18,259,648</b>
<b>F. Opening Cash and Cash Equivalent</b>		<b>31,424,380,197</b>	<b>19,070,021,816</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>		<b>19,788,044,938</b>	<b>31,424,380,197</b>
<b>Consolidated Cash and Cash Equivalents at the end of the year</b>			
Cash in hand (including foreign currencies)	3.1	3,200,839,875	3,354,653,593
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	3.2	12,533,909,320	12,290,974,572
Balance with Other Bank and Financial Institutions	4(a)	4,048,941,343	14,734,846,932
Money at call and short notice	5	-	1,040,000,000
Prize Bond	6	4,354,400	3,905,100
<b>Total</b>		<b>19,788,044,938</b>	<b>31,424,380,197</b>



**TRUST BANK LIMITED**  
**and its subsidiaries**  
**Consolidated Statement of changes in Equity**  
**For the year ended 31 December 2017**

Particulars	Paid up Capital	Share Premium Account	Minority Interest	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2017	5,063,329,240	-	789	452,615	4,027,401,519	39,863,658	2,385,582,491	11,516,630,312
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	-	(34,416,131)	-	(34,416,131)
Currency translation difference	-	-	-	1,328,256	-	-	-	1,328,256
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-	-	1,750,859,330	1,750,859,330
Statutory reserve	-	-	-	-	788,076,021	-	(788,076,021)	-
Dividends (Bonus Share)	506,332,920	-	-	-	-	-	(506,332,920)	-
Dividends (Cash)	-	-	-	-	-	-	(759,499,386)	(759,499,386)
Issue of Share Capital	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2017</b>	<b>5,569,662,160</b>	<b>-</b>	<b>789</b>	<b>1,780,871</b>	<b>4,815,477,540</b>	<b>5,447,527</b>	<b>2,082,533,494</b>	<b>12,474,902,381</b>

**TRUST BANK LIMITED**  
**and its subsidiaries**  
**Consolidated Statement of changes in Equity**  
**For the year ended 31 December 2016**

Particulars	Paid up Capital	Share Premium Account	Minority Interest	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2016	4,688,267,820	-	789	229,665	3,333,692,338	57,636,494	1,766,708,712	9,846,535,818
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	-	(17,772,836)	-	(17,772,836)
Currency translation difference	-	-	-	222,950	-	-	-	222,950
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-	-	2,015,823,127	2,015,823,127
Statutory reserve	-	-	-	-	693,709,181	-	(693,709,181)	-
Dividends (Bonus Share)	375,061,420	-	-	-	-	-	(375,061,420)	-
Dividends (Cash)	-	-	-	-	-	-	(328,178,747)	(328,178,747)
Issue of Share Capital	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2016</b>	<b>5,063,329,240</b>	<b>-</b>	<b>789</b>	<b>452,615</b>	<b>4,027,401,519</b>	<b>39,863,658</b>	<b>2,385,582,491</b>	<b>11,516,630,312</b>

**TRUST BANK LIMITED**  
**Balance Sheet**  
**As at 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		3,200,839,875	3,354,653,593
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		12,533,909,320	12,290,974,572
		15,734,749,195	15,645,628,165
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		2,319,551,445	12,386,612,934
Outside Bangladesh		1,647,171,366	2,277,896,641
		3,966,722,811	14,664,509,575
<b>Money at call and short notice</b>	5	-	1,040,000,000
<b>Investments</b>	6		
Government		25,596,870,065	29,063,495,448
Others		2,948,592,453	1,675,511,276
		28,545,462,518	30,739,006,724
<b>Loans and Advances/Islami Banking Investments</b>	7		
Loans, Cash Credit, Overdrafts etc./ Investment		180,540,849,907	138,641,916,502
Bills purchased and discounted		4,369,853,447	3,345,516,811
		184,910,703,354	141,987,433,313
<b>Fixed assets including premises, furniture and fixtures</b>	8	704,060,104	802,073,813
<b>Other assets</b>	9	5,908,931,354	5,362,865,128
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>239,770,629,336</b>	<b>210,241,516,718</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10	16,536,740,374	17,943,291,652
<b>Deposits and other accounts</b>	11		
Current / Al-wadeeah Current Accounts and other Accounts		28,351,664,343	21,092,722,745
Bills Payable		2,685,106,501	2,843,870,218
Savings Bank / Mudaraba Savings Deposits		28,898,709,201	24,167,087,940
Fixed Deposits / Mudaraba Term Deposits		140,517,973,798	124,956,200,748
Bearer Certificates of Deposit		-	-
Other Deposits		-	-
		200,453,453,843	173,059,881,651
<b>Other liabilities</b>	12	10,668,251,948	8,063,178,783
<b>Total Liabilities</b>		<b>227,658,446,165</b>	<b>199,066,352,086</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	13.2	5,569,662,160	5,063,329,240
Foreign Currency Translation Reserve		1,780,871	452,615
Statutory Reserve	14	4,815,477,540	4,027,401,519
Other Reserve	15	5,447,527	39,863,658
Retained Earnings	16	1,719,815,073	2,044,117,600
<b>Total Shareholders' Equity</b>		<b>12,112,183,171</b>	<b>11,175,164,632</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>239,770,629,336</b>	<b>210,241,516,718</b>

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>	17		
Acceptances and endorsements		17,979,437,869	16,366,476,215
Letter of Guarantees		32,341,290,473	14,698,040,174
Irrevocable Letter of Credits		37,093,735,397	25,505,981,328
Bills for collection		3,706,832,462	4,857,108,464
		<b>91,121,296,201</b>	<b>61,427,606,181</b>
<b>Other Contingent Liabilities</b>			
Value of travellers' cheques in hand		-	-
<b>Total Contingent Liabilities</b>		<b>91,121,296,201</b>	<b>61,427,606,181</b>
<b>Other commitments</b>			
Documentary Credit and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>91,121,296,201</b>	<b>61,427,606,181</b>

The annexed notes 1-45 form an integral part of the Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per annexed report of same date

  
**Hussain Farhad & Co.**  
Chartered Accountants

Dated: Dhaka  
29 April 2018

  
**MABS & J Partners**  
Chartered Accountants

**TRUST BANK LIMITED**  
**Profit and Loss Account**  
**For the year ended 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
Interest income / Profit on Investment	19	14,363,844,727	13,186,155,244
Interest / Profit paid on deposits and borrowings etc.	20	8,865,342,150	8,733,549,219
<b>Net interest income</b>		<b>5,498,502,577</b>	<b>4,452,606,025</b>
Income from investments	21	2,066,056,089	2,165,563,008
Commission, exchange and brokerage	22	1,431,582,350	1,136,869,607
Other operating income	23	539,630,824	482,254,099
		4,037,269,263	3,784,686,714
<b>Total operating income</b>		<b>9,535,771,840</b>	<b>8,237,292,739</b>
Salaries and allowances	24	1,924,132,805	1,987,921,173
Rent, taxes, insurance, electricity, etc.	25	692,627,648	649,609,512
Legal expenses		1,526,189	1,713,873
Postage, stamps, telecommunications, etc.	26	99,974,293	142,981,586
Stationery, printing, advertisement etc.	27	47,179,921	64,965,191
Managing Director's salary and benefits		11,385,000	11,385,000
Directors' fees	28	3,439,000	2,306,000
Auditors' fee		575,000	431,250
Charges on loan losses		-	-
Depreciation and repair of bank's assets	29	236,830,194	234,417,444
Other expenses	30	706,077,796	689,177,159
<b>Total operating expenses</b>		<b>3,723,747,846</b>	<b>3,784,908,188</b>
<b>Profit before provision</b>		<b>5,812,023,994</b>	<b>4,452,384,551</b>
Provision for loans & advances / Investments	31	1,634,334,020	956,631,919
Provision for Diminution in value of Investment	32	(3,115,442)	(10,702,641)
Other provision	33	240,425,310	37,909,370
		1,871,643,888	983,838,648
<b>Total Profit before Taxes</b>		<b>3,940,380,106</b>	<b>3,468,545,903</b>
Provision for Taxation			
Current tax	12.7.1	2,235,000,000	1,485,000,000
Deferred tax		(24,225,694)	(25,298,833)
		2,210,774,306	1,459,701,167
<b>Net Profit after Taxation</b>		<b>1,729,605,800</b>	<b>2,008,844,736</b>
<b>Appropriations</b>			
Statutory Reserve	14.1	788,076,021	693,709,181
General reserve		-	-
		788,076,021	693,709,181
<b>Retained surplus</b>		<b>941,529,779</b>	<b>1,315,135,555</b>
Earning per share (EPS)	35	3.11	3.61

The annexed notes 1-45 form an integral part of the Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director

Signed as per annexed report of same date

  
**Hussain Farhad & Co.**  
Chartered Accountants

  
**MABS & J Partners**  
Chartered Accountants

Dated: Dhaka  
29 April 2018

**TRUST BANK LIMITED**  
**Cash Flow Statement**  
**For the year ended 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash		14,378,828,890	13,191,145,942
Interest payments		(9,063,721,366)	(9,057,149,998)
Dividend receipts		14,236,385	15,415,888
Fees and commission receipts in cash		1,347,349,900	1,110,295,276
Recoveries of loans previously written off		58,500,711	-
Cash paid to employees		(2,145,055,654)	(1,984,442,000)
Cash paid to suppliers		(46,562,495)	(49,655,516)
Income Taxes paid		(1,653,853,878)	(1,242,039,540)
Received from other operating activities (item-wise)	36	2,681,251,112	2,535,668,571
Payments for other operating activities (item-wise)	37	(1,454,886,094)	(1,412,403,100)
<b>Operating profit before changes in operating Assets and Liabilities</b>		<b>4,116,087,511</b>	<b>3,106,835,523</b>
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits		-	-
Net Investment in trading securities		(1,273,081,177)	233,894,161
Loan & advance to other banks		-	-
Loan & advance to customers		(42,901,377,590)	(11,520,396,857)
Other assets (item-wise)	38	(643,146,719)	118,555,828
Deposits from other banks		1,258,898,017	(308,397,657)
Deposits from customers		26,310,555,479	22,895,579,916
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39	224,331,667	3,893,375
<b>Net cash from operating activities (A)</b>		<b>(12,907,732,812)</b>	<b>14,529,964,289</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		3,432,658,552	(6,728,876,164)
Purchase of property, plant & equipment		(104,394,874)	(167,827,700)
Purchase of intangible assets		(314,623)	(16,736,191)
Sale of property, plant & equipment		24,088,039	375,495
Purchase/ Sale of Subsidiary		-	-
<b>Net cash from investing activities (B)</b>		<b>3,352,037,094</b>	<b>(6,913,064,560)</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in Borrowing:			
Call loan		-	(1,110,000,000)
Other borrowings		(1,406,551,278)	6,123,734,162
Dividend paid in cash		(759,499,386)	(328,178,747)
<b>Net cash from financing activities (C)</b>		<b>(2,166,050,664)</b>	<b>4,685,555,415</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>(11,721,746,382)</b>	<b>12,302,455,144</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>73,529,948</b>	<b>18,259,648</b>
<b>F. Opening Cash and Cash Equivalent</b>		<b>31,354,042,840</b>	<b>19,033,328,048</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	40	<b>19,705,826,406</b>	<b>31,354,042,840</b>
<b>Cash and Cash Equivalents at the end of the year</b>			
Cash in hand (including foreign currencies)	3.1	3,200,839,875	3,354,653,593
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	3.2	12,533,909,320	12,290,974,572
Balance with Other Bank and Financial Institutions	4	3,966,722,811	14,664,509,575
Money at call and short notice	5	-	1,040,000,000
Prize Bond	6	4,354,400	3,905,100
<b>Total</b>		<b>19,705,826,406</b>	<b>31,354,042,840</b>



**TRUST BANK LIMITED**  
**Statement of changes in Equity**  
**For the year ended 31 December 2017**

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2017	5,063,329,240	-	452,615	4,027,401,519	39,863,658	2,044,117,600	11,175,164,632
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	(34,416,131)	-	(34,416,131)
Currency translation difference	-	-	1,328,256	-	-	-	1,328,256
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-	1,729,605,800	1,729,605,800
Statutory reserve	-	-	-	788,076,021	-	(788,076,021)	-
Dividends (Bonus Share)	506,332,920	-	-	-	-	(506,332,920)	-
Dividends (Cash)	-	-	-	-	-	(759,499,386)	(759,499,386)
Issue of Share Capital	-	-	-	-	-	-	-
Balance as at 31 December 2017	5,569,662,160	-	1,780,871	4,815,477,540	5,447,527	1,719,815,073	12,112,183,171

**TRUST BANK LIMITED**  
**Statement of changes in Equity**  
**For the year ended 31 December 2016**

Particulars	Paid up Capital	Share Premium Account	Foreign Currency Translation Reserve	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 01 January 2016	4,688,267,820	-	229,665	3,333,692,338	57,636,494	1,432,222,212	9,512,048,529
Changes in accounting policy	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	(17,772,836)	-	(17,772,836)
Currency translation difference	-	-	222,950	-	-	-	222,950
Net gain and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-	2,008,844,736	2,008,844,736
Statutory reserve	-	-	-	693,709,181	-	(693,709,181)	-
Dividends (Bonus Share)	375,061,420	-	-	-	-	(375,061,420)	-
Dividends (Cash)	-	-	-	-	-	(328,178,747)	(328,178,747)
Issue of Share Capital	-	-	-	-	-	-	-
Balance as at 31 December 2016	5,063,329,240	-	452,615	4,027,401,519	39,863,658	2,044,117,600	11,175,164,632

**TRUST BANK LIMITED**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2017**

Amount in Taka

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
<b>Assets:</b>						
Cash in Hand	3,200,839,875	-	-	-	-	3,200,839,875
Balance with Bangladesh Bank and Sonali Bank	565,355,589	-	-	-	11,968,553,731	12,533,909,320
Balance with other banks and financial institutions	3,966,722,811	-	-	-	-	3,966,722,811
Money at call and short notice	-	-	-	-	-	-
Investments	5,790,640,180	713,947,623	8,613,320,748	4,702,302,529	8,725,251,438	28,545,462,518
Loans and Advances	45,224,229,542	38,363,900,928	53,811,328,885	34,991,618,320	12,519,625,679	184,910,703,354
Fixed Assets including premises, furniture and fixtures	-	-	-	-	704,060,104	704,060,104
Other assets	1,134,117,596	792,261,299	433,113,809	178,382,290	3,371,056,360	5,908,931,354
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>59,881,905,593</b>	<b>39,870,109,850</b>	<b>62,857,763,442</b>	<b>39,872,303,139</b>	<b>37,288,547,312</b>	<b>239,770,629,336</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	2,961,324,540	3,846,204,069	4,354,357,994	4,574,853,771	800,000,000	16,536,740,374
Deposits	61,054,693,400	35,240,100,228	34,920,021,419	25,228,406,669	33,541,126,808	189,984,348,524
Other accounts	10,469,105,319	-	-	-	-	10,469,105,319
Provision and other liabilities	2,014,099,701	1,661,949,761	5,014,130,374	1,449,267,841	528,804,271	10,668,251,948
<b>Total Liabilities</b>	<b>76,499,222,960</b>	<b>40,748,254,058</b>	<b>44,288,509,787</b>	<b>31,252,528,281</b>	<b>34,869,931,079</b>	<b>227,658,446,165</b>
<b>Net Liquidity Gap</b>	<b>(16,617,317,367)</b>	<b>(878,144,208)</b>	<b>18,569,253,655</b>	<b>8,619,774,858</b>	<b>2,418,616,233</b>	<b>12,112,183,171</b>

Net result of the Liquidity Statement represents the “Shareholders’ Equity” of the Bank

## **TRUST BANK LIMITED**

### **Notes to the Financial Statements**

#### **For the year ended 31 December 2017**

#### **1 The Bank & its activities:**

Trust Bank Limited is a scheduled commercial bank established under the Bank Company Act, 1991 and incorporated as a Public Limited Company under the Companies Act, 1994 in Bangladesh on 17 June 1999 with the primary objective to carry on all kinds of banking business in and outside Bangladesh. The Bank has One Hundred Four (104) branches and six (6) SME Service Centers/Krishi Branch are operating in Bangladesh as at 31 December 2017. The Bank has no overseas branches as at 31 December 2017. The bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company for its general class of shares.

The registered office of the Bank is located at Shadhinata Tower, Shaheed Jahangir Gate, Dhaka Cantt., Dhaka-1206.

Initially the bank has started its operation in the name of “The Trust Bank Limited” but on 12 November 2006 it was renamed as “Trust Bank Limited” by the Registrar of Joint Stock Companies. The new name of the bank was approved by Bangladesh Bank on 03 December 2006.

The Principal activities of the Bank to provide full range of banking services that include deposit banking, loans & advances, export, import and financing national and international remittance facilities etc.

#### **1.1 Off-shore Banking Unit**

The Bank obtained Off-shore Banking Unit Permission vide letter no. BRPB(P-3)744(116)/2010-2462 dated 2 June 2010. The Bank commenced its operation from 24 October 2013 through our Dilkusha Corporate Branch, Gulshan Corporate & CDA Avenue Branch. The Off-shore banking units are governed under the rules and guidelines of Bangladesh Bank. Separate financial statements of Off-shore banking are shown in Annex-G

#### **1.2 Subsidiaries of the Bank**

The Bank has 2 (Two) Subsidiaries details of which are given below:

##### **1.2.1 Trust Bank Investment Limited**

Trust Bank Investments Limited, is fully owned subsidiary of Trust Bank Limited was incorporated on 9 September 2010 with an initial paid up capital of Taka 300 million upon receiving consent from SEC on 25 October 2010 having registered office is located at 36 Dilkusha Commercial Area, Dhaka - 1000.

Trust Bank Investment Limited offers full range of Merchant Banking Services that include Issue Management, Underwriting, Portfolio Management etc.

##### **1.2.2 Trust Bank Securities Limited**

Trust Bank Securities Limited, is fully owned subsidiary of Trust Bank Limited was incorporated on 7 February 2013 with an initial paid up capital of Taka 35 million having registered office is located at 28, Kafrul, Dhaka - 1206.

Trust Bank Securities Limited offers full range of Business of Stock Brokers that includes buy and sell of shares & securities, fixed income securities, Bonds Debenture etc.

### 1.3 Islamic Banking Activities

Islam-the complete code of life has not only stated the way of religious activities but also the economic activities. Economic principles under Islam demands all economic activities including banking should run in accordance with the Islamic Shariah i.e. prohibition of interest (Riba) from all transactions and dealing in businesses that are allowed (halal) in shariah. Islamic banking is governed by a set of strict rules derived from the Qur'an & Sunnah of Prophet (pbuh). To ensure compliance of shariah guidelines in conducting business, Islamic banking practices a strong documentary record keeping system eliminating all vagueness regarding business & responsibilities of the parties involved.

Trust Bank Ltd. is carrying out its Islamic banking operations through 5 (five) Islamic banking windows at TBL-Principal Br., Millennium Br., Dilkusha Br. in Dhaka, CDA Avenue Br. in Chittagong & Sylhet Corp. branch in Sylhet as per Bangladesh Bank approval. Besides the 5 (five) windows, all TBL branches can now provide Islamic banking services through on-line banking system.

In addition to the Shariah guidelines, Trust Islamic banking (TIB) strictly complied the Bangladesh Bank instructions regarding Islamic banking operations and adheres to the followings:

- Completely Separate Fund management—no mingling of fund with the conventional banking deposits of the Bank. Investments are made from the Islamic banking deposits only.
- Separate book-keeping, Profit & Loss Account by Islamic banking module of Bank's CBS.
- TIB has a distinguished Shariah Supervisory Committee (SSC) for guidance on Shariah related issues
- Profit sharing ratio (Depositor: Bank) is 65:35 for the year 2017.
- Profit distributions are executed as per approved weightage table.

#### **Deposit & Investment**

As of Dec. 31, 2017, Trust Islamic Banking (TIB) 'Deposit and Investment' are showing a growth of 32.66% & 47.22% respectively from the corresponding position of 2016.

A dedicated team of resources with skill & commitment in Islamic finance & banking at Head Office closely monitors and supervises the entire operations of TIB to ensure compliance, development and growth of Islamic Banking business. TIB offers the full range deposit & investment products & services for corporate, retail & SME sectors.

A separate Balance-sheet, Profits & Loss account and statement of Cash-Flows are shown in the Annexure D, E & F of this report. The figures appears in the Annexure have been incorporated in the related heads of financial statement as recommended by the Bangladesh Bank.

### 1.4 Major Retail Activities:

#### **Financial Literacy:**

Keeping with TBL's commitment to contribute to inclusive banking through financial literacy, Retail Banking Division has continued to sharpen its focus on School Banking activities like the previous few years. Some of the highlights are listed below:

1. School Banking Campaigns: A total of 40 campaigns were conducted through branches, 35 of which were located outside Dhaka and rest 5 within Dhaka City. Among the 40 campaigns, notable were Rajshahi Public School & College and Chittagong Public School & College respectively.

2. School Banking Program: In 2017, TBL has organized a School Banking Program in Natore Dist as Lead Bank where 23 local banks and 38 local schools participated. The program was held at N.S. College Auditorium, Natore City, where Mr. S. K. Sur Chowdhury, Honorable Deputy Governor of Bangladesh Bank was present as the Chief Guest and the Honorable Managing Director & CEO of Trust Bank Limited also attended as the Special Guest.

**Payroll Banking:**

06 (six) number of new organizations were included under Trust Payroll. A notable success has been the inclusion of RAOVA Club and Uttara High School under Payroll Banking as all these organizations are well known establishments in their respective fields. One of the remarkable successes was inclusion of Salary Account opening of the personnel of BAF Shamsheernagar Air Base Moulvibazar. A significant step was setting new Business Account relationship with WZPDCL for Prepayment Metering System through TBL Daulatpur Branch as it will be an effective source of low cost fund.

**Trust Youniverse & Loyalty:**

The Loyalty team has succeeded in signing favorable MoU with a total of 12 (twelve) new organizations. 06 (six) of these MoU has been signed to provide EMI Easy Pay service to TBL card holders for the first time in 2017. A notable success has been the inclusion of Le Meridian Dhaka under the Trust Youniverse program for all TBL debit and credit card holders.

**Training & Development:**

All permanent employees of RBD have attended at least 01 training program each organized by TBL Training Academy. Furthermore, RBD has conducted several training programs for DSR as a part of their business development strategy, which helped them to groom themselves and become more competitive.

## 1.5 SME and Green Banking Activities

Small and medium enterprises (SMEs) are the most important segment of any economy in the world. SMEs have drawn attention to the policymakers because of their multidimensional contribution to the socioeconomic and environment aspects of a country. Small and Medium enterprises are particularly suitable for the densely populated countries like Bangladesh where SME sector can provide huge employment opportunity with much lower investment. The government of Bangladesh has been giving more emphasis on the SMEs and taking different measures for its development considering the sector as driving force to transform the country's huge population into human resources.

**Contribution and significance of SMEs**

Small and medium -sized enterprises (SMEs) are the backbone of the national economy in Bangladesh. This sector is playing an important role to develop the economy of our country. The role of SMEs sector is immense to alleviate the poverty from the country as well. It is a great force for the domestic market. SMEs have been accelerating the country's industrialization as well as economic growth contributing 30 percent in the GDP (Gross Domestic Product).

Studies indicate that SMEs in Bangladesh accounted for more than 99% of private sector industrial establishments and created job opportunities for 70%–80% of the nonagricultural labor force. The significance of SMEs can be clearly observed if we take a look at the contribution of SMEs in some selective Asian countries. For example, about 97.3 percent of enterprises in China, 97.3 percent in Malaysia, 97.5 percent in Kazakhstan, and 97.7 percent in Vietnam are SMEs. Furthermore, about 99.4 percent of enterprises in Singapore, 99.5 percent in Sri Lanka, 99.6 percent in the Philippines, 99.7 percent in Thailand, 99.7 percent in Japan, and finally, 99.9 percent in the Republic of Korea are SMEs.



SMEs also play a vital role in employment in these countries. For example, SMEs make up 87.7 percent of employment by enterprise in the Republic of Korea, 80.3 percent in Thailand, and 71.8 percent in Cambodia. Similarly, SMEs are contributing to GDP growth and increasing export earnings of these countries. They generate 60 percent of GDP in Indonesia and China, 47.6 percent in the Republic of Korea, 45 percent in Singapore, and 43.7 percent in Japan.

In terms of export earnings, about 42.4 percent of export earnings in India come from SMEs, 41.5 percent in China, 26.3 percent in Thailand, 20 percent in Sri Lanka, 18.8 percent in the Republic of Korea, and 15.7 percent in Indonesia.

Trust Bank in line with Bangladesh Bank has been pursuing the policy of SME favored since 2009 and in recent years it has stepped up financing in this sector significantly. In 2017, financing in this sector has recorded as Tk.18690.00 million, which is accounted for 29% growth from the previous year. Trust Banks SME finances are comprised of 35% in manufacturing, 36% in Trading and 29% in service sector. In terms of size, the composition of portfolio is 52% in Small, 40% Medium and 8% in Cottage segment respectively.

## 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation

#### 2.1 Statement of Compliance

The consolidated financial statements of the group (comprising the Bank and its subsidiaries) and the financial statements of Trust Bank Limited as at and for the year ended 31 December 2017 have been prepared under the historical cost convention, except for Government Securities which are stated at fair value 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 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, Stock Exchanges' listing regulations and other rules and regulations are applicable in Bangladesh. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

##### i) Investment in shares and securities

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

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

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

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

**Bangladesh Bank:** According to DOS Circular 05 dated 26 May 2008 and subsequently clarification in DOS Circular 05 dated 28 January 2009, HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

**iii) Provision on loans and advances/investments**

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

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

**iv) Recognition of interest in suspense**

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

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

**v) Other comprehensive income**

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

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

**vi) REPO and Reverse REPO Transaction**

**BFRS:** When an entity sells a financial assets 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 treated as a loan and the underlying assets continues to be recognized in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (Reverse REPO).

**Bangladesh Bank:** As per DOS Circular Letter no. 6 dated 15 July 2010 and subsequent clarification in DOS Circular No. 2 dated 23 January 2013, 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 a normal sale transaction and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

**vii) 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 full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

**viii) Financial guarantees**

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

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

**ix) Cash and cash equivalent**

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

**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.

**x) Non-banking asset**

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

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, there must exist a face item named Non-banking asset.

**xi) Cash flow statement**

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

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

**xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

**xiii) Presentation of intangible asset**

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

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD 14, dated 25 June 2003.

**xiv) Off-balance sheet items**

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

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

**xv) Loans and advances/Investments net of provision**

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

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

## **2.2 Basis of Consolidation**

The consolidated financial statements include the financial statements of Trust Bank Limited and its subsidiary Trust Bank Investment Limited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with BFRS 10: Consolidated Financial Statements.

## **2.3 Subsidiary**

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise from the date that control commences until the date that control ceases. The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases. Subsidiary companies are consolidated using the purchase method of accounting.

## **2.4 Use of estimates and judgments**

The preparation of consolidated financial statements of the Bank requires management to make judgments, 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 recognized in the period in which the estimate is revised and in any future periods affected.

## **2.5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the entities.

## 2.6 Transactions eliminated on consolidation

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

## 2.7 Foreign currency transaction

### a) Foreign currency

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

### b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the prevailing 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 BDT 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 equivalent BDT.

Assets and liabilities & income and expenses of Off-shore Banking Units have been converted into BDT currency @ US\$1 = Taka 83.20 (closing rate as at 31 December 2017) and Tk. 81.45 (average rate at Year-end).

### c) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at rates mentioned in contracts. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in BDT terms at the rates of exchange prevailing on the balance sheet date.

### d) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

### e) Foreign operations

The results and financial position of the Group's operations whose functional currency is not Bangladeshi Taka are translated into Bangladeshi Taka as follows:

- i) Assets and liabilities are translated at the exchange rate prevailing at the balance sheet date.
- ii) Income and expenses in the income statement are translated at an average rate approximating the exchange rates at the year end;
- iii) Resulting exchange differences are recognized as a separate component of equity.
- iv) As per BAS 21, 'Foreign Currency Transactions' i.e. foreign currency denominated both monetary and non-monetary items of the OBUs are translated at historical rate because the OBUs are considered as an integral part of the Bank's operation not a foreign operation due to specific regulations governing the OBU and its unique nature.



#### **f) Consolidation of Financial Statements of foreign operations**

In Consolidation, foreign exchange differences arising from the translation of net investments in foreign entities, as well as any borrowings are taken into capital reserve. When a foreign operation is disposed of, such currency translation differences are recognized in the income statement as part of the gain or loss on disposal.

#### **2.8 Reporting Period**

These financial statements of the Bank and its subsidiaries cover the first quarter from 1 January to 31 December 2017.

#### **2.9 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.

#### **2.10 Statements of Cash Flows**

Statements of Cash flow 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 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

#### **2.11 Statements 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 Statement of liquidity**

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- 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 maturity.
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity/repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

#### **2.13 Taxation**

The expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

### **2.13.1 Current Tax**

In compliance with BAS-12 “Income Taxes”, provision for current income tax has been made @ 40% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

### **2.13.2 Deferred taxation**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS-12 “Income Taxes”.

### **2.14 Provision and accrued expenses**

In compliance with BAS-37, 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 Provision for off-balance sheet exposures**

In compliance with Bangladesh Bank guidelines, off-balance sheet items have been disclosed under contingent liabilities. As per BRPD Circular no.10, dated 18 September 2007, the bank is required to maintain provision @ 1% against off-balance sheet exposures

### **2.16 Provision for nostro accounts**

The Bank does not required to maintain provision for nostro accounts for the year 2012 in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005.

### **2.17 Assets and basis of their valuation**

#### **2.17.1 Cash and cash equivalents**

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

#### **2.17.2 Loans and advances / Investments**

In 2017, by means of bank’s careful and continuous effort in credit operation, inclusion of new reputed companies in the clientele enabled us to progress with positive growth in loans and advances. As on 31.12.2017, total loans and advances stands at BDT 1,84,910.47 million as against BDT 141,987.43 million recorded on 31.12.2016 representing growth of 23.21 percent over the last year.

Trust Bank has maintained a strong growth record in the banking sector in Bangladesh and as a leading private commercial bank, to maximize value for our stakeholders; we have embarked in almost all sectors of the economy and explored all opportunities to maintain our asset quality. During the period, Bank has concentrated to explore new and diversified avenues for financing with the aim of developing and maintaining a sound & sustainable portfolio and risk mitigation. Our extensive work was also continued in Agriculture, Retail & SME sectors, but intensive efforts in Corporate Credit were prioritize. In recent time the Bank has widened its wing toward emerging sectors like Energy, Telecommunication, Pharmaceutical, Housing, Dairy, Meat Processing, Turmeric Cultivation etc. While providing every type of facility, Bangladesh Bank's regulations and necessary due diligence has been firmly followed. Bank has always remained vigilant to its risk assessment and appropriate arrangement for risk mitigation. Credit facilities have been extended to the new and existing customers on the basis of merit and fixing the purpose of facilities while upholding its credit culture in all cases.

#### **2.17.2.1 Recovery of Classified Loans & Advances**

The health of loan portfolio reflects the fundamental condition of a bank. In the face of nationwide rising NPL, the Board of Directors and the Senior Management of Trust Bank remained extremely watchful to put bridle on NPL accounts. Regular monitoring has proven to be an effective tool to minimize credit risk. It has largely been possible to keep quality of a loan standard when strong and continuous monitoring was assured. An active and dynamic recovery & monitoring cell of the bank is able to analyze any risk resulting in probable deterioration of asset quality.

Trust Bank identifies risks by physical visits to the project site, conducting valuation of stocks/inventories on regular basis. Visits/valuations are carried out by Relationship Manager of the respective branches and trained officials of 'Large Loan Monitoring Cell' and 'RMG Monitoring Cell' of Head Office newly established in 2017.

#### **2.17.3 Loan Classification and Provisioning**

Trust Bank is firmly compliant to BRPD Circular No. 14, dated 23.09.2012 of Central Bank while determining classification of a loan and endorsing provisioning there against. As always, bank classified loans both on the basis of objective criteria and qualitative judgment. As of 31st December, 2017 classified loans of the Bank stood at BDT 5,782.37 Million and total provision against classified, unclassified loans, off-Balance Sheet and Off-Shore Banking business was maintained at BDT 5,227.67 Million.

<b>General provision on</b>	<b>Provision Rate</b>
a. Consumer Financing (House Financing)	1%
b. Consumer Financing (Loans to Professional)	2%
c. Consumer Financing ( Other than a & b)	5%
d. Small and Medium Enterprise Financing (SMEF)	0.25%
e. Short Term Agriculture & Micro Credit	2.50%
f. Loans to BHs/ MBs/ Sds against Shares etc	2%
g. All other Credit	1%
h. Special Mention Account	0.25% to 5%

Specific provision on	Provision Rate
a. Substandard Loans and Advances	
i. Short Term Agri Credit & Micro Credit	5%
ii. Other than Short Term Agri Credit & Micro Credit	20%
b. Doubtful Loans and Advances	
i. Short Term Agri Credit & Micro Credit	5%
ii. Other than Short Term Agri Credit & Micro Credit	50%
c. Bad/Loss Loans and Advances	100%

#### 2.17.4 Provision for off balance sheet exposures

General provision for off balance sheet exposures has been made @ 1% on period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank.

### 2.18 Investments

Investments have been initially recognized at cost, including acquisition charges associated with the investment. Premiums have been amortized and discount accredited, using the effective or historical yield method. Government treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no.05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

#### 2.18.1 Held to maturity

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity. The securities in HTM are to be held up till maturity. These securities in HTM must be amortized at the end of the year before maturity and the increase/decrease is to be accounted in the 'statement of changes in equity' (as Revaluation Reserve-HTM). According to Bangladesh Bank DOS Circular Letter No. 01 dated January 19, 2014 a bank can only hold securities of maximum 110% of the total SLR requirement (usually kept as approved government securities) as HTM category the compliance of which came into effect from February 01, 2014. These investment securities can be transferred to and/or re-categorized as HFT any time after getting approval from the Board of Directors of the Bank.

As on December 31, 2017 the amount of our investment in Government Treasury Bonds in HFT Category is zero and the amount of our investment in Government Treasury Bonds in HTM is Tk. 1,368,33,32,984.00

#### 2.18.2 Held for trading

Investments classified in this category are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week and any change in the fair value is recognized in the statement of capital (as Revaluation Reserve-HFT) for the period before next appreciation. According to Bangladesh Bank DOS Circular Letter No. 05 dated May 26, 2008, no dividend will be allowed to pay to its shareholders on the amount of increase and/or decrease in income generated out of revaluation of securities held for trading. The value of the bank's investment in Government Treasury Bills in HFT category at the end of the year 2017 is Tk. 794,29,16,700.00

## 2.19 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per BAS-16 “Property, Plant and Equipment”.

Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straight-line method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	2.5% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.
Office Decoration	12% p.a.

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their use and in case of sale upto the earlier of the date that asset is classified as held for sale in accordance with BFRS 5 and the date that the asset is derecognized.

Repairs and maintenance costs of fixed assets are charged to profit & loss account, when incurred.

## 2.20 Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with BAS 38: “Intangible Assets”.

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

The software used by TBL represents the value of computer application software licensed for the use of the bank. Software is carried at cost less accumulated amortization and any impairment losses. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are carried in customizing the software for its intended use. Software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the month at which the application software is made available for use.

## 2.21 Impairment of Assets:

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the asset’s recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered as impaired and is written down to its recoverable amount by debiting to profit & loss account.



Fixed assets are reviewed for impairment whenever events or charges in circumstances indicate that the carrying amount of an asset may be impaired.

## **2.22 Other assets**

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

## **2.23 Non-Banking Assets**

As on balance sheet date TBL has not arisen any Non-Banking Assets failure from borrower to repay the loan/Investments.

## **2.24 Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the bank is presented on net basis as a liability item if the liability is higher than asset and as an asset item if the asset is higher than liability.

## **2.25 Receivables**

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

## **2.26 Inventories**

Inventories measured at the lower of cost and net realizable value.

## **2.27 Leasing**

Leases are classified as finance leases whenever the 'terms of the lease' transfer substantially all the risks and rewards of ownership to the lessee as per BAS-17 "Leases". All other leases are classified as operating leases as per BAS-17 "Leases".

## **2.28 Share Capital**

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

### **2.28.1 Authorized Capital**

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association. Details are shown in note 13.1.

### **2.28.2 Paid up Capital**

Paid up capital represents total amount of shareholders' 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 Bank, ordinary shareholders are ranked after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation. Details are shown in note 13.2.

## **2.29 Statutory reserve**

As per Bank Companies Act, the Bank requires to transfer 20% of its current year's profit before tax to statutory reserve until such reserve equals to its paid up capital. The Bank does comply with this requirement of law every year.

## **2.30 Liabilities and Provisions**

### **2.30.1 Retirement benefits to the employees**

i) **Provident fund**

Provident fund benefits are given to the confirmed staffs of the Bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Taxes Zone - 6, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of sub-section 1 of section 2 read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984 w.e.f. 27 February 2003. The Fund is operated by a Board of Trustees consisting seven members from the employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Fund. The Bank also contributes equal amount. Interest earned from the investments is credited to the members' account on yearly basis.

ii) **Gratuity fund**

The Bank has started making provision for liabilities of its employees' gratuity as per gratuity scheme of the Bank from the year 2004. Subsequently National Board of Revenue has approved the fund as recognized within the meaning of sections 2 and 3 read with the provision of part - C of the First Schedule of Income Tax Ordinance 1984 w.e.f. 20 November 2006. The Bank contributes to the Fund as per Gratuity Fund Rules as well as Service Rule of the bank.

iii) **Super annuation fund**

The Bank has also introduced a "Superannuation Fund" instead of group life insurance policy for the employees. Those employees, who will be able to fulfill the specific criteria mentioned in the policy of the fund, will be entitled to get the benefit of "Superannuation Fund". National Board of Revenue has approved the fund as recognized within the meaning of section 3 read with the provision of part - A of the First Schedule of Income Tax Ordinance 1984 w.e.f. 22 December 2004.

### **2.30.2 Minority interest in subsidiaries**

Minority interest in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the minority interest in the subsidiary company is always less than 50% of outstanding shares, else the corporation would cease to be a subsidiary of the parent. Minority interest belongs to other investors and is reported on the consolidated balance sheet of the owning company to reflect the claim on assets belonging to other, non-controlling shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

## **2.31 Revenue recognition**

i) **Interest income/Profit on TIB Investment**

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. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

**ii) Investment income/TIB Investment Income**

Income on investments is recognized on accrual basis except from Government Securities which are recognized on the basis of BRPD Circular 15 Dated 31 October 2005 issued by Bangladesh Bank.

**iii) Fees and commission income**

Fees and commission income arises on services provided by the Bank are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

**iv) Dividend income**

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

**v) Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits are calculated on 360 days in a year and recognized on accrual basis

**vi) Dividend payments**

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2016 has not been recognized as a liability in the balance sheet in accordance with the BAS-10 : Events After the Reporting Period.

Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

**vii) Management and other expenses**

Expenses incurred by the Bank are recognized on actual and accrual basis.

**2.32 Reconciliation of inter-bank and inter-branch account**

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

**2.33 Risk Management**

Risk management policy or process of Trust Bank encompasses risk appreciation basing on the risk appetite for the particular sector/segment of the customers and subsequent risk identification, measurement and controlling of risk components to safeguard the interest of the bank and to keep the business portfolio performing to the maximum extent.

We always prioritize to ensure risk-return tradeoff on all business transactions. The focus group as constituted by Bangladesh Bank has selected 06 core risks namely (a) Credit Risk (b) Asset liability/Balance sheet Risk (c) Foreign Exchange Risk (d) Internal control and compliance Risk (e) Money laundering Risk and (f) IT risk management in order to impart internationally accepted best practices in the Banking and Financial system. Banks as a financial intermediary (ies) are exposed to multidimensional risks but those risks are to be examined and quantified for acceptance in line with the risk appetite and credit policy of our bank.

### 2.33.1 Credit risk management

The bank believes that risk management is the core area of concern that makes its business sustainable. Ability to produce profit consistently and sustainably is a function of risk management and the bank is breaklessly pursuing nonstop development in this vicinity. One of the key risks the bank is uncovered, arises from credit facility allowed to customers. In this regard, objective of risk management is to maximize risk-adjusted returns durable within own risk appetite. TBL Risk management approach is based on a transparent understanding of various risk, regimented assessment, measurement and uninterrupted monitoring of such risks. The policies and procedures designed for the purpose are regularly reviewed to assume regulatory changes and improvements. Bank's Board of Directors is first and foremost responsible for deciding risk appetites, approving related strategies and policies and administering its compliance and the competence of the risk management framework through reports from Internal Control and Compliance Division. Credit risk policy covers large to small enterprise exposure as well as retail exposure. Policies and procedures together have structured and standardized credit risk management practice both in obligor and portfolio point.

#### Frame-Work

In today's rapid changing economic and financial environment, effective risk management is a must for sustainable growth and for maximizing share-holders wealth. Banking business is in fact a business of risk taking and risk managing. So, it is very vital to manage all possible risks efficiently in effective way to emerge as winner out of risk ventures. TBL has always prioritized adopting different credit risk management tools & techniques as "prevention is better than cure" for all type of credits in all the stages i. e. from receiving application to approval level for more safe and sound credit portfolio.

Credit risk originates from the –

- \* Market Risk
- \* Supplier's Risk
- \* Financial Risk
- \* Business Risk
- \* Management Risk
- \* Structural Risk
- \* Security Risk
- \* Infrastructural Risk
- \* Information/Data Risk
- \* Technological Risk
- \* Interest Rate Risk
- \* Security Risk etc.

Bank considers all relevant information and financials of the customers, their business performances, sectoral conditions, arrangement & strength of supply chain, succession status etc. for assessment and analyses all factors and results of it in order to adopting appropriate risk mitigation if the client's proposal is viable for financing.

### 2.33.2 Asset liability risk management

Asset Liability management (ALM) is to properly manage the risk related to changes in interest rates, the mix of balance sheet assets and liabilities, the holding of foreign currencies, and the use of derivatives. These risks managed in a manner that focus to maximize the profit through managing various risks such as liquidity risk, interest rate risk, market risk, exchange

rate risk etc. Proper management of asset liability risk is facilitated through board approved policy, which sets limits on asset and liability mix, as well as the level of interest rate risk and foreign currency risk. Policy also set out guidelines for the pricing, term and maturity of loans and deposits.

### **2.33.3 Foreign exchange risk management**

Foreign exchange risk is the potential changes in earnings arising due to exchange rate fluctuation, adverse exchange position or changes in the market price. Such risk may arise from position held in various foreign exchange products like spot, forward and options. Foreign exchange risk management is fundamental for safe and sound management of all institution having exposure to foreign currencies. Today's Financial institutions engage in activities starting from Import, Export and Remittance to complex derivatives involving basic Foreign Exchange and Money Market to complex structured products. All these require high degree of expertise that is difficult to achieve in the transaction originating department and as such the expertise is housed in a separate department i.e treasury.

Foreign Exchange risk management is one of the important responsibilities of the treasury division. The foreign exchange risk are measured and monitored by the treasury division of the bank. The function of the treasury Front Office, Mid Office and Back office are segregated. Mid office and back office are conducting operations in a separate location apart from Treasury Front Office. Treasury Front Office manages and controls day-to-day trading activities and ensure continues monitoring of the level of assume risk. Treasury Mid Office verifies deal and monitors limit. Back office is responsible for deal confirmation, settlement of transaction, transferring fund to NOSTRO accounts, timely recording and reporting of information on exchange transactions and currency transfer etc. Reporting lines of these three office are separate and independent to ensure minimizing FEX risk.

As per directive of central bank, the bank has formulated a well defined Treasury Manual with a view to minimize the foreign exchange risk. Bank also developed different strategies to control foreign exchange risk in the light of net open position set by central bank, overall gross limit forward transaction, maximum loss limits per deal per day, counter party limit etc. Market scenario of risk monitored and measured by Treasury division to manage the foreign exchange operations in such a way that earnings not hampered against any adverse movement of market price.

### **2.33.4 Internal control and compliance risk management**

Internal control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface. The primary objectives of internal control system are to help the bank perform better through the use of its resources, identify it's weaknesses, take appropriate measures to overcome the same and ensure compliance with regulatory framework including applicable laws and regulations.

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the Internal Control processes are in place. As per instruction of Bangladesh Bank the Audit Committee of the Board has been constituted to assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank. The committee reviews the financial reporting process, the system of internal control & management of financial



risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2017, 11 nos. meetings of the Audit Committee were held. The bank has introduced 'Risk Based Internal Audit (RBIA)' to assess the business risk as well as control risk associated with the branches and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory and which may pose a potential threat for the bank

Each year IC&C Division sets out an audit plan for the year which is approved by the Audit Committee of the Board (ACB) of the Bank. In 2017 IC&C Division conducted Comprehensive Audit in 108 branches & 19 divisions/departments at Head Office. In the same year IC&C Division carried out 32 Spot Inspections including 04 Spot Inspections on "Anti fraud Internal Control" & IT audits in different branches. In addition, audit was also conducted in 06 TBIL branches & Trust Bank Investment Ltd, Head Office and 1628 nos. Pay Points for Mobile Banking operations in the year 2017.

IC&C Division of the bank ensures its Internal Control Process through review of Departmental Control Function Checklist (DCFCL), Loan Documentation Checklist (LDCL) and Quarterly Operations Report (QOR) of the branches and other mechanisms.

To comply with the directives of Bangladesh Bank, a special meeting of the Board of Directors was held on 19.11.2017 to review the compliance/implementation status on the observations of Bangladesh Bank's comprehensive inspection report.

### **2.33.5 Money Laundering & Terrorist Financing Risk Management**

With the expansion of global financial services and economic activities, compliance of AML and CFT in banking transactions has become a major challenge. Money Laundering (ML) and Terrorist financing (TF) can potentially damage and pose serious threats to the integrity and stability of a financial system. As such compliance of global bodies of AML & CFT has now become the most serious issue for financial institutions. Non-compliance of AML & CFT standards developed by UN and international bodies shall affect the rating of compliance of the country. The negative rating may result imposition of sanction in country. So, effective compliance of AML & CFT is the key factor for a strong, sound and stable banking sector. To protect the Banking industry from these threats, the Bank Authority has been working in partnership with financial institutions and BFIU, government departments and other key stakeholders to put in place an effective regime to fight against these crimes.

Money laundering and terrorist financing activities is recognized as one of the Core Risks in our Banking Sector. Bangladesh has enacted Money Laundering Prevention Act (MLPA), 2012 (amended December 2015) and Anti Terrorism Act (ATA), 2009 (amended in 2013). TBL is aware & committed to comply with the directives of the Central Bank towards a cause which has not been identified in isolation but collectively by various International agencies including UN General Assembly.

For effective compliance of AML & CFT, TBL has introduced Money Laundering & Terrorist Financing Risk Management Guidelines, adopted Customer Acceptance Policy (CAP), declared AML compliance program by CEO in every year to all employees.

In compliance of BFIU guidelines, TBL ML & CFT Risk Management guidelines ensures full compliance of all issues including the following:

1. Mandatory KYC management and monitoring the Transaction Profile of all the accounts.
2. Monitoring of unusual/suspicious transaction and report to BFIU, if required.

3. Submission of Cash Transaction Report (CTR) to BFIU through goAML on every month.
4. Adequate training to the officials of TBL on AML & CFT.
5. Identification of customer on the basis of risk grading.
6. Identification of Politically Exposed Persons & Local Influential Persons accounts.
7. Declared Customer Acceptance Policy & introducing Unique Customer identification code.
8. Automated Sanction Screening through SWIFT for Cross Border Transaction.
9. AML & CFT audit conducted by HO-AMLD on behalf of Central Compliance Committee.

For review the overall AML/CFT compliance status and mitigating the AML/CFT risks, TBL has a Central Compliance Committee (CCC) comprising of CAMLCO, Deputy CAMLCO and other divisional heads of Head Office. Routine affairs of monitoring etc. are conducted by the dedicated team at Anti-Money Laundering Division, Head Office. A designated Branch Anti-Money Laundering Compliance Officer (BAMLCO) is appointed in every branch and is assigned to review and report the AML and CFT activities and measures of the branch.

### 2.33.6 IT risk management

Growing technology and innovations have significant impact on the way Banks interact with their customers and operate their business using automation. Banks face challenge while adapting, innovating and responding to the opportunities posed by numerous components of ICT such as Data Center, Disaster Recovery Site, Application Software, Networks, Core Banking Solution, hundreds of delivery channels integrated with banking system etc.

As banks adopt technology as part of their ongoing strategic tool to face challenges in the emerging realities of business, they are increasingly exposed to technology risks. It is therefore imperative for each bank to work out appropriate IT risk management strategic to secure its most vital information assets and ensure that related risk management systems and processes are strengthened on continual basis to secure both present and future banking activities.

The purpose of Information and Communication Technology Risk Management is to assist the Bank to establish an effective mechanism for ICT systems to ensure data integrity, availability; confidentiality and consistency with a review to providing provide the relevant early warning mechanism. Risks cannot be totally eliminated, but it can be reduced. IT Risk management requires a disciplined approach that includes IT Risk awareness, quantification of business impacts, solution design and implementation across people, process and technology and creation of a sustained IT Risk Management program complete with performance measurement and a model continuous improvement.

Trust Bank Limited, with the approval of the Board, has adopted an ICT policy in compliance with ICT security guidelines of Bangladesh Bank covering various aspect of ICT risk management. ICT Risk Management is emerging separate practice because of the unique role that IT play in today's organizations. Trust Bank Limited follows a robust, effective and efficient Information Technology with its Centralized Core Banking System, Mobile Banking application, In-House developed systems and other applications. Moreover, the R&D team and Software team is working to minimize each risk element without hampering daily operational activities. The implantation of each new patch is scrutinized through a precise testing and debugging method with own in-house team.

Trust Bank has taken necessary following steps to implement the process of ICT Security risk assessment:

- a) Formation of an up-to-date ICT Risk Management Policy as per Bangladesh Bank Guideline;
- b) Identify informational assets and their values;

- c) Identify threats and vulnerabilities to information security;
- d) Evaluate and analyze the risks;
- e) Plan the means and methods to minimize information risks;
- f) Control measures implantation;
- g) IT risks monitoring and control;
- h) Build a risk- aware culture;
- i) Develop manpower;
- j) Managing IT risk using the effective, efficient and right tools;
- k) Periodical review of ICT Risk Management Policy.

Since the automation of the Bank and centralization of information system, all the branches of the bank are connected to the Head Office IT department in Dhaka through a dedicated link and Disaster Recover site at Jessore. The infrastructure design is up to standard and completely secure.

### **2.33.7 Liquidity risk management**

Liquidity risk arises from bank's inability to meet its obligations as they fall due because of insufficient liquid asset, inability to liquidate assets or to obtain adequate funding. Liquidity risk measurement involves assessing all of bank's cash inflows against its outflows to identify the any net shortfalls going forward. This also includes funding requirements for off-balance sheet commitment. A number of techniques are used by the bank to measure liquidity risk. Different liquidity ratio i.e. CRR, SLR, LCR, NSFR, ADR and IDR are measured for taking right decision to manage liquidity risk of the bank

#### **ICT Risk Management Function:**

Comprehensiveriskmanagementprocessestoidentify,evaluate,monitorandcontrolormitigate the ICT risks and to assess their overall capital adequacy in relation to their risk profile. The risk management function is responsible for ensuring that effective processes are in Place for:

- Identifying current and emerging risks.
- Developing risk assessment and measurement systems.
- Establishing policies, practices and other control mechanisms to manage risks.
- Developing risk tolerance limits.
- Monitoring positions against approved risk tolerance limits.
- Reporting results of risk monitoring.

#### **ICT Risk Management Process:**

Risk management framework would require the following actions to be taken:

- Identify, classify and assess risks that are relevant to the bank ICT operations and systems.
- Develop a documented plan containing policies, practices and procedures that address and control these risks.
- Implement and regularly review the plan.
- Monitor risks and the effectiveness of the plan on an ongoing basis.
- Update the plan periodically to take account of changes in technology, legal requirements and business environment including external and internal threats and security vulnerabilities.

#### **ICT Risk Identification:**

Risk identification entails the determination of all kinds of threats, vulnerabilities and exposures present in the ICT system configuration which is made up of components such as internal and external networks, hardware, software, Data Center (DC) infrastructure, Disaster Recovery (DR) infrastructure, applications, systems interfaces, operations and human elements. Both threat sources and threats must be identified. Threats should include the threat source

to ensure accurate assessment. Some common threat-sources include:

- Natural Threats: Floods, earthquakes and hurricanes.
- Human Threats: Threats caused by human beings, including both deliberate actions (network based attacks, virus infection, unauthorized access) and unintentional (Unintentional data entry errors)
- Environmental Threats: Power failure, pollution, chemicals, water damage.

#### **ICT Risk Governance:**

1. Trust Bank limited has formed a committee “ICT Risk Management Committee” for overall monitoring of ICT Risks and relevant mitigation measures of the bank
2. The basis of ICT Risk Governance is practical guidance found in the IT risks Practitioner Guide. The topics discussed here include:
  - Risk appetite.
  - Risk tolerance.
  - Responsibilities and accountability for IT risk management.
  - Awareness and communication.
  - Risk culture.
03. A sufficient or necessary amount of risk fund may be developing to address of the ICT risks with practical solution of the Bank

#### **ICT Risk Evaluation:**

To determine the likelihood of a future adverse event, threats to an ICT system must be analyzed in conjunction with the potential vulnerabilities and the controls in place for the ICT system. Impact refers to the magnitude of harm that could be caused by a threat’s exercise of vulnerability. The level of impact is governed by the potential mission impacts and in turn produces a relative value for the ICT assets and resources affected (e.g. the criticality and sensitivity of the ICT system components and data).

1. TBL authority has established Business Impact Analysis (BIA) with proper understanding of the effects of adverse events.
2. TBL authority has practiced the development and use of Risk Scenarios technique to identify the important and relevant risks amongst all. The developed risk scenarios shall be used during risk analysis where frequency and impact of the scenario are assessed.
3. An IT person has understood how IT-related failures or events can impact enterprise objectives and cause direct or indirect loss to the enterprise. A business person should understand how IT related failures or events can affect key services and processes.
4. It is one of the big challenges for both IT division and SMD to identify the critical and relevant risks in the operational procedure of IT services.

#### **ICT Risk Response:**

Risk response is to bring measured risk in line with the risk tolerance level for the Bank. In other words, a response needs to be defined such that as much future residual risk as possible falls within risk tolerance limits.

1. Risk response is to bring risk in line with the defined risk appetite for the enterprise after risk analysis.
2. TBL authority should develop a set of metrics to serve as risk indicators. Indicators for risks with high business impact are most likely to be Key Risk Indicators (KRIs).

3. Risk avoidance applies when no other risk response is adequate. This is the case when: There is no other cost-effective response that can succeed in reducing the frequency and magnitude, the risk cannot be shared or transferred and the risk is deemed unacceptable by management.
4. Risk sharing/transfer is reducing risk impact by transferring a portion of the risk. Bank had covered risk sharing/ transfer by using insurance and outsourcing as per industry best practice.

Since the automation of the Bank and centralization of information system, all the branches of the bank are connected to the Head Office IT department in Dhaka through a dedicated link and Disaster Recover site at Jessore. The infrastructure design is up to standard and completely secure.

IT Risk Management helps to reduce service costs and achieve greater compliance by effectively assessing classifying IT risk. Moreover, IT Risk Management enables the management to initiate effective management decision to ensure smooth the business operations.

#### **2.34 Interest rate risk management**

Interest rate risk is an integral part of banking business, and may even be a source of profit. Nevertheless, abnormal levels of interest rate risk may expose the bank to losses and even pose a threat to capital. It is essential to the bank have a comprehensive risk management process to identifies, measures, monitors and controls interest rate risk exposures.

Managing interest rate risk requires a clear understanding of the amount at risk and the impact of changes in interest rates on this risk position. To make these determinations, sufficient information must be readily available to permit appropriate action to be taken within acceptable, often very short, time periods. The longer it takes a bank to eliminate or reverse an unwanted exposure, the greater the possibility of loss.

#### **2.35 Operation risk management**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's involvement with financial instruments, including processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

Operational Risk Management is a frequent recurring process which includes risk assessment, risk decision making, and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risk. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and control procedures without restricting initiative and creativity.

#### **2.36 Basel –III Activities**

Bangladesh Bank issued final Basel III guidelines, applicable with effect from January, 2015 in a phased manner through till December, 2019 as per the transitional arrangement provided by Bangladesh Bank for Basel III implementation. The Basel III rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio and promoting counter-cyclical buffers and addressing systemic risk and inter-connectedness. In 2017, the Bank is required to maintain minimum Common Equity Tier-1 (CET1) capital ratio of 4.50%, capital conservation buffer 1.25%, minimum CET-I plus

conservation buffer of 5.75%, minimum Tier-1 capital ratio of 6.00%, minimum total capital ratio 10.00%, and minimum total capital plus capital conservation buffer 11.25%.

**Pillar-I: Minimum Capital Requirement:**

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business. Trust Bank Ltd. has adopted the following measurement approaches for computing its Capital Adequacy Ratio:

- Standardized Approach for Credit Risk
- Basic Indicator Approach for Operational Risk, and
- Standardized Approach for Market Risk

**Pillar-II: Supervisory Review Process (SRP)**

In compliance with the Pillar-II guidelines of the Bangladesh Bank under Basel III framework, Trust Bank Ltd. has formulated its own Board approved Internal Capital Adequacy Assessment Process (ICAAP) to assess various risks that it is exposed to. The assessment of adequate capital would be the outcome of the dialogue to be held between the bank's SRP and Bangladesh Bank's SREP team.

Following Risk has to be assess for Adequate Capital Requirement under ICAAP as per Bangladesh Bank Guideline:

- Residual Risk
- Concentration Risk
- Liquidity Risk
- Reputation Risk
- Strategic Risk
- Settlement Risk
- Environmental & Climate Change Risk
- Other material Risks
- Environmental & Climate Change Risk
- Other material Risks

**Pillar-III: Market Discipline:**

Pillar- III (Market discipline) of Basel III, aims to encourage Market discipline by developing a set of disclosure requirements which allows market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence, the capital adequacy of the Bank. The Pillar-III Disclosures are published on a yearly basis on the Bank's website plus a year-end disclosure of every year. The Pillar-III year-end disclosures are also published in the Bank's Annual Report apart from being available on the Bank's website.

**2.37 Earning per share (EPS)**

**Basic earnings per share**

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

**Diluted earnings per share**

Diluted earnings per share is not required to be calculated for the year as there was no scope for dilution during the year under review.



### 2.38 Non controlling interest

Non controlling interest is that portion of the profit or loss and net assets of the subsidiary (TBL Investments Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiary, by the Parent (Trust Bank Limited).

#### Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Limited applied most of the BAS and BFRS, details of which are given below:

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	*Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and 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
Lease	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in Foreign Exchange Rate	21	Applied
Borrowing Cost	23	Applied

Name of BAS	BAS No.	Status
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
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
Provisions, Contingent Liabilities and Contingent Assets	37	*Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	*Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of BFRS	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	*Applied
Operating Segments	8	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interest in Other Entities	12	Applied
Fair Value Measurement	13	*Applied

\* Subject to departure described in note 2.1

N/A= Not Applicable

### 2.39 Auditors' work-hour

The external auditors, M/s Hussain Farhad & Co., Chartered Accountants, and M/s MABS & J Partners, Chartered Accountants of the Bank worked about in excess 9,164 person hours at the Bank's Head Office and different branches. During their audit, they audited above 80% of the Bank's risk weighted assets as of the reporting date.

### 2.40 General

- i) Figures have been rounded off to the nearest taka;
- ii) Prior year's figures shown for comparison purpose, have been rearranged, whenever necessary, to confirm to current year's presentation.

## 3 CASH

### 3.1 Cash in hand

In local currency

In foreign currencies

### 3.2 Balance with Bangladesh Bank and its agent bank(s)

#### Balance with Bangladesh Bank

In local currency

In foreign currencies

#### Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)

31.12.2017 Taka	31.12.2016 Taka
3,152,587,301	3,320,083,931
48,252,574	34,569,662
<b>3,200,839,875</b>	<b>3,354,653,593</b>
11,911,496,503	10,742,684,494
512,844,347	1,440,003,964
12,424,340,850	12,182,688,458
109,568,470	108,286,114
<b>12,533,909,320</b>	<b>12,290,974,572</b>

### 3.3 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 the Section 33 of the Bank Companies Act 1991 and MPD circular nos.01 and 02, dated 23 June 2014 and 10 December 2013 respectively and DOS Circular no. 1 dated 19 January 2014 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) has been calculated @ 6.5% on bi-weekly average basis of the average total demand and time liabilities (ATDTL) of the month earlier of the previous month with a provision of minimum 6% on daily basis of the same ATDTL and maintained with Bangladesh Bank in current account and 13% daily for conventional banks and 5.5% daily for Islamic Shari'ah based banks and Islamic Shari'ah based banking of conventional banks of their average total demand and time liabilities (ATDTL) as Statutory Liquidity Ratio (SLR) has also been maintained in the form of Treasury Bills, Bonds and Debentures including FC balance with Bangladesh Bank. Both reserves have been maintained during the year by the Bank are in excess of the statutory requirements.

The position of CRR and SLR as on 31 December 2017 is shown below:

	31.12.2017 Taka	31.12.2016 Taka
<b>3.3.1 Cash Reserve Requirement (CRR) for Conventional Banking</b>		
<b>Average Demand and Time Liabilities of the month earlier of the previous month</b>	<b>184,131,595,865</b>	<b>149,547,391,900</b>
<b>3.3.1.1 Minimum Required Reserve (6% of Average Demand and Time Liabilities)</b>	11,047,895,752	8,972,843,514
Actual Reserve held (6.57% of Average Demand and Time Liabilities)	12,101,034,699	10,735,415,328
<b>Surplus</b>	<b>1,053,138,947</b>	<b>1,762,571,814</b>
<b>3.3.1.2 Average Required Reserve (6.5% of Average Demand and Time Liabilities)</b>	11,968,553,731	9,720,580,474
Average Reserve held with B. Bank (6.63% of Average Demand and Time Liabilities)	12,213,918,019	10,140,397,580
<b>Surplus</b>	<b>245,364,288</b>	<b>419,817,106</b>
<b>3.3.1.3 Statutory Liquidity Ratio for Conventional Banking (SLR)</b>		
Required Reserve (13% of Average Demand and Time Liabilities )	23,937,107,462	19,441,160,947
Actual Reserve held with B. Bank (15.3% of Average Demand and Time Liabilities)	28,164,704,055	32,783,931,414
<b>Surplus</b>	<b>4,227,596,593</b>	<b>13,342,770,467</b>
<b>3.3.1.4 Components of Statutory Liquidity Requirement (SLR)</b>		
Cash in Hand	3,293,861,538	3,347,315,574
Balance with Agent Bank(s)	109,470,465	108,285,539
Excess Reserve	132,480,968	1,014,834,853
Government Bills	7,942,916,700	14,619,375,896
Government Bonds	13,683,332,984	3,905,100
Bangladesh Bank Bill	2,998,287,000	13,690,214,452
Other Approved Securities (Prize Bond)	4,354,400	-
	<b>28,164,704,055</b>	<b>32,783,931,414</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>3.3.2 Cash Reserve Ratio (CRR) for Islamic Banking</b>		
Average Demand and Time Liabilities of the month earlier of the previous month	<b>17,060,873,342</b>	<b>13,211,593,500</b>
<b>3.3.2.1 Minimum Required Reserve (6% of Average Demand and Time Liabilities)</b>	1,023,652,401	792,695,610
Minimum Reserve held (9.36% of Average Demand and Time Liabilities)	1,596,261,711	890,819,111
<b>Surplus</b>	<b>572,609,310</b>	<b>98,123,501</b>
<b>3.3.2.2 Average Required Reserve (6.5% of Average Demand and Time Liabilities)</b>	1,108,956,767	858,753,578
Average Reserve held with B. Bank (8.24% of Average Demand and Time Liabilities)	1,405,686,147	916,298,392
<b>Surplus</b>	<b>296,729,380</b>	<b>57,544,814</b>
<b>3.3.2.3 Statutory Liquidity Requirement for Islamic Banking (SLR)</b>		
Required Reserve (5.5% of Average Demand and Time Liabilities)	938,348,034	726,637,643
Actual Reserve held with B. Bank (8.65% of Average Demand and Time Liabilities)	1,475,102,861	789,735,553
<b>Surplus</b>	<b>536,754,827</b>	<b>63,097,910</b>
<b>3.3.2.4 Held for Statutory Liquidity Requirement</b>		
Cash in Hand	17,797,917	7,670,018
Excess Reserve	487,304,944	32,065,535
Balance with Agent Bank(s)	-	-
Government Bills	-	-
Government Bonds	-	-
Government Islamic Investment Bonds	970,000,000	750,000,000
	<b>1,475,102,861</b>	<b>789,735,553</b>

#### 4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

##### 4.1 In Bangladesh

###### Current Deposits

Sonali Bank Ltd.	24,355,412	16,610,939
Agrani Bank Ltd. Ltd.	5,150	4,875
Sonali Bank Ltd. (TAX Settlement A/C)	401,837	418,847
Social Islamic Bank Limited	1,675	2,002,825
	<b>24,764,074</b>	<b>19,037,486</b>

###### Short Term Deposits

Sonali Bank Ltd.	46,647,075	108,973,755
AB Bank Ltd.	4,132,072	4,080,218
Rupali Bank Ltd.	1,324,877	1,778,601

	31.12.2017 Taka	31.12.2016 Taka
Janata Bank Ltd.	57,559	1,577,059
Prime Bank Ltd.	53,190	3,535,850
Standard Chartered Bank	4,210,332	138,461,189
Dutch Bangla Bank Ltd.	-	83,898
Bank Asia Limited	102,824,100	260,145,057
Standard Bank Limited	2,962,800	2,900,104
Al Arafah Islami Bank Limited	1,032,891	15,391
NCC Bank Limited	51,249	52,434
Southeast Bank Limited	4,449	5,464
	<b>163,300,594</b>	<b>521,609,020</b>
<b>Mudaraba Short Term Deposit</b>		
AB Bank Ltd.	5,629,409	775,900,029
The City Bank Limited	6,770,704	6,685,669
EXIM Bank Ltd	9,431,062	10,299,677
Bank Asia Ltd.	556,604	546,670
Union Bank Ltd.	5,317,931	675,915
Social Islami Bank Ltd.	3,781,067	1,858,468
	<b>31,486,777</b>	<b>795,966,428</b>
<b>Fixed Deposits in local Currency</b>		
<b>Fixed With Bank</b>		
AB Bank Limited	-	1,000,000,000
One Bank Limited	-	1,000,000,000
Mercantile Bank Limited	-	500,000,000
Jamuna bank Limited	-	400,000,000
Dhaka Bank Limited	-	1,000,000,000
Eastern Bank Limited	-	1,000,000,000
BRAC Bank Limited	-	2,000,000,000
National Bank limited	-	1,000,000,000
Mutual Trust Bank Ltd	600,000,000	-
Southeast Bank Limited	300,000,000	-
Standard Bank Limited	1,000,000,000	1,000,000,000
	<b>1,900,000,000</b>	<b>8,900,000,000</b>
<b>Fixed With NBFi</b>		
GSP Finance Co. Ltd.	-	100,000,000
IDLC Finance Limited	-	300,000,000
Delta Brac Housing Ltd.	200,000,000	450,000,000
	<b>200,000,000</b>	<b>850,000,000</b>
<b>Mudaraba Term Deposits</b>		
Islamic Finance & Investment Ltd.	-	300,000,000
Hajj Finance Co. Ltd	-	250,000,000
Shahjalal Islami Bank Limited	-	250,000,000
EXIM Bank Limited	-	500,000,000
	-	<b>1,300,000,000</b>
	<b>2,319,551,445</b>	<b>12,386,612,934</b>

#### 4.2 Outside Bangladesh

##### Current Account

##### Dollar Account

Mashreqbank psc, USA  
Standard Chartered Bank, USA

ICICI Bank Ltd., Hongkong  
Commerz Bank, AG Germany  
Habib Bank Limited  
Sonali Bank Ltd. UK  
United Bank Of India

##### GBP Account

Standard Chartered Bank, UK  
Sonali Bank Ltd. UK,GBP

##### Japanese Yen Account

Standard Chartered Bank, Japan  
Commerzbank Ag, Frankfurt, Germany (Jpy)

##### Australian Dollar Account

Commerzbank Ag, Frankfurt, Germany (Aud)

##### EURO Account

Standard Chartered Bank, UK  
ICICI Bank Ltd., Mumbai, India  
Sonali Bank Ltd. UK  
Commerzbank AG, Germany

##### ACUD Account

ICICI Bank Ltd., Mumbai, India  
AB Bank, Mumbai, India  
Mashreqbank, Mumbai, India  
Standard Chartered Bank, Mumbai, India

##### CHF Account

Habib Bank, Zurich

##### SAR Account

Bank Aljazira - SAR

*For details please refer to Annexure - A*

	31.12.2017 Taka	31.12.2016 Taka
	244,186,656	408,993,413
	660,771,205	929,480,364
	99,543,865	257,856,401
	236,152,196	367,229,940
	-	6,051,227
	-	631,301
	50,872,774	37,565,148
	21,894,408	8,390,696
	-	656,309
	930,843	60,852
	2,418,618	825,650
	2,413,672	2,494,715
	10,089,927	22,191,775
	1,761,989	1,480,395
	-	783,939
	2,945,772	6,131,954
	122,644,113	53,171,410
	70,278,275	82,221,111
	44,522,054	42,828,290
	71,594,746	43449671
	1,908,259	3,252,582
	2,241,994	2,149,498
	<b>1,647,171,366</b>	<b>2,277,896,641</b>
	<b>3,966,722,811</b>	<b>14,664,509,575</b>

#### 4.3 Remaining maturity grouping of balance with other banks and financial institutions

On demand  
Upto 1 month  
Over 1 month but not more than 3 months  
Over 3 months but not more than 1 Year  
Over 1 Year but not more than 5 Years  
Over 5 Years

	1,671,935,440	2,296,934,127
	2,294,787,371	7,737,575,448
	-	4,350,000,000
	-	280,000,000
	-	-
	-	-
	<b>3,966,722,811</b>	<b>14,664,509,575</b>



		31.12.2017 Taka	31.12.2016 Taka	
4 (a)	CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS			
	In Bangladesh			
	Trust Bank Limited	Note-4.1	2,319,551,445	12,386,612,934
	Trust Bank Securities Limited		84,865,485	143,179,943
	Trust Bank Investment Limited		262,340,242	362,747,462
			2,666,757,172	12,892,540,339
	Less : Inter Company Transaction		264,987,195	435,590,048
			2,401,769,977	12,456,950,291
	Outside Bangladesh	Note-4.2	1,647,171,366	2,277,896,641
			4,048,941,343	14,734,846,932
5	MONEY AT CALL AND SHORT NOTICE			
	Banks			
	The City Bank Ltd.		-	490,000,000
	NCC Bank Ltd.		-	550,000,000
			-	1,040,000,000
	Non-Banking Financial Institutions		-	-
	Investment Corporation of Bangladesh		-	-
			-	1,040,000,000
6	INVESTMENTS			
	Government Securities			
	Treasury Bills	Note-6.1		
	Treasury Bills -HTM		-	-
	Treasury Bills-HFT		7,942,916,700	8,592,427,352
			7,942,916,700	8,592,427,352
	Treasury Bonds	Note-6.2		
	Treasury Bond - HFT		-	-
	Treasury Bond - HTM		13,681,311,965	14,619,375,896
			13,681,311,965	14,619,375,896
	Bangladesh Bank Bill			
	Bangladesh Bank Bill - HTM		-	-
	Bangladesh Bank Bill - HFT		2,998,287,000	5,097,787,100
			2,998,287,000	5,097,787,100
	Govt. Islamic Investment Bond			
	Govt. Islamic Investment Bond - HFT		970,000,000	750,000,000
	Bangladesh Govt. Islamic Investment Bond - HTM		-	-
			970,000,000	750,000,000
	Prize Bond		4,354,400	3,905,100
			4,354,400	3,905,100
			25,596,870,065	29,063,495,448
	Other Investment			
	Preference Share			
	12,800,000 shares in Summit Barisal Power Ltd.		128,000,000	-
	7,200,000 shares in Summit Narayangonj Power Ltd.		72,000,000	-
			200,000,000	

		31.12.2017 Taka	31.12.2016 Taka
Ordinary Shares			
Quoted	Note-6.4.1	230,529,796	496,968,619
Unquoted	Note-6.4.2	18,062,657	18,062,657
		248,592,453	515,031,276
Investment in Corporate Bonds	Note-6.4.3	2,500,000,000	1,160,480,000
		<b>2,948,592,453</b>	<b>1,675,511,276</b>
		<b>28,545,462,518</b>	<b>30,739,006,724</b>
<b>6 (a) Consolidated Investments</b>			
<b>Government Securities</b>			
Trust Bank Limited		25,596,870,065	29,063,495,448
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		-	-
		<b>25,596,870,065</b>	<b>29,063,495,448</b>
<b>Other Investment</b>			
Trust Bank Limited		2,948,592,453	1,675,511,276
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		2,069,771,288	1,725,123,621
		5,018,363,741	3,400,634,897
Less : Inter Company Transaction		-	-
		<b>30,615,233,806</b>	<b>32,464,130,345</b>
<b>6.1 Treasury Bills-at Present Value</b>			
28 days Treasury Bills		-	-
91 days Treasury Bills		2,494,582,500	-
182 days Treasury Bills		-	998,619,000
364 days Treasury Bills		5,448,334,200	7,593,808,352
		<b>7,942,916,700</b>	<b>8,592,427,352</b>
<b>6.2 Treasury Bonds-at Present Value</b>			
02 years Treasury Bonds		1,005,191,213	1,528,316,733
05 years Treasury Bonds		1,711,990,333	2,117,557,623
10 years Treasury Bonds		6,475,154,217	6,481,270,409
15 years Treasury Bonds		3,120,101,114	3,121,324,777
20 years Treasury Bonds		1,370,896,107	1,370,906,354
		<b>13,683,332,984</b>	<b>14,619,375,896</b>

### 6.3 REPO & Reverse REPO Transactions during the period ended on 31 December 2017

Discloser required as per Bangladesh Bank DOS Circular No.-06 Dated: 15 July 2010 regarding of repo and reverse repo during the year ended on 31 December 2017

#### a. (i) Disclosure regarding outstanding REPO as on 31 December 2017

Sl No.	Counter Party	Agreement Date	Reversal Date	Amount (1st Leg Cash Consideration)
1	-	-	-	-

#### (ii) Disclosure regarding outstanding Reverse REPO as on 31 December 2017

Sl No.	Counter Party	Agreement Date	Reversal Date	Amount (1st Leg Cash Consideration)
1	-	-	-	-

**b. Disclosure regarding overall transaction of REPO and Reverse REPO:**

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year
<b>Securities sold under REPO:</b>			
i) with Bangladesh Bank	-	-	-
ii) with other Banks & Fis	-	-	-
<b>Securities repurchased under REPO:</b>			
i) with Bangladesh Bank	-	-	-
ii) with other Banks & Fis	406,533,200	1,382,522,300	30,972,530

## 6.4 Other Investment

This represents investment made by the company both in listed and unlisted securities. The investment is made up as under:

Particulars	31.12.2017			31.12.2016		
	No. of Securities	At Cost	Market Value	No. of Securities	At Cost	Market Value
Investment Securities : Quoted	15	230,529,796	273,630,351	14	496,968,619	501,023,676
Investment Securities : Unquoted	3	18,062,657	18,062,657	3	18,062,657	18,062,657
Investment Securities : Preference Share	2	200,000,000	200,000,000	0	-	-
Investment in Corporate Bonds	5	2,500,000,000	2,500,000,000	5	960,480,000	960,480,000
<b>Balance as on 31 December 2017</b>	<b>25</b>	<b>2,948,592,453</b>	<b>2,991,693,008</b>	<b>22</b>	<b>1,475,511,276</b>	<b>1,479,566,333</b>

### 6.4.1 Investment in Ordinary Shares - Quoted

Investment has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for the period was 28 December 2017).

#### 6.4.1.1 Sector wise investment in listed securities at cost

	31.12.2017 Taka	31.12.2016 Taka
Banking Companies	3,010,593	12,898,147
Manufacturing Companies and others	57,292,852	19,433,500
Power Sector	15,426,736	15,427,275
IBBL Bond	54,051,240	54,051,240
Mutual Fund	100,748,375	395,158,457
	<b>230,529,796</b>	<b>496,968,619</b>

#### 6.4.1.2 Investment in Ordinary Share - Quoted

Under Conventional Banking	165,205,827	432,316,698
Under Islamic Banking	65,323,969	64,651,921
	<b>230,529,796</b>	<b>496,968,619</b>

Security wise Investment in Quoted Shares is given below:

SL	Name of Security	Nos of Share			Average cost rate	31-Dec-17	31-Dec-16
		Conventional	Islamic	Total			
1	EBL NRB Mutual Fund	-	-	-	-	-	49,070,000
2	First Bangladesh Fixed Income Fund	-	-	-	-	-	236,093,033
3	IBBL Mudaraba Perpetual Bond	-	55,915	55,915	966.67	54,051,240	54,051,240
4	Islami Bank Bangladesh Ltd.	-	-	-	-	-	3,773,943
5	Popular Life First Mutual Fund	1,038,526	-	1,038,526	7.01	7,284,124	10,000,000
6	Olympic Industries Ltd.	100,000	35,000	135,000	288.57	38,957,269	-
7	Prime Bank Ltd.	61,600	-	61,600	32.68	2,012,905	2,012,905
8	Pubali Bank Ltd.	25,515	-	25,515	39.10	997,688	997,688
9	Square Pharmaceuticals Ltd.	266	-	266	154.23	41,026	589,631
10	Summit Power Ltd.	314,637	-	314,637	45.69	14,375,320	14,375,320
11	Social Islami Bank Ltd.	-	-	-	-	-	6,113,610
12	Padma Oil Co. Ltd.	-	3,000	3,000	350.47	1,051,416	1,051,956
13	IT Consultants Ltd. (ITCL)	2,080,000	-	2,080,000	8.36	17,391,304	18,843,870
14	LR Global Bangladesh Mutual Fund One	6,554,016	-	6,554,016	9.64	63,205,696	36,789,728
15	Trust Bank 1st Mutual Fund	4,303,720	-	4,303,720	7.03	30,258,555	63,205,696
16	OIMEX Electrode Ltd.	7,128	-	7,128	9.09	64,800	-
17	Golden Harvest Agro Industries Ltd.	-	3,319	3,319	53.87	178,801	-
18	Nahee Aluminum Composite Panel Ltd.	6,847	-	6,847	9.09	62,246	-
19	The ACME Laboratories Ltd.	5,000	-	5,000	119.48	597,406	-
						<b>230,529,796</b>	<b>496,968,619</b>

Provision for Investment and Securities has been shown separately in note no. "12 - Other Liabilities"

#### 6.4.2 Unlisted Securities

##### Ordinary Share

CAPM Unit Fund

Central Depository Bangladesh Limited (CDBL)

SWIFT

31.12.2017  
Taka

31.12.2016  
Taka

10,000,000

10,000,000

4,708,330

4,708,330

3,354,327

3,354,327

**18,062,657**

**18,062,657**

#### 6.4.3 Investment in Corporate Bonds

##### Under Conventional Banking

Rate of Interest  
/Profit

Prime Bank Ltd. Subordinated Bond

11.50%

-

65,000,000

Dhaka Bank Ltd. Subordinated Bond

11.65%

-

20,000,000

National Bank Ltd. Subordinated Bond

11.50%

-

20,480,000

Al-Arafa Islamic Bank Ltd. Subordinated Bond

10.50%

400,000,000

400,000,000

MTBL Partly Convertible Subordinated Bond

12.00%

-

55,000,000

One Bank Limited Subordinate Bond

8.60%

400,000,000

400,000,000

SIBL Non-Convertible Zero Coupon Bond

8.25%

500,000,000

-

Exim Bank Ltd. Subordinated Bond

7.75%

500,000,000

-

UCBL 3RD Subordinated Bond

8.25%

500,000,000

-

**2,300,000,000**

**960,480,000**

##### Under Islamic Banking

Al-Arafa Islamic Bank Ltd. Subordinated Bond 10.50%

200,000,000

200,000,000

**2,500,000,000**

**1,160,480,000**

#### 6.5 Remaining maturity grouping of Investments

##### On demand

4,354,400

3,905,100

Upto 1 month

5,786,285,780

7,424,834,100

Over 1 month but not more than 3 months

713,947,623

793,967,399

Over 3 months but not more than 1 Year

8,613,320,748

7,796,835,792

Over 1 Year but not more than 5 Years

4,702,302,529

5,465,594,086

Over 5 Years

8,725,251,438

9,253,870,247

**28,545,462,518**

**30,739,006,724**

**LOANS AND ADVANCES/ISLAMI BANKING INVESTMENTS****Loans And Advances Under Conventional Banking**

	31.12.2017 Taka	31.12.2016 Taka
Repair & Recon. of Dwelling House (RRDH)	1,859,984,574	3,301,484,923
Consumer Durable Scheme Loans (CDS)	782,424	2,395,972
Marriage Loans (ML)	438,972,615	703,642,944
Car Loans (CL)	80,653,846	77,626,717
House Building Loans (HBL)	7,236,641,860	5,704,032,162
Term Loans	58,323,309,132	55,686,305,713
Other Retail Loans	2,876,624,787	2,579,422,674
Time Loan	24,245,937,903	16,046,874,680
Other Loans	31,591,619,887	14,589,656,653
Staff Loans	1,045,553,005	893,694,841
Loans against Credit Card	274,786,159	166,689,274
Loans against Trust Receipts (LTR)	5,746,126,511	4,223,179,204
Payment Against Documents (PAD)	2,355,493,563	3,255,772,503
Packing Credit (Loan agt. Packing Credit)	96,597,683	136,655,338
	<b>136,173,083,949</b>	<b>107,367,433,598</b>

**Loans And Advances under Islamic Banking**

Bai-Muajjal	7,498,225,387	4,281,912,957
Hire Purchase under Shirkatul Melk	1,111,755,979	798,039,682
IHSAN Apartment Purchase Scheme	181,254,850	81,617,973
BARAKAT Home Construction Scheme	137,399,964	90,516,096
BARAKAT Car Scheme	7,181,691	5,754,294
HPSM-Real Estate	951,290,693	405,448,401
Murabaha TR	2,827,593,069	1,627,683,894
Bai-Salam	31,926,164	88,011,187
Household Durable & others scheme	1,892,495	1,414,099
TIB House Build. Inv. for Rtd. Def. Officer (M)	4,838,842	-
TIB House Building Scheme-HBL (RM)	11,259,101	11,875,101
TIB Household Durable Scheme( Household Durable)	540,795	1,075,931
TIB Car Scheme(Car Loan)	1,179,972	-
HPSM General	3,281,143,420	2,760,595,693
Barkat Doctors Scheme	3,304,603	1,004,055
MIB- EDF - TIB	838,583,376	1,244,416,663
Trust Nibash	6,138,816	480,705
Trust Power	22,228,765	13,094,983
Baim WES/Doc Bills	38,236,385	-
	<b>16,955,974,367</b>	<b>11,412,941,714</b>

**Cash Credit**

Cash Credit	1,754,505,269	1,184,444,872
Cash Collateral	5,284,646,967	2,146,720,142
	<b>7,039,152,236</b>	<b>3,331,165,014</b>

**Overdraft**

Overdrafts	18,754,589,333	11,488,004,554
Secured Overdrafts	1,618,050,022	5,042,371,622
	<b>20,372,639,355</b>	<b>16,530,376,176</b>

**Total Loans, Cash Credits and Overdrafts**

	<b>180,540,849,907</b>	<b>138,641,916,502</b>
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			31.12.2017 Taka	31.12.2016 Taka
<b>Bills Purchased and Discounted</b>				
Under Conventional banking	Note-7.6		3,907,564,837	2,926,709,092
Under Islamic banking			462,288,610	418,807,719
			<b>4,369,853,447</b>	<b>3,345,516,811</b>
			<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.1 Residual maturity grouping of Loans and Advances including Bills Purchased and Discounted</b>				
Repayable on demand			12,224,240,746	7,343,369,851
Not more than 3 months			71,363,889,724	48,009,049,941
More than 3 months but not more than 1 Year			53,811,328,885	48,349,541,482
More than 1 Year but not more than 5 Years			34,991,618,320	28,333,716,242
More than 5 Years			12,519,625,679	9,951,755,797
			<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.2 Loans and Advances including Bills Purchased and Discounted Inside Bangladesh</b>				
Loans			153,129,058,316	118,780,375,312
Cash Credit			7,039,152,236	3,331,165,014
Overdraft			20,372,639,355	16,530,376,176
Bills purchased and discounted			4,369,853,447	3,345,516,811
			<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>Outside Bangladesh</b>			-	-
			<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.3 Loans and Advances on the basis of significant concentration</b>				
<b>7.3.1 Advances to Directors and Others</b>				
Advance to Directors and their allied concerns			21,886,339	357,606,100
Advances to CEO and Senior Executives			168,409,275	195,165,818
Advances to Customers (Group wise)			95,306,762,275	44,931,290,829
Industrial Advances ( Project finance)			20,557,957,123	23,385,382,797
Other Staff Loan			877,143,730	698,529,023
Other Customers			67,978,544,612	72,419,458,746
			<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.3.2 Disclosure of Large Loan</b>				
As per BRPD Circular No. 5 dated 9 April 2005 issued by Bangladesh Bank, disclosure on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under:				
Total Capital			20,435,434,087	19,458,323,810
Total Loans and Advances			97,685,047,815	67,977,866,439
No. of Customers			32	29
Classified amount thereon			Nil	Nil
Measures taken for recovery of classified loans:			N/A	N/A



Single Borrower Exposure Limit has been calculated on the basis of total eligible capital as on 31 December 2017 according to BRPD Circular 02, dated 16 January 2014.

### Details of Large Loans

SL #	Name of the Client	CL Status	Outstanding Loan		Total 31.12.2017	Total 31.12.2016
			Funded	Non-Funded		
1	Pretty Sweater Ind. Ltd.	UC	2,769,649,789	2,297,478,764	5,067,128,553	4,698,723,568
2	Dhaka Northern Power Generations Ltd., Eastern Cement Industries Ltd., Doreen Power House & Technologies Ltd.	UC	2,889,796,068	1,263,907,078	4,153,703,146	4,576,818,522
3	Sena Kalyan Sangstha & allied	UC	3,477,826,356	2,561,323,700	6,039,150,056	4,235,834,398
4	Jolshiri Abashon	UC	3,171,912,854	-	3,171,912,854	3,786,292,901
5	Khulna Shipyard Ltd.	UC	-	3,661,215,760	3,661,215,760	3,617,879,544
6	Sena Hotel Development Ltd., Trust Transport Services	UC	3,836,893,169	1,652,726	3,838,545,895	2,990,098,857
7	SQ Celcius Limited & SQ Birichina Ltd.	UC	-	-	-	2,873,850,536
8	Masihata Sweaters Ltd., Mega Yarn Dyeing Mills Ltd.	UC	1,390,909,577	1,570,078,075	2,960,987,652	2,531,449,052
9	ASR Computerized Sweater (Ind.) Ltd., ASR Sweater Ltd., Golden Times Sweater & Dyeing (Ind.) Ltd	UC	1,187,727,212	876,139,849	2,063,867,061	2,530,105,027
10	Shah Cement Ind. Ltd., Abul Khair Steel Ind. Ltd., A.K. Corporation Ltd., Abul Khair Strip Processing Ltd., Abul Khair Steel Melting Ltd.	UC	1,428,858,327	1,526,844,581	2,955,702,908	2,467,105,890
11	Elegance Housing Society	UC	2,718,162,834	-	2,718,162,834	2,464,044,372
12	Divine Housing Society	UC	2,633,796,447	-	2,633,796,447	2,387,490,664
13	United Ashugonj Power Ltd., United Power Generation & Distribution Company Ltd., United Ashugonj Energy Ltd., United Enterprise & Co. Ltd., Neptune Commercial Ltd.	UC	1,842,677,902	202,730,900	2,045,408,802	2,057,878,335
14	Bangladesh Steel Re-rolling Mills Ltd., BSRM Steels Ltd., BISCO, BSRM Wires Ltd.	UC	1,959,114,146	1,346,229,713	3,305,343,859	1,906,290,321
15	The ACME Laboratories Ltd.	UC	-	-	-	1,892,051,437
16	Santana Enterprise	UC	-	-	-	1,876,963,154
17	KYCR Coil Industries Ltd., Steel Accessories Ltd., KDS Logistics Ltd.	UC	1,926,273,425	1,034,103,322	2,960,376,747	1,755,596,064
18	Sky Capital Airlines Ltd. & Blue Planet Knitwear Ltd.	UC	1,474,176,732	1,184,937,098	2,659,113,830	1,682,735,163
19	Zaber & Zubair Fabrics Ltd., Talha Spinning Mills Ltd., Yasmin Spinning Mills Ltd., Nice Denim Ltd., Zarba Textile Mills Ltd.	UC	1,566,099,065	928,526,900	2,494,625,965	1,678,255,530
20	Durable Plastic Ltd., Habigonj Agro Ltd., Mymensingh Agro Ltd., Sun Basic Chemicals Ltd.	UC	1,524,933,446	1,376,171,869	2,901,105,315	1,658,570,509
21	Danish Condensed Milk BD Ltd., Danish Milk Bangladesh Ltd., Danish Foods Ltd., Partex Cables Ltd.	UC	1,575,567,733	548,101,673	2,123,669,406	1,526,450,058
22	Desh Cambridge Kumargaon Power Company Ltd., Jadoo Media Limited, Desh Energy Chandpur Power Company Ltd.	UC	341,846,718	5,904,411,038	6,246,257,756	-
23	Wahid Construction Ltd.	UC	2,130,109,747	3,494,363,753	5,624,473,500	-
24	Abdul Monem Ltd.		2,654,146,610	2,277,139,102	4,931,285,712	-
25	BRAC	UC	2,808,622,185	1,539,178,984	4,347,801,169	-
26	China Harbour Engineering Co. Ltd.	UC	-	3,520,032,682	3,520,032,682	-
27	Dockyard & Engineering Works Ltd.	UC	-	3,241,676,836	3,241,676,836	-
28	Spectra Engineers Ltd.	UC	834,446,438	1,913,069,545	2,747,515,983	-
29	Bangladesh Machine Tools Factory Limited (BMTF)	UC	244,841,769	2,313,522,799	2,558,364,568	-
30	Summit Communications Ltd., Muhammed Farid Khan	UC	1,282,841,816	1,136,221,931	2,419,063,747	-
31	M/s. Friends Traders, AG Agro industries Ltd., AG Hi-Tech Ltd.	UC	1,079,439,909	1,132,842,042	2,212,281,951	-
32	Navana Rea Estatel Ltd. Navana Battery Ltd., Navana Renewable Energy Ltd. Group	UC	2,029,585,468	52,891,353	2,082,476,821	-
33	Shabab Fabrics Ltd.	UC	-	-	-	1,640,891,786
34	Masud & Brothers, Ruby Food Products Ltd.	UC	-	-	-	1,640,607,283
35	Barakatullah Electro Dynamics Ltd., Baraka Patenga Power Ltd., Royal Homes Ltd.	UC	-	-	-	1,637,792,736
36	Navana Real Estate Ltd., Navana Batteries Ltd., Navana Renewable Energy Ltd.	UC	-	-	-	1,612,440,613
37	7B Associates	UC	-	-	-	1,567,195,469
38	Anwar Group of Industries	UC	-	-	-	1,566,558,482
39	KSRM Steel Plant Ltd., Kabir Steel Re-rolling Mills Ltd., Kabir Steel Ltd.	UC	-	-	-	1,565,107,466
40	Nitol Motors Ltd.	UC	-	-	-	1,552,788,702
			<b>50,780,255,742</b>	<b>46,904,792,073</b>	<b>97,685,047,815</b>	<b>67,977,866,439</b>

### 7.3.3 Restructured Loans & Advances

According to Bangladesh Bank Circular no. 04 dated 29 January 2015 relating to Large Loan Restructuring, the term loans provided to Rising Steel Limited and Modern Steel Mills Limited have been restructured after getting approval from Bangladesh Bank against of which provision has been kept after treating the loans as SMA with additional 1% provision. Details of restructured loan is given in the following table:

Name of the Client	Nature of Loan	Restructure Date	Expiry Date	Limit	Outstanding
Rising Steel Limited	Term Loan	27-Dec-15	27-Dec-21	95,544,112	110,944,202
	Term Loan	27-Dec-15	27-Dec-21	1,237,212,826	1,436,144,368
Modern Steel Mills Limited	Term Loan	3-Sep-15	3-Sep-27	836,688,762	1,012,361,540
	Term Loan	3-Sep-15	3-Sep-21	221,695,247	261,348,777
<b>Total</b>				<b>2,391,140,947</b>	<b>2,820,798,887</b>

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### 7.3.4 Geographical location-wise concentration of Loans and Advances

#### Inside Bangladesh

Dhaka Division	137,226,043,870	106,846,888,592
Chittagong Division	30,954,140,388	23,553,900,595
Khulna Division	4,658,678,796	3,597,557,480
Sylhet Division	4,245,413,632	3,373,708,847
Rangpur Division	3,282,984,324	1,890,296,497
Barisal Division	212,028,932	176,967,235
Rajshahi Division	3,519,452,640	2,143,038,437
Mymensingh Division	811,960,772	405,075,630
	<b>184,910,703,354</b>	<b>141,987,433,313</b>

#### Outside Bangladesh

-	-
<b>184,910,703,354</b>	<b>141,987,433,313</b>

### 7.3.5 Industry-wise concentration of Loans and Advances

Agro & Fisheries	2,509,122,082	2,776,032,616
RMG	16,472,105,826	18,825,251,185
Textile	5,909,455,713	5,561,507,920
Food and allied industries (Edible Oil included)	10,335,105,810	5,314,536,849
Pharmaceutical industries	2,199,886,471	2,937,293,394
Chemical, fertilizer, etc.	2,368,609,137	1,434,359,965
Cement and ceramic industries	4,311,446,455	2,599,817,127
Ship building industries	-	608,520,840
Ship breaking industries	3,273,326,336	2,399,747,393
Power and gas	6,899,689,515	8,124,732,391
Other manufacturing or extractive industries (Rubber & Plastic, Paper, Steel Engineering & Metal Products included)	18,177,162,497	13,746,061,139
Service Industries (Telecom & ICT, Medical Service included)	16,353,188,878	8,604,712,803
Other Industry	2,698,754,746	2,211,945,529
Trade & Commerce	16,866,569,587	21,401,724,305

	31.12.2017 Taka	31.12.2016 Taka
Construction & Housing	34,416,221,243	25,387,621,707
Transport	2,245,164,268	1,181,019,622
Consumer Financing (Personal Services)	30,576,431,498	12,964,158,894
Loans to Financial Institution (NBFI & NGO included)	5,001,116,179	2,666,798,487
Miscellaneous (Others)	4,297,347,113	3,241,591,147
	<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.3.6 Nature wise Loans and Advances</b>		
Continuous	31,754,314,496	22,927,879,079
Demand Loan	46,778,185,938	32,319,146,149
Term Loans	105,072,740,476	85,581,031,147
Short Term Agri. Credit & Micro Credit	259,909,439	263,203,732
Staff Loan	1,045,553,005	896,173,206
	<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.4 Classification of Loans and Advances including Bills Purchased and Discounted</b>		
a Unclassified Loans and Advances (including staff loan)		
1 Consumer Financing (House Financing, HF)	8,137,063,438	9,232,715,914
2 Consumer Financing (Loans for Professional, LP)	4,673,111	6,992,298
3 Consumer Financing (Other than HF & LP)	4,097,075,507	8,925,344,945
4 Small & Medium Enterprise Financing (SMEF)	14,856,137,302	12,172,211,491
5 Loans to BHS/ MBs/ Sds against Shares etc.	40,931,392	62,509,812
6 All Other Credit	144,079,386,239	101,377,096,820
7 Short Term Agri Credit	256,844,175	259,954,954
8 Staff Loans	1,045,553,005	896,173,206
	172,517,664,169	132,932,999,440
b Special Mentioned Accounts	6,201,012,426	4,498,337,723
c Classified Loans and Advances		
1 Sub-Standard Loans and Advances	1,004,754,645	903,834,348
2 Doubtful Loans and Advances	613,156,610	638,421,004
3 Bad /Loss Loans and Advances	4,574,115,504	3,013,840,798
	6,192,026,759	4,556,096,150
	<b>184,910,703,354</b>	<b>141,987,433,313</b>
<b>7.5 Particulars of Loans and Advances</b>		
(I) Loans considered good in respect of which the bank is fully secured.	115,348,971,389	83,814,496,329
(ii) Loans considered good for which the bank holds no other security than the debtor's personal security.	2,349,398,333	2,655,054,222
(iii) Loans considered good and secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors.	54,819,294,447	46,463,448,889
(iv) Loans considered doubtful or bad not provided for	-	-
(v) Loans due by directors or officers of the bank or any of them either severally or jointly with any other person.	1,067,439,344	1,251,300,941

	31.12.2017 Taka	31.12.2016 Taka
(vi) Loans due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies as members.	-	-
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	1,067,439,344	1,251,300,941
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private company.	-	-
(ix) Due from Banking Companies.	-	-
(x) Amount of classified loan on which no interest has been charged:		-
a) Increase/(Decrease) in provision	1,041,149,020	760,195,709
Amount of loan written off	-	569,668,405
Amount realized against loan previously written off	-	-
b) Provision kept against loans classified as bad debts	2,119,396,702	1,372,676,565
c) Interest credited to interest Suspense Account	1,686,945,745	1,254,089,563
(xi) Cumulative amount of written off loans		
Opening Balance	569,698,405	-
Amount written off during the year	442,635,758	569,698,405
Amount (recovery) during the year	(58,500,711)	-
	<b>953,833,452</b>	<b>569,698,405</b>
The amount of written off loans for which law suit has been filed	<b>953,833,452</b>	<b>569,698,405</b>
<b>7.6 Bills purchased and discounted</b>		
Payable in Bangladesh	4,177,822,305	3,031,947,842
Payable out side Bangladesh	192,031,142	313,568,969
	<b>4,369,853,447</b>	<b>3,345,516,811</b>
<b>7.7 Remaining maturity grouping of bills purchased and discounted</b>		
Payable with in one month	2,131,234,665	1,627,824,343
Over one month but less than three months	1,865,730,533	1,428,384,942
Over three months but less than 01 year	372,888,249	289,307,526
More than 01 year	-	-
	<b>4,369,853,447</b>	<b>3,345,516,811</b>

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Taka

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## 7.8 Litigation filed by the Bank

As of the responding date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:

### Name of the Branch

Principal Branch	1,775,964	16,727,053
Sena Kalyan Bhaban Branch	62,132,830	86,554,204
Bogra Cantonment Branch	8,541,968	9,315,729
Chittagong Cantonment Branch	3,707,708	3,707,708
Rangpur Cantonment Branch	8,091,877	1,007,412
Jessore Cantonment Branch	6,870,178	21,723,125
Jalalabad Cantt. Branch	1,415,173	1,415,173
Agrabad Branch	89,050,458	237,525,479
SS Cantt. Branch	1,568,783	
Dhanmondi Branch	41,231,718	40,618,487
Gulshan Corporate Branch	49,188,598	49,348,804
Dilkusha Corporate Branch	2,598,989	12,271,439
RWGH Branch	25,550,701	24,671,058
KYAMCH Branch	28,370,723	3,089,141
CDA Avenue Branch	93,610,680	-
Sylhet Corp. Branch	13,330,509	13,301,654
Millennium Corporate Branch	29,876,924	29,876,924
Uttara Corporate Branch	154,398,307	133,036,907
Halishahar Branch	188,168,834	195,409,731
Beani Bazar Branch	28,548,335	34,941,839
Moulvibazar Branch	48,343,646	67,606,343
Goala Bazar Branch	5,674,731	4,607,685
Mirpur Branch	5,992,833	6,242,041
Karwan Bazar Branch	2,863,640	2,903,040
Joydevpur Branch	-	14,541,436
Joypara Branch	9,199,498	-
Narsingdi Branch	167,451,206	104,702,169
Jublee Road Branch	150,655,864	155,071,571
Shahjalal Upashohor Branch	3,547,160	4,897,160
Ashugonj Branch	4,674,503	4,674,503
Khulna Branch	383,675,977	12,188,169
Tongi Branch	6,750,117	-
Chowmohoni Branch	48,266,794	50,376,794
Cox's Bazar branch	3,237,750	3,530,258
Comilla Branch	7,050,000	-
Rajshahi Branch	2,122,295	1,041,471
Kadamtali Branch	25,805,147	-
Barisal Branch	1,216,204	-
Rajendrapur Branch	226,109	226,109
Elephant Road Branch	81,128,116	8,581,115
Dayarampur Branch	541,120	546,120
Khawja Garib Newas Avenue Branch	4,388,178	4,388,178
Kishoreganj Branch	12,492,158	-
Faridpur Branch	5,885,199	-
Mongla Branch	654,075	547,495

	31.12.2017 Taka	31.12.2016 Taka
Jahanabad Cantt Branch	1,699,922	1,863,661
BUSM Cantonment	2,385,873	3,054,261
Mohakhali Branch	3,452,791	-
Auliapur Branch	29,245,576	-
Dholikhal SME Service Centre	3,105,795	3,160,047
Mirerbazar SME/Krishi Branch	4,491,753	-
Madhobdi SME Branch	19,653,316	10,502,104
Madina Market Branch	4,063,205	4,063,204
Natore SME/ Krishi Branch	232,085	433,909
Manikganj SME/Krishi Branch	67,126,777	593,549
	<b>1,955,328,667</b>	<b>1,384,884,259</b>

## 7 (a) Consolidated Loans and Advances/Islami Banking Investments

### Loans And Advances

Trust Bank Limited	180,540,849,907	138,641,916,502
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	2,335,833,766	2,466,163,409
	182,876,683,673	141,108,079,911
Less : Inter Company Transaction	28,136	15,182,910
	<b>182,876,655,537</b>	<b>141,092,897,001</b>

### Bills purchased and discounted

Trust Bank Limited	4,369,853,447	3,345,516,811
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	-	-
	4,369,853,447	3,345,516,811
	<b>187,246,508,984</b>	<b>144,438,413,812</b>

## 8 FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES

### Cost

Leasehold Land	160,469	160,469
Office Building	12,680,000	12,680,000
Furniture and fixtures	221,449,238	213,329,351
Office equipment	914,128,424	891,565,175
Motor vehicles	79,048,827	79,837,795
Office renovation	590,852,432	570,330,886
	<b>1,818,319,390</b>	<b>1,767,903,676</b>
Less: Accumulated depreciation	Note- 8.1	1,114,259,286
	<b>704,060,104</b>	<b>802,073,813</b>

### 8.1 Accumulated depreciation

Leasehold Land	-	-
Office Building	2,773,056	2,519,016
Furniture and fixtures	96,450,313	83,236,554
Office equipment	704,799,064	612,843,787
Motor vehicles	65,226,574	66,832,169
Office renovation	245,010,279	200,398,337
	<b>1,114,259,286</b>	<b>965,829,863</b>

For details please refer to Annexure - B



		31.12.2017 Taka	31.12.2016 Taka
<b>8 (a)</b>	<b>Consolidated Fixed assets including premises, furniture and fixtures</b>		
	Trust Bank Limited Note - 8	704,060,104	802,073,813
	Trust Bank Securities Limited	963,099	1,534,871
	Trust Bank Investment Limited	7,845,275	9,214,067
		<b>712,868,478</b>	<b>812,822,751</b>
<b>9</b>	<b>OTHER ASSETS</b>		
<b>i)</b>	<b>Investment in shares of Subsidiary Companies</b>		
	In Bangladesh	3,349,999,290	3,349,999,290
	Outside Bangladesh	-	-
ii)	Stationery, stamps, printing materials in stock etc.;	28,489,443	23,948,837
iii)	Advance Rent and Advertisement	250,948,410	348,641,514
iv)	Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable; Note - 9.1	533,326,638	553,311,631
v)	Security Deposits	12,461,693	12,658,758
vi)	Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses; Note - 9.2	44,091,082	44,323,661
vii)	Branch Adjusting (net)	-	-
viii)	Suspense Account	481,728,277	42,147,431
ix)	Silver	-	-
x)	Others Note - 9.3	1,207,886,521	987,834,006
		<b>5,908,931,354</b>	<b>5,362,865,128</b>

**9.1 Interest/Profit accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable;**

Interest accrued on investments and deposits	Note - 9.1.1	487,231,902	530,913,299
Interest accrued on Loans & advances		8,238,564	-
Commission Receivable on SP, WEDB & Passport Fees		37,856,172	22,398,332
		<b>533,326,638</b>	<b>553,311,631</b>
<b>9.1.1 Interest accrued on investments and deposits</b>			
Interest/Profit accrued on Fixed Deposits/ MTDR	Note - 9.1.1.1	34,029,723	41,962,547
Interest accrued on Money at Call		-	293,125
Interest accrued Corporate Bonds		29,178,150	30,161,290
Income Receivable on Investment in Commercial Paper		-	-
Interest accrued on Government Treasury Bond		424,024,029	455,069,255
Dividend Receivable from Non-Listed Companies		-	3,427,082
		<b>487,231,902</b>	<b>530,913,299</b>

		31.12.2017 Taka	31.12.2016 Taka
<b>9.1.1.1 Interest/Profit accrued on Fixed Deposits/MTDR</b>			
Interest accrued on Fixed Deposits		34,029,723	41,962,547
Profit accrued on MTDR		-	-
		<b>34,029,723</b>	<b>41,962,547</b>
<b>9.1.2 Interest accrued on Loans &amp; advances</b>			
Interest accrued on Conventional Loans & advances		-	-
Profit Receivable on TIB Investment		-	-
		-	-
<b>9.2 Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses;</b>			
Pre-opening Expenses		-	-
Prepaid Expenses		44,091,082	44,323,661
		<b>44,091,082</b>	<b>44,323,661</b>
<b>9.3 Others</b>			
Deferred Tax Asset	Note-9.3.1	136,268,150	112,042,456
Intangible Assets		11,229,330	19,165,447
Encashment of Sanchaya patra awaiting reimbursement -Principal		636,617,028	432,304,451
Encashment of Sanchaya patra awaiting reimbursement -Interest		271,177,755	313,385,519
Encashment of WEDB awaiting reimbursement-Principal		17,316,250	7,968,350
Encashment of WEDB awaiting reimbursement-Interest		67,930,101	29,335,345
US\$ Premium Bond - Principal		831,500	7,970,000
US\$ Premium Bond - Interest		3,831,550	393,788
US\$ Investment Bond - Principal		16,837,875	1,115,800
US\$ Investment Bond - Interest		4,092,435	1,463,491
Advance against Capital Expenditure		14,321,237	15,202,389
Clearing Adjustment		15,572,344	16,507,046
Receivable from Exchange House		11,860,966	30,979,924
		<b>1,207,886,521</b>	<b>987,834,006</b>
<b>9.3.1 Deferred Tax Asset</b>			
Balance as on 1 January	Note-9.3.1.1	112,042,456	86,743,623
Addition during the year		24,225,694	25,298,833
Closing Balance		<b>136,268,150</b>	<b>112,042,456</b>

**9.3.1.1** As per BRPD Circular # 11 Dated: 12 December 2011 regarding accounting for Deferred Tax policy are as follows:

Particulars	Book Value	Tax Base	(Deductible)/Taxable Temporary Differences	Deferred Tax (Assets)/Liability
Fixed Assets	802,073,807	1,082,179,946	(280,106,139)	(112,042,456)

**9.3.1.2 Position of Deferred Tax as at 31 December 2017**

	31.12.2017 Taka	31.12.2016 Taka
Deferred Tax Asset	112,042,456	86,743,623
Deferred Tax Liability	-	-
Net Deferred Tax Assets	<b>112,042,456</b>	<b>86,743,623</b>
Increase of deferred Tax Assets recognized in to the P&L Account	24,225,694	25,298,833
Decreased of deferred Tax Liability recognized in to the P&L Account	-	-
Total Deferred tax Income recognized into P&L Account during the period	<b>136,268,150</b>	<b>112,042,456</b>

Trust Bank Limited recognize deferred tax asset/liability where it has identified a taxable temporary difference between an asset's or liability's carrying amount for accounting purposes and its value for tax purposes. A deferred tax liability arises where the carrying amount of an assets/(Liability) for accounting purposes is greeter (less) than its tax value as per BAS -12 of 12.15 A deferred tax assets arises where the carrying amount of an assets/(Liability) for accounting purposes is less(greater) than its tax value.

**9.3.1.3** To maintain the deferred tax Asset of Tk.136,268,150 as on 31 December 2017, a deferred tax Income of Tk.24,225,694 has been made for the year ended 30 June 2017 as per BAS-12 - Income Taxes.

**9.3.1 (a) Consolidated Deferred Tax Asset**

Trust Bank Limited	Note-9.3.1	136,268,150	112,042,456
Trust Bank Securities Limited		236,085	258,792
Trust Bank Investment Limited		1,765,412	1,780,244
		<b>138,269,647</b>	<b>114,081,492</b>

**9.4 Break-up of Other Assets**

Income generating other assets	3,349,999,290	3,349,999,290
Non income generating other asset	2,558,932,064	2,012,865,838
	<b>5,908,931,354</b>	<b>5,362,865,128</b>

**9.5 As on 31 December 2017, there were no outstanding balance with inter Branch adjustment Account of the Bank, Hence no disclouser is provided here.**

**9.6 Provision for other asset has been made @ 50% for prepaid legal expenses against unsettled suit on reporting date as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank and shown in Note # 12.2 under Other Liability.**

**9 (a) Consolidated other assets**

Note-9

Trust Bank Limited	5,908,931,354	5,362,865,128
Trust Bank Securities Limited	350,277,091	362,031,559
Trust Bank Investment Limited	51,668,494	39,308,505
	6,310,876,939	5,764,205,192
Less: Investment in Subsidiaries Company.	3,349,999,290	3,349,999,290
	<b>2,960,877,649</b>	<b>2,414,205,902</b>

## 10 BORROWINGS FROM OTHER BANKS, FINANCIAL INSTITUTIONS AND AGENTS

### In Bangladesh

#### Call loans

Call Loan from Banks	-	-
Call Loan from Leasing Co.	-	-
Call Loan from Insurance Co.	-	-
Call Loan from Other Institutions	-	-

#### Other Borrowings

Borrowing from Bangladesh Bank - EDF	2,433,973,483	3,457,147,983
Borrowing from SME Foundation	5,750,000	11,500,000
Borrowing from Bangladesh Bank - IPFF	5,503,146,148	5,566,706,204
Borrowing from Bangladesh Bank - IPFF (BDT)	1,405,150,827	1,129,296,783
Borrowing from JICA A/c	1,165,612	4,822,119
Trust Bank Subordinated Bond	400,000,000	800,000,000
Trust Bank Limited Subordinated Bond II	1,600,000,000	2,000,000,000
Trust Bank Limited Subordinated Bond III	4,000,000,000	4,000,000,000
Borrowing from Bangladesh Bank - LTFF (USD)	383,025,042	-
Borrowing From Bangladesh Bank-EDF (USD)-TIB	540,737,943	562,795,082
Borrowing from Offshore Unit	156,960,122	141,557,045
Bangladesh Bank: Re-finance	106,831,197	269,466,436
	<b>16,536,740,374</b>	<b>17,943,291,652</b>

### Outside Bangladesh

	-	-
	<b>16,536,740,374</b>	<b>17,943,291,652</b>

As per Bangladesh Bank letter ref # BRPD (BIC)661/14B(P)/2011-264 dated: May 31, 2011 & Guidelines on Risk Based Capital Adequacy ( December 2010){ Annex A}: Unsecured Subordinated Non-Convertible Bond shown as long term borrowings.

#### **Unsecured Subordinated Non-Convertible Bond (I ,II & III)**

Trust Bank Limited Issued Three Unsecured Subordinated Non-Convertible Bond of Taka 2,000,000,000, Taka 2,000,000,000 and Taka 4,000,000,000 respectively for a term of Seven (7) years to strengthen the capital base of the Bank. First Bond issued on October 2011, Second Bond issued on September 2014 and Third Bond issued on October 2016 on the consent of SEC vide letter ref # SEC/CI/CPLC-48/2001-339 date: May 03, 2011 & BSEC/CI/DS-211/2014/444 dated June 24, 2014 & Bangladesh Bank permission letter ref # BRPD (BIC)661/14B(P)/2011-264 dated May 31, 2011 & BRPD (BIC)661/14B(P)/2014/4723 dated July 21, 2014. The interest rate of first two bonds are 12.5% per annum and for the last bond issued at floating rate of interest, at present the rate is 8.60%. 80% repayment of First Bond already paid on 30 October 2014, 30 October 2015, 30 October 2016 and 30 October 2017 @ 20% for each year to the respective Bond holders. First repayment of second Bond already paid on 6 September 2017 @ 20% to the respective Bond holders. The repayment of last Bond will start after three years from the date of issue of the bond.

### 10.1 Security wise borrowings

Secured Borrowings	-	-
Unsecured Borrowings	16,536,740,374	17,943,291,652
	<b>16,536,740,374</b>	<b>17,943,291,652</b>

**10.2 Repayment nature wise borrowings**

Repayment on Demand  
Others

31.12.2017 Taka	31.12.2016 Taka
-	-
16,536,740,374	17,943,291,652
<b>16,536,740,374</b>	<b>17,943,291,652</b>

**10.3 Remaining maturity grouping of Borrowings from other banks, financial institutions and agents****Payable**

On demand

Upto 1 month

Over 1 month but within 3 months

Over 3 months but within 1 Year

Over 1 Year but within 5 Years

Over 5 Years

-	-
2,961,324,540	3,092,010,006
3,846,204,069	4,015,939,931
4,354,357,994	4,652,771,516
4,574,853,771	3,382,570,199
800,000,000	2,800,000,000
<b>16,536,740,374</b>	<b>17,943,291,652</b>

**10 (a) Consolidated borrowings from other Banks, financial institutions and agents**

Trust Bank Limited

Note - 10

Trust Bank Securities Limited

Trust Bank Investment Limited

Less: Inter company transaction

16,536,740,374	17,943,291,652
-	-
29,248,720	26,459,602.00
16,565,989,094	17,969,751,254
28,136	15,182,910.00
<b>16,565,960,958</b>	<b>17,954,568,344</b>

**11 DEPOSITS AND OTHER ACCOUNTS**

Current / Al-wadeeah Current Accounts and other Accounts

Note - 11.2

Bills Payable

Note - 11.3

Savings Bank Deposits/Mudaraba Savings Deposits

Note - 11.4

Fixed Deposits/Mudaraba Term Deposits

Note - 11.5

28,351,664,343	21,092,722,745
2,685,106,501	2,843,870,218
28,898,709,201	24,167,087,940
140,517,973,798	124,956,200,748
<b>200,453,453,843</b>	<b>173,059,881,651</b>

**11.1 Remaining maturity grouping of Deposits and other accounts**

Inside Bangladesh Payable	Banks	Other than Banks	31-Dec-17	31-Dec-16
Repayable on Demand	298,394,774	38,064,351,223	38,362,745,997	19,563,527,212
Repayable within 1 month	652,105,586	32,508,947,136	33,161,052,722	31,367,993,376
Over 1 month but within 6 months		46,986,800,304	46,986,800,304	46,809,340,809
Over 6 months but within 1 Year		23,173,321,343	23,173,321,343	23,456,037,393
Over 1 Year but within 5 Years		25,228,406,669	25,228,406,669	23,457,613,713
Over 5 Years		33,541,126,808	33,541,126,808	28,405,369,148
	<b>950,500,360</b>	<b>199,502,953,483</b>	<b>200,453,453,843</b>	<b>173,059,881,651</b>
Outside Bangladesh	-	-	-	-
	<b>950,500,360</b>	<b>199,502,953,483</b>	<b>200,453,453,843</b>	<b>173,059,881,651</b>

		31.12.2017 Taka	31.12.2016 Taka	
<b>11.2</b>	<b>Current / Al-wadeeah Current Accounts and other Accounts</b>			
	Under Conventional Banking	Note - 11.2.1	27,402,542,850	19,892,357,429
	Under Islamic Banking	Note - 11.2.2	949,121,493	1,200,365,316
			<b>28,351,664,343</b>	<b>21,092,722,745</b>
<b>11.2.1</b>	<b>Under Conventional Banking</b>			
	Current Account		17,615,316,256	13,839,720,976
	Other Accounts	Note - 11.2.3	9,787,226,594	6,052,636,453
			<b>27,402,542,850</b>	<b>19,892,357,429</b>
<b>11.2.2</b>	<b>Under Islamic Banking</b>			
	Al-wadeeah Current Accounts		267,242,768	343,064,727
	Foreign Currency Deposits		132,836,703	9,243,543
	Sundry Deposits		393,794,930	725,401,110
	Profit payable on Deposits		155,247,092	122,655,936
			<b>949,121,493</b>	<b>1,200,365,316</b>
<b>11.2.3</b>	<b>Other Accounts</b>			
	Foreign Currency Deposits		6,507,633,542	3,471,953,642
	Interest Payable on Deposits		1,099,983,253	1,308,455,713
	Sundry Deposits		2,179,609,799	1,272,227,098
			<b>9,787,226,594</b>	<b>6,052,636,453</b>
<b>11.3</b>	<b>Bills Payable</b>			
	<b>Under Conventional Banking</b>			
	Demand Draft payable		4,198,720	4,238,068
	Pay Order payable		2,678,942,837	2,838,748,607
			2,683,141,557	2,842,986,675
	<b>Under Islamic Banking</b>			
	Demand Draft payable		-	-
	Pay Order payable		1,964,944	883,543
			1,964,944	883,543
			<b>2,685,106,501</b>	<b>2,843,870,218</b>
<b>11.4</b>	<b>Savings Bank Deposits/Mudaraba Savings Deposits</b>			
	Savings Bank Deposits		27,115,630,364	22,806,434,565
	Mudaraba Savings Deposits		1,783,078,837	1,360,653,375
			<b>28,898,709,201</b>	<b>24,167,087,940</b>
<b>11.5</b>	<b>Fixed Deposits/Mudaraba Term Deposits</b>			
<b>11.5.1</b>	<b>Under Conventional Banking</b>			
	Fixed Deposits		83,375,609,402	87,922,002,788
	Short Notice Deposits		26,373,853,804	17,576,603,585
	Scheme Deposits		15,197,385,863	8,221,292,943
			<b>124,946,849,069</b>	<b>113,719,899,316</b>



### 11.5.2 Under Islamic Banking

Mudaraba Term Deposits  
Mudaraba Short Notice Deposits  
Mudaraba Scheme Deposits

31.12.2017 Taka	31.12.2016 Taka
14,148,448,900	10,267,269,577
210,306,779	97,630,224
1,212,369,050	871,401,631
<b>15,571,124,729</b>	<b>11,236,301,432</b>
<b>140,517,973,798</b>	<b>124,956,200,748</b>

### 11.5.3 Fixed Deposits

	Banks	Other than Banks		
One month	-	3,057,471,900	3,057,471,900	1,530,361,977
Two months	-	-	-	-
Three months	500,000,000	39,303,325,566	39,803,325,566	41,973,763,388
Six months	-	7,296,800,802	7,296,800,802	7,091,263,774
One year	-	18,459,761,085	18,459,761,085	24,120,533,160
Two years	-	89,526,514	89,526,514	43,001,981
Three years	-	435,531,186	435,531,186	283,878,261
Four years	-	1,018,047	1,018,047	34,851
Five Years	-	52,083,899	52,083,899	42,440,739
More than five years	-	14,180,090,403	14,180,090,403	12,836,724,657
	<b>500,000,000</b>	<b>82,875,609,402</b>	<b>83,375,609,402</b>	<b>87,922,002,788</b>

#### 11.5.3.a Mudaraba Term Deposits

	Banks	Other than Banks		
One month	-	79,455,764	79,455,764	69,355,929
Three months	-	8,256,029,149	8,256,029,149	7,163,066,717
Six months	-	787,739,648	787,739,648	787,652,554
One year	-	4,973,706,646	4,973,706,646	2,224,129,334
Three years	-	48,791,304	48,791,304	20,032,679
Five Years	-	2,726,390	2,726,390	3,032,364
More than five years	-	-	-	-
	-	<b>14,148,448,900</b>	<b>14,148,448,900</b>	<b>10,267,269,577</b>

### 11.6 Geographical location-wise concentration of Deposits & Other Accounts

#### Inside Bangladesh

Dhaka Division	150,281,109,591	125,338,856,180
Chittagong Division	25,893,923,011	24,230,490,368
Khulna Division	7,214,287,903	7,443,484,189
Sylhet Division	6,386,500,232	6,198,851,554
Rangpur Division	3,144,626,391	2,900,227,721
Barisal Division	421,426,590	397,503,079
Rajshahi Division	6,072,103,441	5,602,948,301
Mymensingh Division	1,039,476,684	947,520,259
	<b>200,453,453,843</b>	<b>173,059,881,651</b>
<b>Outside Bangladesh</b>	-	-
	<b>200,453,453,843</b>	<b>173,059,881,651</b>

**11.7 Sector-wise deposits**

	31.12.2017 Taka	31.12.2016 Taka
Government	14,619,458,489	11,909,347,547
Deposit money banks	800,626,660	310,194,176
Other public	7,782,987,757	7,981,429,587
Private	169,354,680,347	147,946,601,507
Foreign Currency Deposits	6,640,470,245	3,481,197,185
Interest Payable on Deposits	1,255,230,345	1,431,111,649
	<b>200,453,453,843</b>	<b>173,059,881,651</b>

**11 (a) CONSOLIDATED DEPOSITS AND OTHER ACCOUNTS**

Current / Al-wadeeah Current Accounts and other Accounts

Trust Bank Limited	28,351,664,343	21,092,722,745
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	85,728,241	114,154,207.00
	28,437,392,584	21,206,876,952
Less : Inter Company Transaction	264,987,195	435,590,048.00
	28,172,405,389	20,771,286,904
Bills Payable	2,685,106,501	2,843,870,218
Savings Bank Deposits/Mudaraba Savings Deposits	28,898,709,201	24,167,087,940
Fixed Deposits/Mudaraba Term Deposits	140,517,973,798	124,956,200,748
	<b>200,274,194,889</b>	<b>172,738,445,810</b>

**12 OTHER LIABILITIES**

Provision for Loans and Advances	Note - 12.1	5,650,000,000	4,130,027,000
Provision for Investment	Note - 12.2	2,858,076	5,973,518
Provision for other asset	Note - 12.3	17,092,405	14,769,095
Provision for CSR Fund	Note - 12.4	120,000,000	120,000,000
Rebate of Interest	Note - 12.5	49,996,778	35,000,000
Unearned profit on TIB Investment		316,391,752	254,502,119
Interest Suspense Account	Note - 12.6	1,686,945,745	1,254,089,563
Provision for Income Tax Less Advance			
Income Tax	Note - 12.7	1,777,836,867	1,196,690,745
Interest Payable on Borrowings		143,113,727	165,611,639
Accrued Expenses		176,277,139	383,251,062
Audit Fees Payable		575,000	431,250
Sundry Creditors		690,425,752	434,785,082
Compensation Fund Account	Note - 12.7.2	15,581,619	61,660,899
Others		21,157,088	6,386,811
		<b>10,668,251,948</b>	<b>8,063,178,783</b>

**12.1 Provision for Loans and Advances/Islami Banking Investments****Specific Provision**

Against Classified Loans & Advances	2,383,362,000	1,694,673,290
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**General Provision**

Against Unclassified Loans & Advances	2,210,301,500	1,738,001,505
Against Special Mention Accounts	203,956,000	83,073,705
Against Off Balance Sheet Exposures	852,380,500	614,278,500
	3,266,638,000	2,435,353,710
	<b>5,650,000,000</b>	<b>4,130,027,000</b>

### 12.1.1 Against Classified Loans & Advances

Provision held on 1 January
Fully provided debts written off
Recoveries from previously written off debts
Provisions made during the year
Net Charge to the Profit Loss Account
Provision held at end of year

31.12.2017 Taka	31.12.2016 Taka
1,694,673,290	1,455,151,000
(410,961,021)	(520,673,419)
58,500,711	-
1,041,149,020	760,195,709
688,688,710	239,522,290
<b>2,383,362,000</b>	<b>1,694,673,290</b>

### 12.1.2 Against Unclassified Loans & Advances

Provision held on 1 January
Provisions made during the year
Provision held at end of year

1,738,001,505	1,534,269,000
472,299,995	203,732,505
<b>2,210,301,500</b>	<b>1,738,001,505</b>

### 12.1.3 Against Special Mention Accounts

Provision held on 1 January
Provisions made during the year
Provision held at end of year

83,073,705	90,370,000
120,882,295	(7,296,295)
<b>203,956,000</b>	<b>83,073,705</b>

### 12.1.4 Required Provision against Loans and Advances

Particulars	Base for Provision	Rate	31-Dec-17	31-Dec-16
Unclassified				
a. Consumer Financing (House Financing)	8,137,063,438	1.00%	81,370,634	184,654,318
b. Consumer Financing (Loans to Professional)	4,673,111	2.00%	93,462	139,846
c. Consumer Financing ( Other than a & b)	4,097,075,507	5.00%	198,055,097	446,267,247
d. Small & Medium Enterprise Financing	14,856,137,302	0.25%	37,140,343	30,430,529
e. Loans to BHs/ MBs/ Sds against Shares etc.	40,931,392	2.00%	818,628	1,250,196
f. Short Term Agriculture & Micro Credit	256,844,175	1.00%	2,568,442	6,498,874
g. All other Credit	144,079,156,158	1.00%	1,440,791,562	1,013,770,968
	171,471,881,083		1,760,838,168	1,683,011,978
Special Mention Account				
a. Consumer Financing (House Financing)	272,365,330	1.00%	2,723,653	7,551,593
b. Consumer Financing (Loans to Professional)	742,625	2.00%	14,853	-
c. Consumer Financing ( Other than a & b)	96,500,830	5.00%	4,669,429	5,294,613
d. Small & Medium Enterprise Financing	397,024,125	0.25%	992,560	1,176,249
e. Loans to BHs/ MBs/ Sds against Shares etc.	-	2.00%	-	-
f. Short Term Agriculture & Micro Credit	-	2.50%	-	-
g. All other Credit	5,434,379,515	1.00%	54,343,795	35,443,661
	6,201,012,425		62,744,290	49,466,116
Classified				
a. Substandard				
i. Short Term Agri Credit & Micro Credit	2,053,670	5.00%	102,684	126,962
ii. Other than Short Term Agri Credit & Micro Credit	540,271,088	20.00%	108,054,218	115,489,189
b. Doubtful				
i. Short Term Agri Credit & Micro Credit	253,621	5.00%	12,681	15,187
ii. Other than Short Term Agri Credit & Micro Credit	311,586,226	50.00%	155,793,113	206,365,387
c. Bad/Loss	2,119,396,702	100.00%	2,119,396,702	1,372,676,565
	2,973,561,307		2,383,359,398	1,694,673,290
Additional 1% provision for restructured loans as per BRPD Circular No. - 04 dated 29.01.2015			28,208,000	26,601,522
Additional Provision to be kept as per BB Letter no./ BRPD (P-1)/661/13(Cha)/2017-731 dated 06.02.2017			248,428,100	-
Additional Provision to be kept as per BB Letter no./ BRPD (P-1)/661/13(Cha)/2017-2898 dated 15.05.2017			19,719,900	-
Additional Provision to be kept as per BB Letter no./ BRPD (P-1)/661/13(Cha)/2017-4975 dated 07.08.2017			165,845,000	-
Additional Provision to be kept as per BB Letter no./ BRPD (P-1)/661/13(Cha)/2016-478 dated 20.01.2016			104,624,815	-
Additional Provision to be kept as per BB Letter no./ BRPD (P-1)/661/13(Cha)/2016-557 dated 24.01.2016			-	7,004,705
Additional provision for a rescheduled Loan as per BRPD(P-1)/661/13(Cha)/2016-8276 dated 18.12.2016			8,012,000	32,035,510
	<b>180,646,454,815</b>		<b>4,781,779,671</b>	<b>3,492,793,121</b>

### 12.1.5 General Provision for Off Balance Sheet Exposures

	31.12.2017 Taka	31.12.2016 Taka
Provision held on 1 January	614,278,500	577,910,000
Provisions made during the year	238,102,000	36,368,500
	<b>852,380,500</b>	<b>614,278,500</b>

### 12.1 (a) Consolidated General Provision for Loans and Advances

Trust Bank Limited	3,266,638,000	2,435,353,710
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	316,396,159	142,454,044
	<b>3,583,034,159</b>	<b>2,577,807,754</b>

### 12.2 (a) Consolidated General Provision for Off Balance Sheet Exposures

Trust Bank Limited	852,380,500	614,278,500
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	605,300	605,300
	<b>852,985,800</b>	<b>614,883,800</b>

### 12.2 Provision for Investment

Cost price of holding of quoted shares and mutual funds (both close end and open end) as on 31 December 2017 is Tk.240,529,796 whereas the market price of these securities is Tk. 283,630,352 showing a profit on increase of market price Tk. 43,100,556.

As per DOS circular letter No. 03 issued on 12 March 2015, bank has to keep provision on mutual funds on the basis of

- Cost Price minus Market value or 85% of NAV at Market Price for close end mutual funds and
- Cost Price minus 95% of NAV at Market Price for open end mutual funds

Consequently, there is no required provision as per DOS circular letter No. 03 as on 31 December 2017.

Details workings relating to provision on Investment is given below:

SL #	Name of the Company	no. of shares	Average cost rate	Total Investment Cost Price	Market rate as on 31 Dec 2017	NAV at Market Value for MF	85% / 95% of NAVcm p of MF	Applicable Rate for Provision	Market Price	Aggregate Net off (Loss) / Gain	Value of MF / Share for Provision	Required Provision
1	Popular Life First Mutual Fund	1,038,526	7.01	7,284,124	6.20	12.12	10.30	10.30	6,438,861	(845,263)	10,698,895	-
2	Trust Bank 1st Mutual Fund	4,303,720	7.03	30,258,555	6.70	12.60	10.71	10.71	28,834,924	(1,423,631)	46,092,841	-
3	LR Global Bangladesh Mutual Fund One	6,554,016	9.64	63,205,696	8.30	12.00	10.20	10.20	54,398,333	(8,807,363)	66,850,963	-
4	Capital & Asset Portfolio Management Unit Fund	100,000	100.00	10,000,000	100.00	117.78	111.89	100.00	10,000,000	-	10,000,000	-
	<b>Provision Required for Mutual Funds</b>											-
5	Prime Bank Ltd.	61,600	32.68	2,012,905	27.40				1,687,840	(325,065)	1,687,840	325,065
6	Pubali Bank Ltd	25,515	39.10	997,688	30.40				775,656	(222,032)	775,656	222,032
7	Square Pharmaceuticals Ltd.	266	154.23	41,026	301.80				80,279	39,253	80,279	(39,253)
8	Summit Power Ltd.	314,637	45.69	14,375,320	35.90				11,295,468	(3,079,852)	11,295,468	3,079,852
9	Olympic Industries Ltd.	135,000	288.57	38,957,269	288.30				38,920,500	(36,769)	38,920,500	36,769
10	IT Consultants Ltd.	2,080,000	8.36	17,391,304	35.50				73,840,000	56,448,696	73,840,000	(56,448,696)
11	The ACME Laboratories Ltd.	5,000	119.48	597,406	114.00				570,000	(27,406)	570,000	27,406
12	OIMEX Electrode Ltd.	7,128	9.09	64,800	65.20				464,746	399,946	464,746	(399,946)
13	Nahee Aluminum Composite Panel Ltd.	6,847	9.09	62,246	73.40				502,570	440,324	502,570	(440,324)
14	Golden Harvest Agro Industries Ltd.	3,319	53.87	178,801	42.10				139,730	(39,071)	139,730	39,071
15	IBBL Mudaraba Perpetual Bond	55,915	966.67	54,051,240	983.00				54,964,445	913,205	54,964,445	(913,205)
16	Padma Oil Co. Ltd.	3,000	350.47	1,051,416	239.00				717,000	(334,416)	717,000	334,416
	<b>Provision Required for Shares</b>											-
	<b>TOTAL</b>			<b>240,529,796</b>					<b>283,630,352</b>	<b>43,100,556</b>	<b>317,600,933</b>	-

	31.12.2017 Taka	31.12.2016 Taka
<b>12.2.1 Provision for Diminution in value of Investment</b>		
Balance on 1 January	5,973,518	16,676,159
Provisions made for Investment in Shares during the year	(3,115,442)	(8,298,923)
	2,858,076	8,377,236
Provision for decreased NAV of Trust Bank Securities Ltd	-	(2,403,718)
Closing Balance	<b>2,858,076</b>	<b>5,973,518</b>

Provision for decreased NAV of Trust Bank Securities Ltd. was made during the year 2015 due to negative retained earnings of the subsidiary company i.e., Trust Bank Securities Ltd. (TBSL). As 31 December 2016 the retained earnings of TBSL is positive, the said provision has been reversed.

<b>12.3 Provision for other asset</b>		
Balance on 1 January	14,769,095	13,228,225
Provisions made during the year	2,323,310	1,540,870
	<b>17,092,405</b>	<b>14,769,095</b>

<b>12.4 Provision for Special Reserve Fund</b>		
Special Reserve Fund (SRF) started Corporate Social Responsibility (CSR) activities from the year 2009. CSR activities includes humanitarian belief, disaster management, health care, education, training, green initiatives and environmental degradation. As per Bangladesh Bank GBCSRD Circular no. 04, dated 9 July 2015, at the beginning of the year, the fund has been allocated for education, health care, disaster management and for other activities @ 30%, 50%, 10% & 10% respectively and expensed over the year accordingly.		

<b>12.5 Rebate of interest payable to good borrowers</b>		
To comply BRPD Circular no. 6 Dated 19 March 2015, BRPD Circular no. 16 Dated 30 December 2015 and BRPD Circular Letter no. 03 dated 04 February 2016, the Bank has been accounted for the amount on lump sum basis as provision for incentive of Good Borrowers during the year 2017.		

<b>12.6 Interest Suspense Account</b>		
Balance on 1 January	1,254,089,563	881,025,457
Amount transferred during the year	1,036,506,978	1,121,704,144
Amount recovered during the year	(567,006,112)	(686,354,203)
Amount written off / waived during the year	(36,644,684)	(62,285,835)
<b>Balance at the end of the year</b>	<b>1,686,945,745</b>	<b>1,254,089,563</b>

<b>12.7 Provision for Income Tax Less Advance Income Tax</b>		
<b>Provision for Income Tax</b>		
Balance on 1 January	3,815,011,967	4,835,080,185
Provisions made during the year	2,235,000,000	1,485,000,000
Provision for Doubtful Income of Islamic Banking	19,052,964	14,311,904
Settlement for previous year(s)	-	(2,519,380,122)
	6,069,064,931	3,815,011,967
<b>Less: Advance Income Tax</b>		
Balance on 1 January	2,618,321,222	3,881,349,900
Paid during the year	1,672,906,842	1,256,351,444
Settlement for previous year(s)	-	(2,519,380,122)
	4,291,228,064	2,618,321,222
<b>Net Closing Balance</b>	<b>1,777,836,867</b>	<b>1,196,690,745</b>

- 12.7.1** Provision for current tax of Tk. 2,140,000,000 has been made @ 40% on Business Income, @ 20% on Dividend Income and @ 10% on capital gain on sale of shares of the accounting profit made by the Bank during the 1st quarter after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.

**12.7.2 Compensation Fund Account**

Opening Balance

**Amount credited during the year**

Compensation Realized Account

Income Tax Provision @ 40%

Amount distributed during the period

31.12.2017 Taka	31.12.2016 Taka
61,660,899	40,593,043
47,632,409	35,779,760
19,052,964	14,311,904
<b>28,579,445</b>	<b>21,467,856</b>
90,240,344	62,060,899
74,658,725	400,000
<b>15,581,619</b>	<b>61,660,899</b>

Islamic Banking is a trade-based mode of banking where compliance of sharia guidelines in the precondition for its legitimacy. In addition to the prohibition of the interest and classification of business activities between lawful (halal) and un-lawful (haram), sharia also provides guidelines of business process and transaction. Any income generated from trading or investments without confirming to these Sharia instructions are considered un-lawful and termed as “doubtful Income” in the terminology of Islamic Banking.

However, since the “Doubtful Income” is not an “income” - as such the nomenclature has been already been changed as “Compensation” instead of “Doubtful Income”.

**12.7 (a) Consolidated tax expenses**

Trust Bank Limited

Note - 12.5

Trust Bank Securities Limited

Trust Bank Investment Limited

2,235,000,000	1,485,000,000
8,797,618	5,197,384
34,200,000	32,000,000
<b>2,277,997,618</b>	<b>1,522,197,384</b>

**12 (a) Consolidated other liabilities**

Trust Bank Limited

Note - 12

Trust Bank Securities Limited

Trust Bank Investment Limited

10,668,251,948	8,063,178,783
60,277,472	152,171,700
1,275,591,807	1,125,052,958
12,004,121,227	9,340,403,441

Less: Inter company transaction

-	-
<b>12,004,121,227</b>	<b>9,340,403,441</b>

**13 CAPITAL**

**13.1 Authorized Capital**

1,000,000,000 Ordinary shares of Tk. 10 each

<b>10,000,000,000</b>	<b>10,000,000,000</b>
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## 13.2 Issued, Subscribed and Paid Up Capital

		31.12.2017 Taka	31.12.2016 Taka
116667000	Ordinary shares of Tk. 10 each issued for cash	1,166,670,000	1,166,670,000
11666700	Ordinary shares of Tk. 10 each issued bonus shares	116,667,000	116,667,000
25666740	Ordinary shares of Tk. 10 each issued for right 1R:5	256,667,400	256,667,400
30800080	Ordinary shares of Tk. 10 each issued bonus shares	308,000,800	308,000,800
36960100	Ordinary shares of Tk. 10 each issued bonus shares	369,601,000	369,601,000
44352120	Ordinary shares of Tk. 10 each issued bonus shares	443,521,200	443,521,200
26611274	Ordinary shares of Tk. 10 each issued bonus shares	266,112,740	266,112,740
53222550	Ordinary shares of Tk. 10 each issued for right 1R:5	532,225,500	532,225,500
34594656	Ordinary shares of Tk. 10 each issued bonus shares	345,946,560	345,946,560
45664946	Ordinary shares of Tk. 10 each issued bonus shares	456,649,460	456,649,460
42620616	Ordinary shares of Tk. 10 each issued bonus shares	426,206,160	426,206,160
37506142	Ordinary shares of Tk. 10 each issued bonus shares	375,061,420	375,061,420
50633292	Ordinary shares of Tk. 10 each issued bonus shares	506,332,920	-
		<b>5,569,662,160</b>	<b>5,063,329,240</b>

## 13.3 Capital Adequacy Ratio

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD circulars no. 18 dated 21 December 2014 relating to implementation of Basel III in Bangladesh, required capital, available core capital and supplementary capital of the Bank as on 31 December 2017 is shown below:

### 13.3.1 Capital Adequacy Ratio under SOLO basis

#### Common Equity Tier I (Going-concern capital)

Paid up Capital	5,569,662,160	5,063,329,240
Share Premium Account	-	-
Statutory Reserve	4,815,477,540	4,027,401,519
Retained Earnings	1,719,815,073	2,044,117,600
	<b>12,104,954,773</b>	<b>11,134,848,359</b>
Less : Regulatory Adjustments		
Deferred Tax - Assets	136,268,150	112,042,456
<b>Total Common Equity Tier-1 Capital</b>	<b>11,968,686,623</b>	<b>11,022,805,903</b>
Additional Tier I Capital	-	-
<u><b>Tier II Capital (Gone-Concern Capital)</b></u>		
General Provision	3,266,638,000	2,435,353,710
Subordinated Bond	5,200,000,000	6,000,000,000
Revaluation reserves	273,661	273,661
	<b>8,466,911,661</b>	<b>8,435,627,371</b>
Less : Regulatory Adjustments		
Revaluation Reserves (according to Phase-in deductions as per Basel III Guideline)	164,197	109,464
<b>Total Tier II Capital Available</b>	<b>8,466,747,464</b>	<b>8,435,517,907</b>
Maximum Limit of Tier II Capital ( Tier II capital can be maximum up to 4.00% of the total RWA or 88.89% of CET I, whichever is higher)	10,638,965,539	9,798,172,167
Excess Amount over Maximum Limit of Tier II	-	-
<b>Total Admissible Tier-2 Capital</b>	<b>8,466,747,464</b>	<b>8,435,517,907</b>
<b>A. Total Eligible Capital (Tier-I + Tier-II)</b>	<b>20,435,434,087</b>	<b>19,458,323,810</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>B. Total Risk Weighted Assets (RWA)</b>		
Credit Risk Weighted Assets	142,606,387,223	117,021,475,212
Market Risk Weighted Assets	1,956,532,187	4,017,802,518
Operational Risk Weighted Assets	13,201,774,465	11,307,658,704
	<b>157,764,693,875</b>	<b>132,346,936,434</b>
<b>C. Required Capital based on RWA @ 11.25%; 2016 - 10.625%</b>	<b>17,748,528,061</b>	<b>14,061,861,996</b>
<b>D. Surplus Capital as per Bank weighted Assets (A - C)</b>	<b>2,686,906,026</b>	<b>5,396,461,814</b>
<b>Capital Adequacy Ratio</b>		
Tier I capital to RWA	7.59%	8.33%
Supplementary Capital to RWA	5.36%	6.37%
	<b>12.95%</b>	<b>14.70%</b>

### 13.3 (a) Capital Adequacy Ratio under Consolidated basis

#### Tier – I (Core Capital)

Paid up Capital	5,569,662,160	5,063,329,240
Minority Interest	789	789
Share Premium Account	-	-
Statutory Reserve	4,815,477,540	4,027,401,519
Retained Earnings	2,082,533,494	2,385,582,491
	<b>12,467,673,983</b>	<b>11,476,314,039</b>

Less: Regulatory Adjustments

Deferred Tax-Assets	138,269,647	114,081,492
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#### **Total Common Equity Tier-1 Capital**

	<b>12,329,404,336</b>	<b>11,362,232,547</b>
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#### **Additional Tier I Capital**

	-	-
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#### Tier II Capital (Gone-Concern Capital)

General Provision	3,266,638,000	2,435,353,710
Subordinated Bond	5,200,000,000	6,000,000,000
Revaluation Reserves	273,661	273,661
	<b>8,466,911,661</b>	<b>8,435,627,371</b>

Less : Regulatory Adjustments

Revaluation Reserves (according to Phase-in deductions as per Basel III Guideline)	164,197	109,464
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#### **Total Tier II Capital Available**

	<b>8,466,747,464</b>	<b>8,435,517,907</b>
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Maximum Limit of Tier II Capital ( Tier II capital can be maximum up to 4.00% of the total RWA or 88.89% of CET I, whichever is higher)

	10,959,607,514	10,099,888,511
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Excess Amount over Maximum Limit of Tier II	-	-
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<b>Total Admissible Tier-2 Capital</b>	<b>8,466,747,464</b>	<b>8,435,517,907</b>
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<b>A. Total Eligible Capital (Tier-I + Tier-II)</b>	<b>20,796,151,800</b>	<b>19,797,750,454</b>
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<b>B. Total Risk Weighted Assets (RWA)</b>		
Credit Risk Weighted Assets	141,841,505,314	116,401,008,489
Market Risk Weighted Assets	5,372,836,354	6,858,196,846
Operational Risk Weighted Assets	13,692,607,220	12,196,196,960
	<b>160,906,948,888</b>	<b>135,455,402,295</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>C. Required Capital based on RWA @ 11.25%; 2016 - 10.625%</b>	<b>18,102,031,750</b>	<b>14,392,136,494</b>
<b>D. Surplus Capital as per Bank weighted Assets (A - C)</b>	<b>2,694,120,050</b>	<b>5,405,613,960</b>
<b>Capital Adequacy Ratio</b>		
Core Capital to RWA	7.66%	8.39%
Supplementary Capital to RWA	5.26%	6.23%
	<b>12.92%</b>	<b>14.62%</b>

#### **Total Risk Weighted Assets (RWA)**

Risk Weighted Assets (RWA) has been calculated considering the Credit risk, Market Risk and Operational risk as per Guidelines on Risk Based Capital Adequacy - Revised Regulatory Framework for Banks in line with Basel III issued by Bangladesh Bank vide BRPD Circular no. 18 dated 21 December 2014.

### **13.4 Leverage Ratio under SOLO basis**

A. Tier-1 Capital - considering all regulatory adjustments	<b>11,968,686,623</b>	<b>11,022,805,903</b>
B. On- Balance Sheet Exposure	237,387,267,336	208,377,882,046
C. Off-Balance Sheet Exposure	31,992,060,983	20,863,234,057
D. Total Deduction from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	136,268,150	112,042,457
E. Total Exposure (B+C-D)	<b>269,243,060,169</b>	<b>229,129,073,646</b>
Leverage Ratio (A/E)*100	<b>4.45%</b>	<b>4.81%</b>

### **13.4 (a) Leverage Ratio under Consolidated basis**

A. Tier-1 Capital - considering all regulatory adjustments	<b>12,329,404,336</b>	<b>11,362,232,547</b>
B. On- Balance Sheet Exposure	238,935,817,455	209,687,901,027
C. Off-Balance Sheet Exposure	32,052,590,983	20,923,764,057
D. Total Deduction from On and Off-Balance Sheet Exposure/ Regulatory adjustments made to Tier 1 capital	138,269,647	113,846,678
E. Total Exposure (B+C-D)	<b>270,850,138,791</b>	<b>230,497,818,406</b>
Leverage Ratio (A/E)*100	<b>4.55%</b>	<b>4.93%</b>

### **13.5 Percentage of shareholdings at the closing date**

	Amount (in Taka)		Percentage (%)	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Sponsors	3,341,749,260	3,037,953,880	60.00%	60.00%
Financial Institutions	947,632,940	1,068,960,770	17.01%	21.11%
Foreign Investors	101,959,030	76,659,280	1.83%	1.51%
Non-Resident Bangladeshi	17,114,240	11,576,050	0.31%	0.23%
General Public	1,161,206,690	868,179,260	20.85%	17.15%
<b>Total</b>	<b>5,569,662,160</b>	<b>5,063,329,240</b>	<b>100.00%</b>	<b>100.00%</b>

### 13.6 Shareholding Range on the basis of shareholdings as on 31 December 2017

Shareholding Range			No. of Sh. Holders	Number of Shares	%
1	to	500	6,941	1,178,197	0.21%
501	to	5,000	8,655	16,104,714	2.89%
5,001	to	10,000	843	5,925,258	1.06%
10,001	to	20,000	405	5,650,532	1.01%
20,001	to	30,000	155	3,807,501	0.68%
30,001	to	40,000	84	2,956,535	0.53%
40,001	to	50,000	53	2,390,416	0.43%
50,001	to	100,000	77	5,391,419	0.97%
100,001	to	1,000,000	90	27,071,162	4.86%
1,000,001	and More		33	486,490,482	87.35%
<b>Total</b>			<b>17,336</b>	<b>556,966,216</b>	<b>100.00%</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>13 (a) MINORITY INTEREST</b>		
Share Capital (7 nos. shares of Trust Bank Investment Limited @ Tk. 100 each & 1 nos Share of TBSL)	789	789
Profit as of 1 January 2017	-	-
Profit for the year	-	-
	<b>789</b>	<b>789</b>
<b>14 STATUTORY RESERVE</b>		
Balance on 1 January	4,027,401,519	3,333,692,338
Reserve made during the year	788,076,021	693,709,181
Closing Balance	<b>4,815,477,540</b>	<b>4,027,401,519</b>
<b>14.1 Reserve for current period was made @ Tk. 20% on the net profit before tax under section 24 of The Bank Companies Act 1991.</b>		
<b>15 OTHER RESERVE</b>		
<b>Revaluation Reserve</b>		
Balance on 1 January	39,863,658	57,636,494
Reserve made/(adjusted) during the year	(34,416,131)	(17,772,836)
Closing Balance	<b>5,447,527</b>	<b>39,863,658</b>

Investments which have 'fixed or determinable payments', and are intended to be 'held to maturity' other than those which are floating and/or free to trade in the market at prevailing prices are classified as held to maturity and must be amortized at the end of the year before maturity. Investments classified in the category of 'Held for Trading' are held indeed selling or purchasing –in short- trading as decided by the management of the bank or treasury. After initial recognition, investments of such categories are measured at their fair value once in a week. The increase in case of amortization of Investment under 'Held to maturity' and any change in the fair value in case of Investment under 'held for Trading' is to be accounted for in the 'Statement of changes in Equity' under the head Other Reserve as Surplus/Deficit on revaluation of investment.

		31.12.2017 Taka	31.12.2016 Taka
<b>16</b>	<b>RETAINED EARNINGS</b>		
	Balance on 1 January	2,044,117,600	1,432,222,212
	Issue of Bonus Shares	(506,332,920)	(375,061,420)
	Cash Dividend	(759,499,386)	(328,178,747)
		778,285,294	728,982,045
	Net Profit for the year transferred from Profit and Loss Account	1,729,605,800	2,008,844,736
	Less: Transferred to Statutory Reserve	788,076,021	693,709,181
		941,529,779	1,315,135,555
	Closing Balance	<b>1,719,815,073</b>	<b>2,044,117,600</b>
<b>16 (a)</b>	<b>Consolidated retained earnings</b>		
	Trust Bank Limited	1,719,815,073	2,044,117,600
	Trust Bank Securities Limited	25,828,203	4,574,673
	Trust Bank Investment Limited	336,890,297	336,890,297
		2,082,533,573	2,385,582,570
	Less minority interest	79	79
	Closing Balance	<b>2,082,533,494</b>	<b>2,385,582,491</b>
<b>17</b>	<b>CONTINGENT LIABILITIES</b>		
<b>17.1</b>	<b>Acceptances and endorsements</b>		
	Acceptance Bills - Local	2,042,230,604	2,372,625,983
	Acceptance Bills - Foreign	15,020,088,393	13,034,378,176
	Acceptance Liabilities - Back to Back L/C	917,118,872	959,472,056
		<b>17,979,437,869</b>	<b>16,366,476,215</b>
<b>17.2</b>	<b>Letters of Guarantee</b>		
	Letters of Guarantee - Local	32,319,151,209	14,691,939,971
	Letters of Guarantee -Foreign	22,139,264.00	6,100,203.00
		<b>32,341,290,473</b>	<b>14,698,040,174</b>
<b>17.2.1</b>	<b>Money for which the bank is contingently liable in respect of guarantees given favoring :</b>		
	Directors or Officers	-	-
	Government	1,573,636,771	2,183,850,950
	Banks and other financial institutions	1,225,441,414	267,266,317
	Others	29,542,212,288	12,246,922,907
		<b>32,341,290,473</b>	<b>14,698,040,174</b>
<b>17.2 (a)</b>	<b>Consolidated Letters of Guarantee</b>		
	Trust Bank Limited	32,341,290,473	14,698,040,174
	Trust Bank Securities Limited	-	-
	Trust Bank Investment Limited	60,530,000	60,530,000
		<b>32,401,820,473</b>	<b>14,758,570,174</b>
<b>17.3</b>	<b>Irrevocable Letter of Credits</b>		
	Letter of Credit - Local	582,912,827	359,341,411
	Letter of Credit - Foreign	19,986,505,330	17,629,494,905
	Letter of Credit - Back to Back L/C	1,972,966,872	2,128,659,048
	Letter of Credit - Usance (Foreign)	14,056,429,460	4,460,232,587
	Letter of Credit - Back to Back (EDF) - Foreign	494,920,908	928,253,377
		<b>37,093,735,397</b>	<b>25,505,981,328</b>

**17.4 Bills for Collection**

Outward Bills for Collection  
Local Documentary Bill for Collection  
Foreign Documentary Bills for Collection

31.12.2017  
Taka

31.12.2016  
Taka

17,327,040  
2,118,481,796  
1,571,023,626  
**3,706,832,462**

2,962,928  
2,852,101,354  
2,002,044,182  
**4,857,108,464**

**17 (a) Consolidated Contingent Liabilities**

Note - 17

Trust Bank Limited  
Trust Bank Securities Limited  
Trust Bank Investment Limited

91,121,296,201  
-  
60,530,000  
**91,181,826,201**

61,427,606,181  
-  
60,530,000  
**61,488,136,181**

**18 INCOME STATEMENTS****Income:**

Interest/Profit, discount and similar income  
Dividend income  
Fees, commission and brokerage  
Gains less losses arising from dealing in securities  
Gains less losses arising from investment securities  
Gains less losses arising from dealing in foreign currencies  
Income from non-banking assets  
Other operating income  
Profit less losses on interest rate changes

16,392,418,511  
14,236,385  
1,431,582,350  
23,245,920  
-  
-  
-  
539,630,824  
-  
**18,401,113,990**

15,330,930,435  
15,415,888  
1,136,869,607  
5,371,929  
-  
-  
-  
482,254,099  
-  
**16,970,841,958**

**Expenses:**

Interest / profit paid on deposits, borrowings etc.,  
Losses on loans and advances  
Administrative expenses  
Other operating expenses  
Depreciation on banking assets

8,865,342,150  
-  
2,961,524,458  
706,077,796  
56,145,592  
**12,589,089,996**  
**5,812,023,994**

8,733,549,219  
-  
3,048,870,050  
689,177,159  
46,860,979  
**12,518,457,407**  
**4,452,384,551**

**19 INTEREST INCOME****19.1 Interest Income under Conventional banking****Interest from Loans and Advances**

Interest on Repair & Recon. of Dwelling House (RRDH)  
Interest on Consumer Durable Scheme  
Interest on Marriage Loans  
Interest on Car Loans  
Interest on House Building Loans  
Interest on Term Loans  
Interest on Other Loans  
Interest on SME Loan  
Interest on PAD - EDF  
Interest on Staff Loan  
Interest on LTR

151,224,643  
16,483  
2,996,237  
7,934,872  
503,294,694  
5,108,150,796  
3,415,125,852  
590,887,263  
159,641,342  
40,738,455  
461,103,254

288,708,504  
28,488  
4,197,499  
10,245,428  
446,360,162  
5,284,569,695  
2,371,299,067  
530,570,920  
105,554,127  
42,929,101  
537,685,744



	31.12.2017 Taka	31.12.2016 Taka
Interest on Payment Against Documents (PAD)	14,489,726	36,277,600
Interest on Cash Credit	121,657,121	161,895,117
Interest on Cash Collateral	334,144,417	185,628,871
Interest on Overdraft	1,223,165,836	1,032,070,126
Interest on SOD	247,706,736	622,389,259
Interest on Inland Bills Purchased and Discounted	204,783,707	164,990,067
Interest on Foreign Bills Purchased and Discounted	6,485,646	23,254,425
	<b>12,593,547,080</b>	<b>11,848,654,200</b>
<b>Interest from Banks and Other Financial Institutions</b>		
Interest on FDR Account	384,110,007	165,503,172
Interest on Bangladesh Bank Foreign Currency Accounts	7,060,328	3,756,958
Interest on SND Account	1,030,370	1,008,527
Interest on Call Deposits	49,810,500	73,341,986
	<b>442,011,205</b>	<b>243,610,643</b>
	<b>13,035,558,285</b>	<b>12,092,264,843</b>
<b>19.2 Profit under Islamic banking</b>		
Profit on Bai-Muajjal	620,942,256	467,831,896
Profit on HPSM-Capital Machinery	81,811,001	86,660,687
Profit on IHSAN Apartment Purchase Scheme	11,523,980	6,025,651
Profit on BARAKAT Home Construction Scheme	11,129,092	7,320,677
Profit on BARAKAT Car Scheme	653,553	499,768
Profit on HPSM- Real Estate	74,838,309	42,498,485
Profit on Murabaha TR	195,825,334	160,108,430
Profit on Bai-Salam	5,162,592	10,188,906
Profit on Murabaha Import Bills (MIB)	2,867,520	1,097,966
Profit on TIB House Building Scheme-HBL (RM)	9,826,495	203,832
Profit on TIB Car Scheme(Car Loan)	57,772	-
Profit on TIB Household Durable Scheme	250,260	378,351
Profit on MIB - EDF - TIB	36,796,185	26,235,717
Profit on TIB HB Inv. for Rtd. Def. Officer (M)	375,342	56,706
Profit on HPSM General	245,038,178	202,838,378
Profit on Barkat Doctors Scheme	182,210	208,455
Profit on Trust Nibash	403,238	12,926
Profit on Trust Power	2,064,258	366,730
Profit on Musharaka agt. IBP	33,465,786	33,535,169
Profit Suspense - Musharaka IBP USD	2,649,889	8,457,407
	<b>1,335,863,250</b>	<b>1,054,526,137</b>
<b>Profit from Banks and Other Financial Institutions</b>		
Profit on Mudaraba Term Deposits	37,603,192	69,364,264
	<b>1,373,466,442</b>	<b>1,123,890,401</b>
	<b>14,409,024,727</b>	<b>13,216,155,244</b>
Less : Rebate for the Good Borrowers	45,180,000	30,000,000
	<b>14,363,844,727</b>	<b>13,186,155,244</b>

The Bank has transferred interest accrued during the year on “Sub-Standard”, “Doubtful” or “Bad/Loss” to Interest Suspense Account instead of Interest Income Account in line with BRPD Circular No. 14 date 23 September 2012. The Bank has also transferred any unrealized accrued interest on rescheduled loans to Interest Suspense Account instead of Interest Income in line with BRPD Circular No. 14 date 23 September 2012.

To comply with the aforementioned circulars, the Bank had transferred a sum of Tk. 431,861,521 to Interest Suspense Account during the year, resulting in total Interest Suspense of Tk. 1,685,951,084 as at 31 December 2017.

	31.12.2017 Taka	31.12.2016 Taka
<b>19 (a) Consolidated Interest Income/profit on investment</b>		
Trust Bank Limited Note - 19	14,363,844,727	13,186,155,244
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	49,833,562	57,294,088
	<b>14,413,678,289</b>	<b>13,243,449,332</b>
Less : Inter Company Transaction	78,962	14,877,058
	<b>14,413,599,327</b>	<b>13,228,572,274</b>
<b>20 INTEREST PAID ON DEPOSITS AND BORROWINGS</b>		
<b>20.1 Interest paid on deposits</b>		
Interest on SND Account	366,335,597	441,505,949
Interest on FDR Account	4,485,588,905	4,920,190,360
Interest on Foreign Currency Deposit	97,281,277	47,943,389
Interest on Savings Account	410,820,935	379,990,629
Interest on Scheme Deposits	1,714,986,913	1,565,763,051
	<b>7,075,013,627</b>	<b>7,355,393,378</b>
<b>20.2 Profit paid on Islamic Banking Deposits</b>		
Profit Paid on Mudaraba Savings Account	50,043,200	41,648,270
Profit Paid on Mudaraba SND	2,897,663	3,960,111
Interest Paid on Mudaraba TDR	649,900,890	588,800,240
Profit Paid on Mudaraba MTDR - 1 Month	29,572,426	-
Profit Paid on TBL Barakat Hajj Deposit Scheme	1,050,553	865,633
Profit on Mudaraba Kotipati Scheme (MKS)	12,312,160	7,867,689
Profit on Mudaraba Millionaire Scheme (MMS)	20,799,887	12,887,242
Profit on Mudaraba Money Double Scheme (MMDS)	7,336,533	6,347,337
Profit Paid on DPMSA	249,324	174,809
Profit Paid on TEMSA	1,502,348	1,631,679
Profit Paid on Mudaraba Monthly Savings Scheme	35,368,144	25,849,907
Profit paid on Trust Bank Mudaraba Cash Waqf	75,686	75,176
Profit Paid On - Fc Deposits	82	237
Profit paid on TIB Pay roll	22,172,252	22,566,215
Profit paid on MMPS	153,054	90,649
	<b>833,434,202</b>	<b>712,765,194</b>
<b>20.3 Interest paid on borrowings</b>		
Interest on Call Deposits.	24,998,639	16,066,458
Interest on Repo	-	2,286,724
Interest paid on Bangladesh Bank Borrowings	238,111,977	156,377,673
Interest on Other Borrowings	651,754,058	469,231,663
	<b>914,864,674</b>	<b>643,962,518</b>

		31.12.2017 Taka	31.12.2016 Taka
<b>20.3.1 Under Islamic Banking</b>			
Profit paid on Bangladesh Bank Borrowings		39,128,299	12,853,731
Interest on Other Borrowings		2,901,348	8,574,398
		<b>42,029,647</b>	<b>21,428,129</b>
		<b>8,865,342,150</b>	<b>8,733,549,219</b>
<b>20 (a) Consolidated Interest / profit paid on deposits, borrowings etc. on investment</b>			
Trust Bank Limited	Note - 20	8,865,342,150	8,733,549,219
Trust Bank Securities Limited		-	-
Trust Bank Investment Limited		1,415,518	15,994,278
		<b>8,866,757,668</b>	<b>8,749,543,497</b>
Less : Inter Company Transaction		78,962	14,877,058
		<b>8,866,678,706</b>	<b>8,734,666,439</b>
<b>21 INCOME FROM INVESTMENTS</b>			
<b>21.1 Income from Conventional Banking</b>			
Income from Treasury bills		295,779,692	358,028,345
Income on Bangladesh Bank Bill		69,882,200	143,571,686
Income from Treasury bonds		1,483,141,430	1,514,676,521
Income from Reverse REPO		1,295,987	4,338,104
Income from Corporate Bonds		130,720,943	72,898,120
Dividend Income		13,786,385	8,869,903
Income on Investment in Commercial Paper		16,000,000	26,999,360
Gain from sales of shares		21,481,067	5,308,136
		<b>2,032,087,704</b>	<b>2,134,690,175</b>
<b>21.2 Income from Islamic Banking Investments</b>			
Dividend Income		450,000	6,545,985
Profit on Bangladesh Govt. Islamic Investment Bond		5,697,197	3,205,521
Income from Corporate Bonds		21,057,534	21,057,534
Profit on Investment of TIB		4,998,801	-
Profit on Sale of Shares		1,764,853	63,793
		<b>33,968,385</b>	<b>30,872,833</b>
		<b>2,066,056,089</b>	<b>2,165,563,008</b>

As there is no pre determined or provisional distribution rate of income generated by Bangladesh Bank on Bangladesh Govt. Islamic Investment Bond, the income is recognized by the Bank for the year when the income is received.

<b>21(a) Consolidated Income from Investment</b>			
Trust Bank Limited		2,066,056,089	2,165,563,008
Trust Bank Securities Limited		5,178,464	-
Trust Bank Investment Limited		197,142,173	115,059,729
		<b>2,268,376,726</b>	<b>2,280,622,737</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>22 Commission, exchange and brokerage</b>		
Demand Draft, Money Transfer, Telegraphic Transfer, Pay Order etc.	5,916,904	5,067,578
Bills	27,771,993	30,309,402
Letter of Guarantees	250,538,666	138,529,565
Letter of Credits	301,272,976	268,051,287
Foreign Remittances	5,080,464	5,598,592
Commission on Sale of Government Securities	33,432,621	28,563,677
Fund Transfer Commission	14,800	21,800
Commission on Sale & Purchase of Shares	4,525	400
Under writing Commission	-	1,141,240
Acceptance Commission	145,219,693	161,653,621
Foreign Correspondence Charges	-	375
EMI Comm. on Credit Card	271,518	-
Miscellaneous Commission	23,010,554	29,810,485
	<b>792,534,714</b>	<b>668,748,022</b>
Foreign Currency Exchange Gain	639,047,636	468,121,585
	<b>1,431,582,350</b>	<b>1,136,869,607</b>
<b>22 (a) Consolidated Commission, exchange and brokerage</b>		
Trust Bank Limited Note - 22	1,431,582,350	1,136,869,607
Trust Bank Securities Limited	30,407,909	14,731,900
Trust Bank Investment Limited	21,334	220,304
	<b>1,462,011,593</b>	<b>1,151,821,811</b>
<b>23 OTHER OPERATING INCOME</b>		
Locker Rent	2,037,655	1,871,295
Swift Charge (Net)	39,455,069	46,259,674
Postage Charge (Net)	3,199,052	6,269,212
Incidental Charges	-	13,120
Sale Proceeds of Forms	1,277,556	1,055,631
Service Charges	82,825,652	76,232,516
Service Compensation	587,317	415,321
Front End Fees	24,231,058	21,488,559
Notice Pay	1,801,310	1,143,572
Closing Charge	1,718,748	1,454,727
Sale Proceeds of Cheque books	147,000	91,500
Income from Mobile Banking	6,942,908	1,157,181
O/W Cheque Processing Fees	649,550	664,544
Syndication Fees	76,288,127	46,265,523
Income through Credit & ATM Card	89,008,810	84,087,231
Profit on sale of Fixed Assets	3,180,715	-
Insurance Premium Income	26,075	37,897
SMS Notification Fees	32,718,725	22,780,897
Service Charges on e-GP	2,472,163	1,774,545
Service Charge on Passport	-	1,275,125
Miscellaneous Foreign Exchange Income	97,040,375	94,518,792

		31.12.2017 Taka	31.12.2016 Taka
	Trustee Fees	6,600,000	3,900,000
	Service Charge on BRTA Transaction	128,425	2,182,472
	RTGS Settlement Charge	22,000	19,600
	Charges for Footage	16,050	11,500
	NID Verification Fees	27,356	8,909
	Miscellaneous Earnings	67,229,128	67,274,756
		<b>539,630,824</b>	<b>482,254,099</b>
<b>23 (a)</b>	<b>Consolidated other operating income</b>		
	Trust Bank Limited	539,630,824	482,254,099
	Trust Bank Securities Limited	9,919,124	10,831,555
	Trust Bank Investment Limited	34,767,086	57,515,316
		<b>584,317,034</b>	<b>550,600,970</b>
<b>24</b>	<b>Salaries and allowances</b>		
	Basic Salary	795,174,525	747,641,458
	House Rent Allowances	398,080,805	374,014,053
	Conveyance Allowances	44,969,669	41,036,244
	Medical Allowances	164,804,665	151,639,383
	Leave Fare Assistances	64,571,360	59,968,927
	Leave Encashment	9,266,087	4,806,012
	Utility Allowances	3,963,901	3,782,661
	Telephone Allowance	366,993	356,626
	Club Membership Allowance	1,396,975	1,320,176
	Contractual Staffs Salary	11,387,316	12,555,773
	Managers' Charge Allowance	3,131,597	3,035,500
	Key Holding Allowance	1,107,000	1,103,250
	Festival Bonus	144,035,460	136,526,424
	Incentive Bonus	72,100,000	282,482,856
	Bank's Contribution to Provident Fund	77,443,612	71,726,646
	Bank's Contribution to Superannuation Fund	6,463,000	6,092,900
	Bank's Contribution to Employees' Gratuity Fund	125,869,840	89,832,284
		<b>1,924,132,805</b>	<b>1,987,921,173</b>
<b>24 (a)</b>	<b>Consolidated salaries and allowances</b>		
	Trust Bank Limited	1,924,132,805	1,987,921,173
	Trust Bank Securities Limited	7,006,592	7,309,580
	Trust Bank Investment Limited	29,696,812	32,084,054
		<b>1,960,836,209</b>	<b>2,027,314,807</b>
<b>25</b>	<b>RENT, TAXES, INSURANCE, ELECTRICITY, ETC.</b>		
	Rent	464,983,050	447,893,585
	Electricity and Lighting	50,877,491	63,166,759
	Insurance	132,140,403	118,717,580
	Rates, Taxes & Excise Duty	23,424,065	838,588
	Fees & Renewals	15,136,317	12,378,449
	Generator Fuel	4,598,025	4,983,818
	Gas/Water Bill	1,468,297	1,630,733
		<b>692,627,648</b>	<b>649,609,512</b>

		31.12.2017 Taka	31.12.2016 Taka
<b>25 (a)</b>	<b>Consolidated rent, taxes, insurance, electricity, etc.</b>		
	Trust Bank Limited Note - 25	692,627,648	649,609,512
	Trust Bank Securities Limited	1,037,993	990,920
	Trust Bank Investment Limited	13,054,981	12,544,242
		<b>706,720,622</b>	<b>663,144,674</b>
<b>26</b>	<b>POSTAGE, STAMPS, TELECOMMUNICATION, ETC.</b>		
	Stamp	32,647	82,287
	VISA Connectivity Charges	2,896,835	-
	VISA Membership Fees	192,000	-
	VISA SBRL Commission	1,351,000	-
	VISA Authorization Fees	3,204,000	-
	VISA VIROL Fees	237,920	-
	Bulk SMS Charge	3,142,420	-
	USSD Gateway Service Charge	474,550	-
	Security Compliance Charge	15,000	-
	ATM Driving Charge	99,000	-
	ATM Maintenance Charges	5,183,910	14,443,540
	Link (Fibre/Radio) Charge	52,207,004	105,237,042
	ATM Card Expenditure	12,576,955	3,929,800
	Internet Charge	1,414,943	1,098,234
	Reuter Charge	2,936,717	2,462,372
	Telegram, Telex, Telephone, Trunk Call etc. (Net)	14,009,392	15,728,311
		<b>99,974,293</b>	<b>142,981,586</b>
<b>26 (a)</b>	<b>Consolidated postages, stamps, telecommunication, etc.</b>		
	Trust Bank Limited Note - 26	99,974,293	142,981,586
	Trust Bank Securities Limited	643,337	851,360
	Trust Bank Investment Limited	721,426	1,413,321
		<b>101,339,056</b>	<b>145,246,267</b>
<b>27</b>	<b>STATIONERY, PRINTING, ADVERTISEMENT, ETC.</b>		
	Printing and Stationery (Net)	42,011,590	58,598,461
	Publicity and Advertisement	5,168,331	6,366,730
		<b>47,179,921</b>	<b>64,965,191</b>
<b>27 (a)</b>	<b>Consolidated stationery, printing, advertisement, etc.</b>		
	Trust Bank Limited Note - 27	47,179,921	64,965,191
	Trust Bank Securities Limited	83,705	89,150
	Trust Bank Investment Limited	257,538	416,238
		<b>47,521,164</b>	<b>65,470,579</b>
<b>28</b>	<b>DIRECTORS' FEES</b>		
	Meeting fees	3,344,000	2,216,000
	Shariah Supervisory Committee's Fees	95,000	90,000
	Other benefits	-	-
		<b>3,439,000</b>	<b>2,306,000</b>



Directors' fees include fees for attending the meeting of the Board, Executive Committee, Risk Management Committee and Audit Committee. Each Director was remunerated @ Tk. 8,000 per meeting according to Bangladesh Bank BRPD Circular Letter no. 11 dated 4 October 2015.

		31.12.2017 Taka	31.12.2016 Taka
<b>28 (a)</b>	<b>Consolidated directors fees</b>		
	Trust Bank Limited	3,439,000	2,306,000
	Trust Bank Securities Limited	129,000	141,000
	Trust Bank Investment Limited	111,000	102,000
		<b>3,679,000</b>	<b>2,549,000</b>
<b>29</b>	<b>Depreciation and repair of bank's assets</b>		
	<b>Depreciation</b>		
	Fixed assets (For details please refer to Annexure - B)	180,684,602	187,556,465
	<b>Repairs</b>		
	Building	24,340	601,410
	Furniture and fixtures	3,064,165	2,325,525
	Office equipment	16,413,703	20,031,880
	Bank's vehicles	2,765,092	3,750,430
	Maintenance	33,878,292	20,151,734
		<b>56,145,592</b>	<b>46,860,979</b>
		<b>236,830,194</b>	<b>234,417,444</b>
<b>29 (a)</b>	<b>Consolidated depreciation and repair of bank's assets</b>		
	Trust Bank Limited	236,830,194	234,417,444
	Trust Bank Securities Limited	774,578	1,047,464
	Trust Bank Investment Limited	1,751,124	1,946,132
		<b>239,355,896</b>	<b>237,411,040</b>
<b>30</b>	<b>OTHER EXPENSES</b>		
	Business Development Expenses	17,075,870	20,626,358
	Clearing House Charge	79,935	102,932
	Conveyance	9,854,832	11,693,289
	Entertainment	28,289,708	34,105,791
	Car Expenses	94,025,112	93,068,855
	Cash Handling Charge	3,383,130	3,362,450
	Bank charges	416,961	308,351
	Meeting Expenses	726,610	421,169
	Donation, Subscription and Membership Fees	35,065,171	10,565,383
	News Paper and Periodicals	802,772	1,007,715
	Oil and Lubricant	7,125,921	8,387,598
	Remittance Charges	1,202,514	1,499,677
	Support Staff Service	310,539,201	263,188,809
	Internship Allowances	1,219,100	1,321,921
	Honorarium for Banking Diploma	785,000	1,132,000
	Training & Recruitment Expenses	7,324,269	6,489,337
	Travelling Expenses	16,296,572	17,593,324
	Up Keep of Office Premises	8,966,859	8,333,529
	Washing Charges	2,040,473	2,168,853

		31.12.2017	31.12.2016	
		Taka	Taka	
Loss on Sale of Fixed Assets		-	5,373,341	
Car Leasing Expenses		4,279,132	5,387,844	
Foreign Correspondence Expenses		4,597,061	5,194,145	
Amortization of Intangible Assets		8,250,740	4,882,556	
Special Reserve Fund		120,000,000	120,000,000	
CDBL Charges		193,945	325,341	
Security Expenses		1,000	4,115	
Share/Bond Issue Expense		342,700	39,185,680	
Sales Commission		-	13,346,692	
Fixed assets written off		816,657	-	
Cash Carrying Charges		9,449,457	8,008,288	
Wages paid to daily Labor		279,340	493,684	
Purchase of Utensils		851,991	837,084	
NID Verification Charge		115,609	-	
IPO Bidding/Subscription Fees		16,000	-	
Contact Point Verification Fees (RB)		283,500	100,650	
Loss on sale of Treasury Bills		-	371,750	
Commission Paid to NPSB		7,742,275	-	
Trustee Fees		2,788,750	-	
Priority Pass Expense		700,429	-	
Miscellaneous Expenses		149,200	288,648	
		<b>706,077,796</b>	<b>689,177,159</b>	
<b>30 (a)</b>	<b>Consolidated other expenses</b>			
	Trust Bank Limited	Note - 30	706,077,796	689,177,159
	Trust Bank Securities Limited		5,506,516	3,335,929
	Trust Bank Investment Limited		8,888,194	8,423,384
			<b>720,472,506</b>	<b>700,936,472</b>
<b>31</b>	<b>PROVISION FOR LOANS AND ADVANCES / INVESTMENTS</b>			
	Specific Provisions-against classified loans & advances	1,041,149,020	760,195,709	
	General Provisions-against un-classified loans & advances	472,302,705	203,732,505	
	General Provisions-against special mentioned accounts	120,882,295	(7,296,295)	
		<b>1,634,334,020</b>	<b>956,631,919</b>	
<b>31 (a)</b>	<b>Consolidated Provision for Loans &amp; Advances / Investment</b>			
	Trust Bank Limited	Note - 31	1,634,334,020	956,631,919
	Trust Bank Securities Limited		-	-
	Trust Bank Investment Limited		173,942,115	122,230,476
			<b>1,808,276,135</b>	<b>1,078,862,395</b>
<b>32</b>	<b>PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:</b>			
	Decline in value of investment should consist of the following divisions:			
	(a) Dealing securities			
	- Quoted	-	-	
	- Unquoted	-	-	
		-	-	

	31.12.2017 Taka	31.12.2016 Taka
(b) Investment securities		
- Quoted	(3,115,442)	(8,298,923)
- Unquoted	-	-
	<b>(3,115,442)</b>	<b>(8,298,923)</b>
Provision for decreased NAV of Trust Bank Securities Ltd		(2,403,718)
	<b>(3,115,442)</b>	<b>(10,702,641)</b>

Provision for Investment in Share has been made as per BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.

**32 (a) Consolidated Provision for diminution in value of investments**

Trust Bank Limited	(3,115,442)	(10,702,641)
Trust Bank Securities Limited	150,630	(320,866)
Trust Bank Investment Limited	15,295,715	-
	<b>12,330,903</b>	<b>(11,023,507)</b>

**33 OTHER PROVISION**

General Provision for Off Balance Sheet Exposures	238,102,000	36,368,500
Provision for Other Assets	2,323,310	1,540,870
	<b>240,425,310</b>	<b>37,909,370</b>

**33.1** General provision for off balance sheet exposures has been made @ 1% on period end balance of total off balance sheet exposures as per BRPD circular No. 8 and 10 dated August 07, 2007 and September 18, 2007 respectively issued by Bangladesh Bank respectively.

**33.2** Provision for Other Assets has been made on the amount of Prepaid Legal Expenses that remained unadjusted as at 31 December 2016 as per rules & regulations enumerated in the BRPD Circular No. 14 dated 25 June 2001 issued by Bangladesh Bank.

**33 (a) Consolidated Other Provision**

Trust Bank Limited	240,425,310	37,909,370
Trust Bank Securities Limited	-	-
Trust Bank Investment Limited	-	605,300
	<b>240,425,310</b>	<b>38,514,670</b>

**34 The Bank has no secured liabilities on the reporting date and therefore the Bank has no asset pledged as security against such liabilities.**

**35 EARNING PER SHARE (EPS)**

Profit attributable to outstanding ordinary share holders	1,729,605,800	2,008,844,736
<b>Nos of Ordinary Outstanding Share</b>	<b>556,966,216</b>	<b>556,966,216</b>
Basic Earning per Share	3.11	3.61

	31.12.2017 Taka	31.12.2016 Taka
<b>35 (a) Consolidated Earning per Share (EPS)</b>		
Profit attributable to outstanding ordinary share holders	1,750,859,330	2,015,823,127
<b>Nos of Ordinary Outstanding Share</b>	<b>556,966,216</b>	<b>556,966,216</b>
Basic Earning per Share	3.14	3.62

### 36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES

Locker Rent	2,037,655	1,871,295
Swift Charge (Net)	38,518,369	46,387,462
Postage Charge (Net)	3,199,052	6,269,212
Incidental Charges	-	13,120
Sale Proceeds of Forms	1,277,556	1,055,631
Service Charges	82,825,652	76,232,516
Service Compensation	587,317	415,321
Front End Fees	24,231,058	21,488,559
Notice Pay	1,801,310	1,143,572
closing Charge	1,718,748	1,454,727
Sale Proceeds of Cheque books	147,000	91,500
Income form Mobile Banking	6,942,908	1,157,181
O/W Cheque Processing Fees	649,550	664,544
Syndication Fees	76,288,127	46,265,523
Income through Credit & ATM Card	89,008,810	84,087,231
Income from Government Securities	1,948,731,365	1,921,152,227
Interest on Corporate Bonds	152,761,617	90,502,092
Income on Investment in Commercial Paper	16,000,000	33,054,915
Profit on Bangladesh Govt. Islamic Investment Bond	-	3,205,521
Profit on Investment in Islamic Bank Bond	4,998,801	-
Income from sale proceed of shares	23,245,920	5,371,929
Insurance Premium Income	26,075	37,897
SMS Notification Fees	32,718,725	22,780,897
Service Charges on e-GP	2,472,163	1,774,545
Service Charge on Passport	-	1,275,125
Miscellaneous Foreign Exchange Income	97,040,375	94,518,792
Trustee Fees	6,600,000	3,900,000
Service Charge on BRTA Transaction	128,425	2,182,472
RTGS Settlement Charge	22,000	19,600
Charges for Footage	16,050	11,500
NID Verification Fees	27,356	8,909
Miscellaneous Earnings	67,229,128	67,274,756
	<b>2,681,251,112</b>	<b>2,535,668,571</b>

### 36 (a) Consolidated Income from Other Operating Activities

Trust Bank Limited	Note - 36	2,681,251,112	2,535,668,571
Trust Bank Securities Limited		231,909,259	172,575,045
Trust bank Investment Limited		38,250,397	17,251,690
		<b>2,951,410,768</b>	<b>2,725,495,306</b>

## 37

**EXPENSES PAID FOR OTHER OPERATING ACTIVITIES**

	31.12.2017 Taka	31.12.2016 Taka
Business Development Expenses	(17,075,870)	(20,626,358)
Clearing House Charge	(79,935)	(102,932)
Conveyance	(9,854,832)	(11,693,289)
Entertainment	(25,649,773)	(34,147,597)
Car Expenses	(94,025,112)	(93,068,855)
Cash Handling Charge	(3,383,130)	(3,362,450)
Bank charges	(416,961)	(308,351)
Meeting Expenses	(726,610)	(421,169)
Donation, Subscription and Membership Fees	(35,060,171)	(10,565,383)
News Paper and Periodicals	(766,292)	(1,010,736)
Oil and Lubricant	(7,241,547)	(8,397,806)
Remittance Charges	(1,057,566)	(1,585,356)
Other Contractual Service	(310,519,477)	(263,356,545)
Internship Allowances	(1,219,100)	(1,321,921)
Honorarium for Banking Diploma	(785,000)	(1,132,000)
Training Expenses	(7,324,269)	(6,489,337)
Travelling Expenses	(16,296,572)	(17,593,324)
Up Keep of Office Premises	(8,966,859)	(8,333,529)
Washing Charges	(2,040,473)	(2,168,853)
Car Leasing Expenses	(4,279,132)	(5,387,844)
Foreign Correspondence Expenses	(4,597,061)	(5,194,145)
Special Reserve Fund	(120,000,000)	(120,000,000)
CDBL Charges	(193,945)	(325,341)
Security Expenses	(1,000)	(4,115)
Share/Bond Issue Expense	(342,700)	(39,185,680)
Sales Commission	-	(13,346,692)
Cash Carrying Charges	(9,449,457)	(8,008,288)
Wages paid to daily Labor	(279,340)	(493,684)
Purchase of Utensils	(851,991)	(837,084)
NID Verification Charge	(115,609)	-
IPO Bidding/Subscription Fees	(16,000)	-
Contact Point Verification Fees (RB)	(283,500)	(100,650)
Commission Paid to NPSB	(7,742,275)	-
Trustee Fees	(2,788,750)	-
Priority Pass Expense	(700,429)	-
Miscellaneous Expenses	(36,246,576)	19,980,309
Publicity and Advertisement	(5,143,331)	(6,366,730)
Rent, Taxes, Insurance, Lighting etc.	(589,737,932)	(556,760,630)
Legal Expenses	(5,772,810)	(4,795,613)
Postage, Telegram, Telephone	(63,838,865)	(136,321,643)
Audit Fee	(431,250)	(402,500)
Directors Fee	(3,439,000)	(2,306,000)
Repairs and maintenance of Fixed Assets	(56,145,592)	(46,860,979)
	<b>(1,454,886,094)</b>	<b>(1,412,403,100)</b>

		31.12.2017 Taka	31.12.2016 Taka
<b>37 (a)</b>	<b>Consolidated Expenses paid for Other Operating Activities</b>		
	Trust Bank Limited Note - 37	(1,454,886,094)	(1,412,403,100)
	Trust Bank Securities Limited	(15,154,156)	(11,712,474)
	Trust Bank Investment Limited	(23,644,775)	(23,787,605)
		<b>(1,493,685,025)</b>	<b>(1,447,903,179)</b>
<b>38</b>	<b>CHANGES IN OTHER OPERATING ASSETS</b>		
	Security Deposits	197,065	(1,348,594)
	Intl. Credit Report Agency Charge	-	50,797
	Encashment of Sanchaya patra awaiting reimbursement -Principal	(204,312,577)	(93,017,007)
	Encashment of Sanchaya patra awaiting reimbursement -Interest	42,207,764	160,820,750
	Encashment of WEDB awaiting reimbursement-Principal	(9,347,900)	2,257,356
	Encashment of WEDB awaiting reimbursement-Interest	(38,594,756)	(11,908,916)
	US\$ Premium Bond - Principal	7,138,500	(7,970,000)
	US\$ Premium Bond - Interest	(3,437,762)	1,343,805
	US\$ Investment Bond - Principal	(15,722,075)	2,752,750
	US\$ Investment Bond - Interest	(2,628,944)	5,623,793
	Receivable from Exchange House	19,118,958	(27,078,969)
	Advance against Capital Expenditure	881,152	97,030,690
	Clearing Adjustment	934,702	(5,802,773)
	Suspense Account	(439,580,846)	(4,197,854)
		<b>(643,146,719)</b>	<b>118,555,828</b>
<b>38 (a)</b>	<b>Consolidated Changes in Other Operating Assets</b>		
	Trust Bank Limited Note - 38	(643,146,719)	118,555,828
	Trust Bank Securities Limited	19,256,173	(30,384,238)
	Trust Bank Investment Limited	(12,407,823)	(14,902,668)
		<b>(636,298,369)</b>	<b>73,268,922</b>
	Less : Inter Company Transaction	-	-
		<b>(636,298,369)</b>	<b>73,268,922</b>
<b>39</b>	<b>CHANGES IN OTHER LIABILITIES</b>		
	Sundry Creditors	255,640,670	(1,138,123)
	Compensation Fund Account	(46,079,280)	-
	Others	14,770,277	5,031,498
		<b>224,331,667</b>	<b>3,893,375</b>
<b>39 (a)</b>	<b>Consolidated Changes in Other Operating Liabilities</b>		
	Trust Bank Limited Note - 39	224,331,667	3,893,375
	Trust Bank Securities Limited	(77,084,389)	104,991,418
	Trust bank Investment Limited	(36,593,708)	(243,918,453)
		<b>110,653,570</b>	<b>(135,033,660)</b>



**40 CLOSING CASH AND CASH EQUIVALENT**

	31.12.2017 Taka	31.12.2016 Taka
Cash in hand (including foreign currencies)	3,200,839,875	3,354,653,593
Balance with Bangladesh Bank & Sonali Bank (Incl. FCs)	12,533,909,320	12,290,974,572
Balance with Other Bank and Financial Institutions	3,966,722,811	14,664,509,575
Call Loan to other Banks	-	1,040,000,000
Prize Bond	4,354,400	3,905,100
	<b>19,705,826,406</b>	<b>31,354,042,840</b>

**40.a CONSOLIDATED CLOSING CASH AND CASH EQUIVALENT**

Trust Bank Limited	Note - 40	19,705,826,406	31,354,042,840
Trust Bank Securities Limited		82,218,532	70,337,357
Trust bank Investment Limited		-	-
		<b>19,788,044,938</b>	<b>31,424,380,197</b>

**41 EXPENDITURE INCURRED FOR EMPLOYEES****Salaries, allowances and benefits**

Number of employees at 31 December 2017 was 1959 ; (31 December 2016 was 1877) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.

**42 AUDIT COMMITTEE****42.a Particulars of Audit Committee**

An audit committee has been formed by the Board of Directors of the Bank in its 64th Board meeting held on 05 February 2003. In accordance with the BRPD circular letter no. 12 dated 23 December 2002, the committee constituted with a chairman, two members and a member secretary.

As on 31 December 2017 the Honorable Members of the committee were as follows:

Name	Status with Bank	Status with committee	Educational Qualification
Mr. Shahedul Islam	Independent Director	Chairman	B.A., CS
Brig Gen Mohammad Omar Zahid, psc	Nominated Director	Member	MDS
Mr. Mohamed Naser Alam	Independent Director	Member	LLM, Bar-at-law

- 42.b** During the period end as on 31 December 2017, the following number of meetings of the Audit Committee held with the bank's Senior Management to consider and review the Bank's Financial Statements and Risk Management:

Meeting Number	Date of Meeting
1 <sup>st</sup>	06 March 2017
2 <sup>nd</sup>	12 April 2017
3 <sup>rd</sup>	24 April 2017
4 <sup>th</sup>	31 May 2017
5 <sup>th</sup>	21 May 2017
6 <sup>th</sup>	27 July 2017
7 <sup>th</sup>	02 August 2017
8 <sup>th</sup>	28 October 2017
9 <sup>th</sup>	05 November 2017
10 <sup>th</sup>	14 November 2017
11 <sup>th</sup>	18 December 2017

- 42.c** **Following steps have been taken for implementation of an effective Internal Control Procedures of the banks:**

A strong internal control & compliance division has been formed with a view to establish compliance culture and full control.

Regular review of internal and external (including Bangladesh Bank) audit reports with a view to implement the suggestion of internal and external auditors (including Bangladesh Bank), in respect of internal control techniques.

To establish an effective management system that includes planning, organizing and supervising culture in the branches as well as at head office.

Continuous monitoring & evaluation on application of internal control system, internal audit policy, policy for financial risks, existing rules and regulations (internal and external), other obligations from controlling authority, disclosure process of financial statements etc. of the bank.

Review the accounting procedures with a view to ascertain that the Bangladesh Financial Reporting Standards (BFRSs) have been applied in preparation and presentation of financial statements.

Formulation of HRM policy and other operating procedures.

#### **43** **Related Party Disclosures**

Parties are considered to be related if one party has been ability to control the other party or to exercise significant influence over the other party in making financial and operating decision. Related party informations are given below:

i) Directors' interest in different entities:

Sl.	Name of the Directors	Status with Bank	Entities where they have interest	% of Interest
1	Gen Abu Belal Muhammad Shafiu Hq SBP, ndc, psc	Chairman (Representing Army Welfare Trust)	Sena Kalyan Sangstha, Chairman	Nominated
			Sena Hotel Developments Limited, Chairman	Nominated
			Bangladesh Machine Tools Factory Limited, Chairman	Nominated
			Army Welfare Trust, Chairman, Board of Trustees	Nominated
			Trust Bank Investment Limited, Chairman	Nominated
			Military Institute of Science and Technology, Vice Chairman	Nominated
			Council of the College, Armed Forces Medical College, Chairman	Nominated
			Sena Paribar Kalyan Samiti, Chief Patron	Nominated
			Advisory Committee of Proyash, President	Nominated
			National Defence College and Defence Services Command and Staff College Governing Body, Vice Chairman	Nominated
			Bangladesh Golf Federation, President	Nominated
			Kurmitola Golf Club, President	Nominated
			Defence Officers Housing Scheme Committee, Chairman	Nominated
			BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Chairman	Nominated
			Bangladesh Olympic Association, President	Nominated
			Bangladesh Diesel Plant Limited, Chairman	Nominated
2	Maj Gen S M Matiur Rahman, afwc, psc	Vice Chairman	Sena Kalyan Sangstha, Vice Chairman	Nominated
			Sena Hotel Developments Limited, Vice Chairman	Nominated
			Army Welfare Trust, Vice Chairman	Nominated
			Trust Transport Services, Chairman	Nominated
			Army Housing Scheme, Chairman	Nominated
			Governing Bodies of Cadet Colleges, Chairman	Nominated
			Trust Technical Training Institute, Chairman	Nominated
			Trust Bank Investment Limited, Vice Chairman	Nominated
			Trust Bank Securities Limited, Chairman	Nominated
			BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Member	Nominated
3	Mr. Ashrafuzzaman Khan	Independent Director	Executive Attire Limited, Managing Director	50.00%
			Trust Bank Investment Limited, Independent Director	Nominated
			Trust Bank Securities Limited, Independent Director	Nominated
4	Mr. Shahedul Islam	Independent Director	Bengal Pacific (Pvt.) Limited, Managing Director	35.55%
			Bengal Braided Rugs Limited, Managing Director	47.50%
			Promises Medical Limited, Chairman	11.00%
			Desh General Insurance Company Limited, Independent Director	--
			Trust Bank Investment Limited, Independent Director	Nominated
5	Brig Gen Md Jalal Ghani Khan, ndc, psc	Director	Cantonment Board, President	Nominated
			Shaheed Ramij Uddin Cantonment College, President	Nominated
6	Brig Gen Mohammad Omar Zahid, psc	Director	Service	Nominated
7	Brig Gen Md Mohsin, SGP, ndc, psc	Director	Service	Nominated
8	Brig Gen Md Main Ullah Chowdhury, awc, psc	Director	Trust Bank Investment Limited, Director	Nominated
			Trust Bank Securities Limited, Director	Nominated
			Army Sports Control Board, Chairman	Nominated
			BUP, DSCSC, NDC, MIST, Member	Nominated
			BKSP, Member	Nominated
9	Mr. Mohamed Naser Alam	Independent Director	Matin Spining Mills Limited, Independent Director	--
			MNA, Barristers & Advocates, Head of Chambers	--
10	Brig Gen Naquib Ahmed Chowdhury BSP, ndc, psc	Director	Army Welfare Trust, Managing Director	Nominated
			Sena Hotel Developments Limited, Director	Nominated
			Trust Technical Training Institute, Director	Nominated
			Army Housing Scheme, Managing Director	Nominated
			Trust Bank Investment Limited, Director	Nominated
			Trust Transport Services, Member	Nominated
			Trust Bank Securities Limited, Vice Chairman	Nominated
11	Brig Gen Hamidul Hoque, nswc, psc	Director	Service	Nominated

ii) Significant contracts where Bank is a party and wherein Directors have interest:

Nature of Contract	Branch Name	Name of Directors and related by
Lease Agreement with Army Welfare Trust	Principal Branch	Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff Chairman, Board of Trustees, Army Welfare Trust Maj Gen S M Matiur Rahman, afwc, psc, Adjutant General Vice Chairman, Board of Trustees, Army Welfare Trust Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc Managing Director, Army Welfare Trust
Lease Agreement with Sena Kalyan Sangstha	Sena Kalyan Bhaban Branch Khulna Branch Tongi Branch	Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff Chairman, Board of Trustees, Sena Kalyan Sangstha Maj Gen S M Matiur Rahman, afwc, psc, Adjutant General Vice chairman, Board of Trustees, Sena Kalyan Sangstha.
Lease Agreement with Sena Paribar Kalyan Samiti	Head Office Millenium Corporate Branch	Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff Chief Patron, Sena Paribar Kalyan Samiti
Advertisement Agreement with Army Welfare Trust	Head Office	Gen Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff Chairman, Board of Trustees, Army Welfare Trust Maj Gen S M Matiur Rahman, afwc, psc, Adjutant General Vice Chairman, Board of Trustees, Army Welfare Trust Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc Managing Director, Army Welfare Trust

iii) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil

iv) Related party Transactions:

1. The significant Related party transactions during the year were as follows:

a) Transactions relating to rent

Name of the Company/Person	Nature of Relationship	Nature of Transactions	Amount of
Army Welfare Trust	Common Director	Office Rent	29,003,000
Sena Kalyan Sangstha	Common Director	Office Rent	15,067,131
Sena Paribar Kalyan Samiti	Common Director	Office Rent	203,060,031

b) Transactions with Subsidiaries:

Bank balance of subsidiaries with Trust Bank Limited

Name of the Subsidiaries	Nature of Account	Balance as on 31 December 2017
Trust Bank Investment Ltd.	Special Notice Deposit (SND) and Current Account	262,110,878
Trust Bank Securities Ltd.	Special Notice Deposit (SND) and Current Account	1,639,230

v) Lending Policies to related Parties:

Related parties are allowed Loans & Advances as per General Loan Policy of the Bank.

vi) Loan and Advances to Directors and their related concern: 21,886,339

vii) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991:

Name of Party	Relationship	Name of transaction	Amount
Trust Securities & Logistic Support Ltd.	Common Director	Securities Services to the Bank	310,539,201

viii) Investments in the Securities of Directors and their related concern:

Nil

## 44 DIVIDEND

The Board of Directors in its 278 (05/2018) Meeting held on 29 April 2018 recommended 20% Cash Dividend subject to the approval of the shareholders at the next Annual General Meeting (AGM) will be held on 23 June 2018.

## 45 FINANCIAL HIGHLIGHTS

As per BRPD Circular # 14, dated 25 June 2003, Financial Highlights of the Bank for the quarter ended on 31 December 2017 has been shown in Annexure - C.

## Schedule of Balance with Other Banks-Outside Bangladesh (Nostro Accounts)

Name of the Bank	Name of the foreign currency	31.12.2017			31.12.2016		
		Amount in foreign currency	Exchange rate as on 31.12.2017	Total amount equivalent to Taka	Amount in foreign currency	Exchange rate as on 31.12.2016	Total amount equivalent to Taka
Mashreqbank psc, USA	USD	2,936,681.19	83.15	244,186,656	5,131,661.38	79.70	408,993,413
Standard Chartered Bank, USA	USD	7,946,737.28	83.15	660,771,205	11,662,237.94	79.70	929,480,364
ICICI Bank Ltd., Hongkong	USD	1,197,160.13	83.15	99,543,865	3,235,337.53	79.70	257,856,401
Commerz Bank, AG Germany	USD	2,840,074.52	83.15	236,152,196	4,607,652.95	79.70	367,229,940
Habib Bank Limited	USD	-	-	-	75,925.06	79.70	6,051,227
Sonali Bank Ltd. UK	USD	-	-	-	7,920.97	79.70	631,301
United Bank Of India	USD	611,713.17	83.15	50,872,774	471,331.85	79.70	37,565,148
Commerzbank Ag, Frankfurt, Germany (AUD)	AUD	36,265.12	66.56	2,413,672	42,106.67	59.25	2,494,715
Standard Chartered Bank, UK	GBP	193,048.21	113.41	21,894,408	84,703.94	99.06	8,390,696
Sonali Bank Ltd. UK,GBP	GBP	-	-	-	6,625.43	99.06	656,309
Standard Chartered Bank, Japan	YEN	1,220,938.00	0.76	930,843	85,323.00	0.71	60,852
Commerzbank Ag, Frankfurt, Germany (JPY)	YEN	3,172,374.00	0.76	2,418,618	1,157,669.00	0.71	825,650
Standard Chartered Bank, UK	EURO	99,961.83	100.94	10,089,927	261,676.02	84.81	22,191,775
ICICI Bank Ltd., Mumbai, India	EURO	17,456.19	100.94	1,761,989	17,456.19	84.81	1,480,395
Sonali Bank Ltd. UK, EURO	EURO	-	-	-	9,243.88	84.81	783,939
Commerz Bank, AG Germany	EURO	29,184.03	100.94	2,945,772	72,305.41	84.81	6,131,954
ICICI Bank Ltd., Mumbai, India	ACU	1,474,974.30	83.15	122,644,113	667,144.42	79.70	53,171,410
AB Bank, Mumbai, India	ACU	845,198.74	83.15	70,278,275	1,031,632.51	79.70	82,221,111
Mashreqbank, Mumbai, India	ACU	535,442.62	83.15	44,522,054	537,368.76	79.70	42,828,290
Standard Chartered Bank, Mumbai, India	ACU	861,031.22	83.15	71,594,746	545,165.26	79.70	43,449,671
Bank Aljazira - SAR	SAR	99,985.00	22.42	2,241,994	99,985.00	21.50	2,149,498
Habib Bank, Zurich	CHF	22,393.88	85.21	1,908,259	41,455.13	78.46	3,252,582
<b>Total</b>				<b>1,647,171,366</b>			<b>2,277,896,641</b>

### Schedule of Fixed Assets As at 31 December 2017

PARTICULARS	COST				DEPRECIATION				WRITTEN DOWN VALUE at 31 December 2017
	Balance on 1 January 2017	Additions during the year	Disposal/ adjustment during the year	Balance at 31 December 2017	Balance on 1 January 2017	Charge for the year	Disposal/ adjustment during the year	Balance at 31 December 2017	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Leasehold Land	160,469	-	-	160,469	-	-	-	-	160,469
Office Building	12,680,000	-	-	12,680,000	2,519,016	254,040	-	2,773,056	9,906,944
Furniture and Fixtures	213,212,761	12,892,173	4,655,696	221,449,238	83,224,081	16,058,389	2,832,157	96,450,313	124,998,925
Office Equipment	892,553,665	59,326,514	37,751,755	914,128,424	613,431,885	112,087,445	20,720,266	704,799,064	209,329,360
Motor Vehicles	79,837,795	7,101,406	7,890,374	79,048,827	66,832,169	6,284,773	7,890,368	65,226,574	13,822,253
Office Renovation	569,458,986	25,074,781	3,681,335	590,852,432	199,822,712	45,999,955	812,388	245,010,279	345,842,153
<b>31 December 2017</b>	<b>1,767,903,676</b>	<b>104,394,874</b>	<b>53,979,160</b>	<b>1,818,319,390</b>	<b>965,829,863</b>	<b>180,684,602</b>	<b>32,255,179</b>	<b>1,114,259,286</b>	<b>704,060,104</b>
<b>31 December 2016</b>	<b>1,612,789,420</b>	<b>167,927,700</b>	<b>12,813,444</b>	<b>1,767,903,676</b>	<b>785,238,006</b>	<b>87,556,465</b>	<b>6,964,608</b>	<b>965,829,863</b>	<b>802,073,813</b>



## Financial Highlights

Sl No	Particulars	Base	31.12.2017	31.12.2016
1	Paid up Capital	Taka	5,569,662,160	5,063,329,240
2	Total Capital	Taka	20,796,151,800	19,797,750,454
3	Capital surplus/(deficit)	Taka	5,372,836,354	6,858,196,846
4	Total Assets	Taka	239,770,629,336	210,241,516,718
5	Total Deposits	Taka	200,453,453,843	173,059,881,651
6	Total Loans and Advances	Taka	184,910,703,354	141,987,433,313
7	Total Contingent Liabilities and Commitments	Taka	91,121,296,201	61,427,606,181
8	Credit Deposit Ratio	%	92.25	82.05
9	Percentage of classified loans against total loans and advances	%	3.35	3.21
10	Profit after tax and provision	Taka	1,729,605,800	2,008,844,736
11	Amount of classified loans during current year	Taka	1,635,930,609	967,619,180
12	Provisions kept against classified loan	Taka	2,383,362,000	1,694,673,290
13	Provision surplus/(deficit)	Taka	15,839,829	22,955,379
14	Cost of fund	%	4.41	5.02
15	Interest earning Assets	Taka	206,592,790,516	168,285,817,880
16	Non-interest earning Assets	Taka	33,177,838,820	41,955,698,838
17	Return on Investment (ROI)	%	8.32	10.15
18	Return on Asset (ROA)	%	0.77	1.03
19	Income from Investment	Taka	2,066,056,089	2,165,563,008
20	Earning per Share (EPS)	Taka	3.11	3.61
21	Net income per Share	Taka	3.11	3.61
22	Price Earning Ratio	Times	13.72	6.60
23	Net Asset Value (NAV)	Taka	12,112,183,171	11,175,164,632
24	Net Operating Cash Flow Per Share (NOCFPS)	Taka	(23.18)	28.70

## Balance Sheet of Islami Banking Division As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (including foreign currencies)		17,797,917	7,670,018
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,596,261,711	890,819,111
		1,614,059,628	898,489,129
<b>Balance with other banks and financial institutions</b>			
In Bangladesh		31,486,776	2,095,966,428
Outside Bangladesh		-	-
		31,486,776	2,095,966,428
<b>Placement with banks and other financial institution</b>			
		-	-
<b>Investments in Shares and Securities</b>			
Government		970,000,000	750,000,000
Others		265,323,969	264,651,921
		1,235,323,969	1,014,651,921
<b>Investments</b>			
General Investments etc.		16,955,974,367	11,412,941,714
Bills purchased and discounted		462,288,610	418,807,719
		17,418,262,977	11,831,749,433
<b>Fixed assets including premises</b>			
		-	-
<b>Other assets</b>			
		121,784,026	46,193,616
<b>Non-banking assets</b>			
		-	-
<b>Total Assets:</b>		<b>20,420,917,376</b>	<b>15,887,050,527</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Placement from banks and other financial institutions		840,586,814	1,168,771,633
<b>Deposits and other accounts:</b>			
Al-wadeeah Current Accounts and Other Deposit Accounts		949,121,493	1,200,365,315
Mudaraba Savings Deposits		1,783,078,837	1,360,653,375
Mudaraba Term Deposits		15,571,124,729	11,236,301,432
Other Mudaraba Deposits		-	-
Bills Payable		1,964,944	883,543
		18,305,290,003	13,798,203,665
<b>Other liabilities</b>			
		761,603,358	625,158,483
<b>Total Liabilities:</b>		<b>19,907,480,175</b>	<b>15,592,133,781</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital		-	-
Foreign Currency Transaction Difference		-	-
Statutory Reserve		-	-
Other Reserve		-	-
Retained Earnings		513,437,201	294,916,746
<b>Total Shareholders' Equity</b>		<b>513,437,201</b>	<b>294,916,746</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>20,420,917,376</b>	<b>15,887,050,527</b>

## Profit and Loss Account of Islami Banking Division

### For the year ended 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
Investment Income		1,373,466,442	1,123,890,401
Profit paid on deposits		875,463,849	734,191,074
<b>Net Investment Income</b>		<b>498,002,593</b>	<b>389,699,327</b>
Income from investments in Shares/Securities		33,968,385	30,872,833
Commission, exchange and brokerage		65,043,488	64,841,784
Other operating income		28,685,628	27,478,235
		127,697,501	123,192,852
<b>Total operating income</b>		<b>625,700,094</b>	<b>512,892,179</b>
Salaries and allowances		39,411,377	37,657,338
Rent, taxes, insurance, electricity, etc.		284,200	310,276
Legal expenses		-	-
Postage, stamps, telecommunications, etc.		32,067	96,411
Stationery, printing, advertisement etc.		95,461	75,953
Chief Executive's Salary & Fees		-	-
Directors' Fees and Expenses		-	-
Shariah Supervisory Committee's Fees and Expenses		95,000	90,000
Auditors' Fees		-	-
Changes in Investment Losses		-	-
Depreciation and repair to bank's assets		-	-
Zakat Expenses		-	-
Other expenses		3,302,918	3,412,955
<b>Total operating expenses</b>		<b>43,221,023</b>	<b>41,642,933</b>
<b>Profit before provision</b>		<b>582,479,071</b>	<b>471,249,246</b>
Provision for loans & advances / Investments		62,556,000	116,683,500
Provision for Diminution in value of Investment		-	-
Other provision		6,485,870	59,649,000
		69,041,870	176,332,500
<b>Total Profit before Taxes</b>		<b>513,437,201</b>	<b>294,916,746</b>

## Cash Flow Statement of Islami Banking Division

### For the year ended 31 December 2017

		31.12.2017 Taka	31.12.2016 Taka
<b>A. Cash flow from operating activities</b>			
Interest/Investment Income received in cash		1,387,612,812	1,127,731,168
Interest/Profit paid on Deposits		(875,463,849)	(734,191,074)
Dividend receipts		450,000	6,545,985
Fees and commission receipts in cash		-	-
Recoveries of written off Loans/Investments		-	-
Cash paid to employees		(39,411,377)	(37,657,338)
Cash paid to suppliers		-	-
Income Taxes paid		-	-
Received from other operating activities (item-wise)		127,247,501	116,646,867
Payments for other operating activities (item-wise)		(3,809,646)	(3,985,595)
<b>Operating profit before changes in operating Assets and Liabilities</b>		<b>596,625,441</b>	<b>475,090,013</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>			
Statutory Deposits		-	-
Net Investment in trading securities		(672,048)	3,138,821
Loan & advance/Investments to other banks		-	-
Loan & advance/Investments to customers		(5,586,513,544)	(2,650,631,670)
Other assets (item-wise)	38	(89,736,780)	475,842,524
Deposits from other banks		-	-
Deposits from customers		4,507,086,338	1,413,105,811
Other liabilities account of customers		-	-
Trading liabilities		-	-
Other liabilities (item-wise)	39	(227,513,741)	(344,108,619)
<b>Net cash from operating activities (A)</b>		<b>(800,724,334)</b>	<b>(627,563,120)</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities		-	-
Payments for purchase of government securities		(220,000,000)	-
Purchase of property, plant & equipment		-	-
Purchase of intangible assets		-	-
Sale of property, plant & equipment		-	-
<b>Net cash from investing activities (B)</b>		<b>(220,000,000)</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in Borrowing:			
Call loan		-	-
Other borrowings		(328,184,819)	741,369,376
Share Capital A/c		-	-
Share Premium A/c		-	-
<b>Net cash from financing activities (C)</b>		<b>(328,184,819)</b>	<b>741,369,376</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>		<b>(1,348,909,153)</b>	<b>113,806,256</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>F. Opening Cash and Cash Equivalent</b>		<b>2,994,455,557</b>	<b>2,880,649,301</b>
<b>Cash and cash equivalents at end of period (D+E+F)</b>	<b>40</b>	<b>1,645,546,404</b>	<b>2,994,455,557</b>

**TRUST BANK LIMITED**  
**Offshore Banking Unit**  
**Balance Sheet**  
as of 31 December 2017

	31.12.2017		31.12.2016
	USD	Taka	Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	-	-	-
	-	-	-
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	-	-	-
Outside Bangladesh	208,782.50	17,370,704	9,246,541
	208,782.50	17,370,704	9,246,541
<b>Money at call and short notice</b>	-	-	-
<b>Investments</b>			
Government	-	-	-
Others	-	-	-
	-	-	-
<b>Loans and Advances/Islami Banking Investments</b>			
Loans, Cash Credit, Overdrafts etc./ Investment	8,471,757.89	704,850,256	763,212,701
Bills purchased and discounted	40,239,669.72	3,347,940,521	2,137,409,487
	48,711,427.61	4,052,790,777	2,900,622,188
<b>Fixed assets including premises, furniture and fixtures</b>	-	-	-
<b>Other assets</b>	-	-	6,955,750
<b>Non-banking assets</b>	-	-	-
<b>Total Assets</b>	<b>48,920,210.11</b>	<b>4,070,161,481</b>	<b>2,916,824,479</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	43,696,315.09	3,635,533,415	1,354,358,493
<b>Deposits and other accounts</b>			
Current / Al-wadeeah Current Accounts and other Accounts	4,464,892.30	371,479,039	1,518,042,553
Bills Payable	-	-	-
Savings Bank / Mudaraba Savings Deposits	-	-	-
Fixed Deposits / Mudaraba Term Deposits	-	-	-
Bearer Certificates of Deposit	-	-	-
Other Deposits	-	-	-
	4,464,892.30	371,479,039	1,518,042,553
<b>Other liabilities</b>	-	-	-
<b>Total Liabilities</b>	<b>48,161,207.39</b>	<b>4,007,012,454</b>	<b>2,872,401,046</b>
<b>Capital/Shareholders' Equity</b>			
Paid up Capital	-	-	-
Foreign Currency Transaction Difference	-	1,328,256	222,950
Statutory Reserve	-	-	-
Other Reserve	-	-	-
Retained Earnings	759,002.72	61,820,771	44,200,483
<b>Total Shareholders' Equity</b>	<b>759,002.72</b>	<b>63,149,027</b>	<b>44,423,433</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>48,920,210.11</b>	<b>4,070,161,481</b>	<b>2,916,824,479</b>

**TRUST BANK LIMITED**  
**Offshore Banking Unit**  
**Profit and Loss Account**  
For the year ended as of 31 December 2017

	31.12.2017		31.12.2016
	USD	Taka	Taka
Interest income / Profit on Investment	2,601,953.79	211,929,136	152,901,658
Interest / Profit paid on deposits and borrowings etc.	1,839,596.57	149,835,141	108,458,517
<b>Net interest income</b>	<b>762,357.22</b>	<b>62,093,995</b>	<b>44,443,141</b>
Income from investments	-	-	-
Commission, exchange and brokerage	-	-	-
Other operating income	-	-	-
	-	-	-
<b>Total operating income</b>	<b>762,357.22</b>	<b>62,093,995</b>	<b>44,443,141</b>
Salaries and allowances	-	-	-
Rent, taxes, insurance, electricity, etc.	-	-	-
Legal expenses	-	-	-
Postage, stamps, telecommunications, etc.	-	-	-
Stationery, printing, advertisement etc.	-	-	-
Managing Director's salary and benefits	-	-	-
Directors' fees	-	-	-
Auditors' fee	-	-	-
Charges on loan losses	-	-	-
Depreciation and repair of bank's assets	-	-	-
Other expenses	3,354.50	273,224	242,658
<b>Total operating expenses</b>	<b>3,354.50</b>	<b>273,224</b>	<b>242,658</b>
<b>Profit before provision</b>	<b>759,002.72</b>	<b>61,820,771</b>	<b>44,200,483</b>
Provision for loans & advances / Investments	-	-	-
Provision for Diminution in value of Investment	-	-	-
Other provision	-	-	-
	-	-	-
<b>Total Profit before Taxes</b>	<b>759,002.72</b>	<b>61,820,771</b>	<b>44,200,483</b>
Provision for Taxation	-	-	-
Current tax	-	-	-
Deferred tax	-	-	-
	-	-	-
<b>Net Profit after Taxation</b>	<b>759,002.72</b>	<b>61,820,771</b>	<b>44,200,483</b>
<b>Appropriations</b>			
Statutory Reserve	-	-	-
General reserve	-	-	-
	-	-	-
<b>Retained surplus</b>	<b>759,002.72</b>	<b>61,820,771</b>	<b>44,200,483</b>



**TRUST BANK LIMITED**  
**Offshore Banking Unit**  
**Cash Flow Statement**

For the year ended as of 31 December 2017

	31.12.2017		31.12.2016
	USD	Taka	Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash	2,601,953.79	211,929,136	152,901,658
Interest payments	(1,839,596.57)	(149,835,141)	(108,458,517)
Dividend receipts	-	-	-
Fees and commission receipts in cash	-	-	-
Recoveries of loans previously written off	-	-	-
Cash paid to employees	-	-	-
Cash paid to suppliers	-	-	-
Income Taxes paid	-	-	-
Received from other operating activities (item-wise)	-	-	-
Payments for other operating activities (item-wise)	(3,354.50)	(273,224)	(242,658)
<b>Operating profit before changes in operating Assets and Liabilities</b>	<b>759,002.72</b>	<b>61,820,771</b>	<b>44,200,483</b>
Increase/(Decrease) in operating assets & liabilities			
Statutory Deposits	-	-	-
Net Investment in trading securities	-	-	-
Loan & advance to other banks	-	-	-
Loan & advance to customers	(18,175,678.61)	(1,152,168,589)	(489,824,805)
Other assets (item-wise)	-	6,955,750	(6,955,750)
Deposits from other banks	3,919,749.30	(1,146,563,514)	1,475,003,513
Deposits from customers	-	-	-
Other liabilities account of customers	-	-	-
Trading liabilities	-	-	-
Other liabilities (item-wise)	-	-	-
<b>Net cash from operating activities (A)</b>	<b>(13,496,926.59)</b>	<b>(2,229,955,582)</b>	<b>1,022,423,441</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of securities	-	-	-
Payments for purchase of government securities	-	-	-
Purchase of property, plant & equipment	-	-	-
Purchase of intangible assets	-	-	-
Sale of property, plant & equipment	-	-	-
<b>Net cash from investing activities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in Borrowing:			
Call loan	13,891,430.09	2,281,174,922	(998,737,178)
Re-Purchase agreement (REPO)	-	-	-
Other borrowings	-	-	-
Share Capital A/c	-	-	-
Share Premium A/c	-	-	-
Profit transfer to Head Office	(420,037.00)	(44,200,483)	(33,119,918)
<b>Net cash from financing activities (C)</b>	<b>13,471,393.09</b>	<b>2,236,974,439</b>	<b>(1,031,857,096)</b>
<b>D. Net increase in Cash and Cash Equivalent (A+B+C)</b>	<b>(25,533.50)</b>	<b>7,018,857</b>	<b>(9,433,655)</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>1,105,306</b>	<b>180,948</b>
<b>F. Opening Cash and Cash Equivalent</b>	<b>234,316.00</b>	<b>9,246,541</b>	<b>18,499,248</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	<b>208,782.50</b>	<b>17,370,704</b>	<b>9,246,541</b>

Independent Auditors' Report  
& Financial Statements  
of  
Trust Bank Investment Limited



# Auditors' Report to the shareholders of Trust Bank Investment Limited

We have audited the accompanying financial statements of **Trust Bank Investment Limited**, which comprise the Balance Sheet as at 31 December 2017 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 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 state of the Company's affairs as at 31 December 2017 and of the results of its operations and of its cash flows for the year then ended, and comply with the applicable sections of the Financial Institutions Act 1993, the Companies Act 1994, the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996, the rules and regulations issued by Bangladesh Bank, 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 Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts;
- d. the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- e. the expenditure incurred and payments made were for the purposes of the Company's business;
- f. the information and explanations required by us have been received and found satisfactory;
- g. the financial statements have been drawn up in conformity with the Banking Companies Act 1991 and in accordance with the rules and regulations issued by Bangladesh Bank;

Dated, Dhaka  
29 April 2018

  
**A. Qasem & Co.**  
Chartered Accountants

# TRUST BANK INVESTMENT LIMITED

## Balance Sheet

As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3		
Cash in hand (including foreign currencies)		-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-	-
<b>Balance with other banks and financial institutions</b>	4		
In Bangladesh		262,340,242	362,747,462
Outside Bangladesh		-	-
		262,340,242	362,747,462
<b>Money at call on short notice</b>	5	-	-
<b>Investments</b>	6		
Government		-	-
Others		2,069,771,288	1,725,123,621
		2,069,771,288	1,725,123,621
<b>Loans and advances</b>	7		
Loan to investors		2,335,833,766	2,466,163,409
Other loan		-	-
		2,335,833,766	2,466,163,409
<b>Fixed assets including premises, furniture and fixtures</b>	8	7,845,275	9,214,067
<b>Other assets</b>	9	51,668,494	39,308,505
<b>Non-banking assets</b>	10	-	-
<b>Total assets</b>		<b>4,727,459,065</b>	<b>4,602,557,064</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings	11	29,248,720	26,459,602
<b>Deposits and other accounts</b>	12		
Deposit from investors		85,728,241	114,154,207
Other deposits		-	-
		85,728,241	114,154,207
<b>Other liabilities</b>	13	1,275,591,807	1,125,052,958
<b>Total liabilities</b>		<b>1,390,568,768</b>	<b>1,265,666,767</b>
<b>Capital/Shareholders' equity</b>			
Paid-up capital	14.2	3,000,000,000	3,000,000,000
Share premium account		-	-
Statutory reserve	15	-	-
Other reserve	16	-	-
Retained earnings	17	336,890,297	336,890,297
<b>Total shareholders' equity</b>		<b>3,336,890,297</b>	<b>3,336,890,297</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,727,459,065</b>	<b>4,602,557,064</b>

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities:</b>	18		
Acceptances and endorsements		-	-
Letter of guarantees		60,530,000	60,530,000
Irrevocable letter of credits		-	-
Bills for collection		-	-
		<b>60,530,000</b>	<b>60,530,000</b>
<b>Other contingent liabilities</b>			
Value of travelers' cheques in hand		-	-
Total:		<b>60,530,000</b>	<b>60,530,000</b>
<b>Other commitments:</b>			
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total off-balance sheet items including contingent liabilities:</b>		<b>60,530,000</b>	<b>60,530,000</b>

The annexed notes form an integral part of the balance sheet.



Vice Chairman



Director



Director



Managing Director

Signed as per annexed report on even date

Dated: Dhaka  
29 April 2018



**A. Qasem & Co. Chartered**  
Accountants



# TRUST BANK INVESTMENT LIMITED

## Profit and Loss Account

For the year ended 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
Interest income	20	49,833,562	57,294,088
Interest paid on deposits and borrowings etc.	21	1,415,518	15,994,278
<b>Net interest income</b>		<b>48,418,044</b>	<b>41,299,810</b>
Income from investments	22	197,142,173	115,059,729
Commission, exchange and brokerage	23	21,334	220,304
Other operating income	24	34,767,086	57,515,316
		231,930,593	172,795,349
<b>Total operating income</b>		<b>280,348,637</b>	<b>214,095,159</b>
Salaries and allowances	25	29,696,812	32,084,054
Rent, taxes, insurance, electricity, etc.	26	13,054,981	12,544,243
Legal expense		115,000	262,310
Postage, stamps, telecommunications, etc.	27	721,426	1,413,321
Stationery, printing, advertisement etc.	28	257,538	416,238
Managing director's salary and benefits		2,184,900	1,879,200
Directors' fees	29	111,000	102,000
Auditors' fee		115,000	172,500
Depreciation and repair of bank's assets	30	1,751,124	1,946,132
Other expenses	31	8,888,194	8,423,383
<b>Total operating expenses</b>		<b>56,895,975</b>	<b>59,243,381</b>
<b>Profit before provision</b>		<b>223,452,662</b>	<b>154,851,778</b>
Provision for loans & advances	32	173,942,115	122,230,476
Provision for diminution in value of investment	33	15,295,715	-
Other provision	34	-	605,300
		189,237,830	122,835,776
<b>Total profit before taxes</b>		<b>34,214,832</b>	<b>32,016,002</b>
Provision for taxation			
Current tax	13.2.1	34,200,000	32,000,000
Deferred tax		14,832	16,002
		34,214,832	32,016,002
<b>Net profit after taxation</b>		-	-
<b>Appropriations:</b>			
Statutory reserve		-	-
General reserve		-	-
		-	-
<b>Retained surplus</b>		-	-
Earning per share (EPS)	35	-	-

The annexed notes form an integral part of the profit & loss account.



Vice Chairman



Director



Director



Managing Director

Signed as per annexed report on even date

Dated: Dhaka  
29 April 2018

  
A. Qasem & Co. Chartered  
Accountants

# TRUST BANK INVESTMENT LIMITED

## Cash Flow Statement

For the year ended 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>A. Cash flow from operating activities</b>			
Interest received in cash		49,833,562	57,294,088
Interest payments		(1,415,518)	(15,994,278)
Fees and commission receipts in cash		21,334	220,304
Cash paid to employees		(31,881,712)	(33,963,254)
Cash paid to suppliers		(240,670)	(407,468)
Income taxes paid		(36,032,298)	(53,178,580)
Received from other operating activities (item-wise)	36	231,909,259	172,575,045
Payments for other operating activities (item-wise)	37	(23,644,775)	(23,787,605)
<b>Operating profit before changes in operating Assets and liabilities</b>		<b>188,549,182</b>	<b>102,758,252</b>
<b>Increase/(Decrease) in operating assets &amp; liabilities</b>			
Net investment in trading securities		(344,647,667)	(139,644,493)
Loan & advance to customers		130,329,643	697,588,660
Other assets (item-wise)	38	(12,407,823)	(14,902,668)
Deposits from customers		(28,425,966)	60,943,062
Other liabilities (item-wise)	39	(36,593,708)	(243,918,453)
<b>Net cash from operating activities (A)</b>		<b>(103,196,339)</b>	<b>462,824,360</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant & equipment		-	(1,922,485)
Purchase of intangible asset		-	-
Sale of property, plant & equipment		-	24,985
<b>Net cash from investing activities (B)</b>		<b>-</b>	<b>(1,897,500)</b>
<b>C. Cash flow from financing activities</b>			
Increase/(Decrease) in borrowing:		-	-
Other borrowings		2,789,118	(103,363,779)
<b>Net cash from financing activities (C)</b>		<b>2,789,118</b>	<b>(103,363,779)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>		<b>(100,407,220)</b>	<b>357,563,081</b>
<b>E. Effects of exchange rate changes on cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>F. Opening cash and cash equivalent</b>		<b>362,747,462</b>	<b>5,184,381</b>
<b>G. Cash and cash equivalents at end of year (D+E+F)</b>	40	<b>262,340,242</b>	<b>362,747,462</b>

## TRUST BANK INVESTMENT LIMITED

### Statement of Changes in Equity

For the year ended 31 Decemebr 2017

	Paid-up Capital	Statutory reserve	Other reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 1 January 2017</b>	<b>3,000,000,000</b>	-	-	<b>336,890,297</b>	<b>3,336,890,297</b>
Changes in accounting policy	-	-	-	-	-
Restated Balance	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-
Surplus/Deficit on revaluation of investment	-	-	-	-	-
Currency transaction difference	-	-	-	-	-
Net profit/(loss) for the year after tax	-	-	-	-	-
Statutory reserve	-	-	-	-	-
<b>Balance as at 31 December 2017</b>	<b>3,000,000,000</b>	-	-	<b>336,890,297</b>	<b>3,336,890,297</b>



## TRUST BANK INVESTMENT LIMITED

### Liquidity Statement

#### (Asset and Liability Maturity Analysis)

As at 31 December 2017

Amount in Taka

Particulars	Up to 01 Month	1- 3 Months	3-12 Months	1- 5 Years	More than 5 Years	Total
<b>Assets:</b>						
Cash in hand	-	-	-	-	-	-
Balance with Bangladesh Bank and Sonali Bank	-	-	-	-	-	-
Balance with other banks and financial institutions	262,340,242	-	-	-	-	262,340,242
Investments	2,069,771,288	-	-	-	-	2,069,771,288
Loans and advances	233,583,377	350,375,065	583,958,442	1,167,916,883	-	2,335,833,766
Fixed assets including premises, furniture and fixtures		-	-	-	7,845,275	7,845,275
Other assets	35,473,127	5,446	-	819,504	15,370,417	51,668,494
Non-banking assets	-	-	-	-	-	-
<b>Total assets</b>	<b>2,601,168,034</b>	<b>350,380,511</b>	<b>583,958,442</b>	<b>1,168,736,387</b>	<b>23,215,692</b>	<b>4,727,459,065</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	29,248,720	-	-	-	-	29,248,720
Deposits	85,728,241	-	-	-	-	85,728,241
Other accounts	-	-	-	-	-	-
Provision and other liabilities	21,707,561	306,524,507	735,013,688	212,346,051	-	1,275,591,807
<b>Total liabilities</b>	<b>136,684,522</b>	<b>306,524,507</b>	<b>735,013,688</b>	<b>212,346,051</b>	<b>-</b>	<b>1,390,568,768</b>
<b>Net liquidity gap</b>	<b>2,464,483,512</b>	<b>43,856,004</b>	<b>(151,055,247)</b>	<b>956,390,336</b>	<b>23,215,692</b>	<b>3,336,890,297</b>

Net result of the Liquidity Statement represents the “Shareholders’ Equity” of the Company

# TRUST BANK INVESTMENT LIMITED

## Notes to the Financial Statements

As at and for the year ended 31 December 2017

### 1 LEGAL STATUS AND NATURE OF THE COMPANY

#### 1.1 Legal status of the Company

Trust Bank Investment Limited was incorporated on 09 September 2010 as a Public Limited Company bearing registration No. C-86981/10 under the Companies Act, 1994 in Bangladesh. The company accorded consent from the Securities and Exchange Commission on 25 October 2010 as a full fledged Merchant Bank bearing Certificate No. MB-45/10. The Company started its operation on 14 November 2010.

The registered office of the Company is located at 36, Dilkusha Commercial Area, Dhaka - 1000.

#### 1.2 Nature of Business Activities

Trust Bank Investment Limited offers full range of merchant banking services that include Issue Management, Underwriting, Portfolio Management etc.

### 2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of preparation and presentation of the financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange's listing regulations and other laws and rules applicable in Bangladesh and in the format prescribed by Bangladesh Bank vide DFIM Circular # 11 dated 23 December 2009 in accordance with the "First Schedule" (Sec-38) of the Bank Companies Act, 1991.

#### 2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, 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 Taxation

##### 2.3.1 Provision for taxation

In compliance with BAS-12 "Income Taxes", provision for current income tax has been made @ 37.50% on business income, @ 20% on dividend income and @ 10% on capital gain on sale of shares, after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance 1984 and time to time amendment to issue different S.R.O and circular issued by the N.B.R.

#### 2.4 Assets and basis of their valuation

##### 2.4.1 Cash and cash equivalents

Cash and cash equivalents include highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the company management for its short-term commitments.

#### 2.4.2 Investment

These are acquired and held primarily for the purpose of selling them in future or held for dividend income and reported at cost. Unrealized gains are not recognized in the Profit and Loss Account. Provision for diminution in value of investment is provided in the Financial Statements on those securities whose market price is below the cost of investment.

#### 2.4.3 Loans and advances

Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as liability. Interest income is accounted for on accrual basis until the loans and advances are defined as Special Mention Account (SMA) or classified accounts as per Bangladesh Bank guidelines.

#### 2.5 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation as per BAS-16 “Property, Plant and Equipment”.

Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets other than motor vehicles and office equipment, which are depreciated on straight-line method and no depreciation on land is charged.

Category of fixed assets	Rate
Land	Nil
Building	05% p.a.
Furniture & Fixtures	10% p.a.
Office Equipment	20% p.a.
Motor Vehicles	20% p.a.
Office Decoration	12% p.a.

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date of their acquisition and in case of sale upto the date of sale.

Repairs and maintenance costs of fixed assets are charged to profit & loss account, when incurred.

#### 2.6 Revenue recognition

- i) Interest income  
In terms of the provisions of the BAS-18 “Revenue”, the interest income is recognized on accrual basis.
- ii) Fees and commission income  
Fees and commission income arises on services provided by the Company are credited to income at the time of effecting the transactions.
- iii) Interest paid and other expenses  
In terms of the provisions of the BAS-1 “Presentation of Financial Statements” interest and other expenses are recognized on accrual basis.

#### 2.7 Earning per share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS-33 “Earning per Share” which has been shown on the face of Profit & loss Account and the computation of EPS is stated in Note 35.



## 2.8 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS-7 “Statements of Cash Flow” and Bangladesh Bank DFIM Circular No. 11 dated 23 December 2009.

## 2.9 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- 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 maturity.
- c) Loans and advances and lease receivables are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment / adjustment schedule.

## 2.10 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) in context of Bangladesh from the standards adopted by International Federation of Accountants Committee (IFAC) as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Trust Bank Investment Limited applied most of the BAS and BFRS, details of which are given below:

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant and Equipment	16	Applied
Lease	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The effects of Changes in Foreign Exchange Rate	21	N/A
Borrowing Cost	23	Applied
Related Party Disclosures	24	Applied

Name of BAS	BAS No.	Status
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of BAS	BAS No.	Status
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	N/A
Operating Segments	8	N/A

## 2.11 General

- Figures have been rounded off to the nearest taka.
- Prior years figure shown for comparison purpose, have been rearranged whenever necessary to confirm to current year's presentation.

## 3 CASH

### 3.1 Cash in hand

In local currency

In foreign currencies

31.12.2017 Taka	31.12.2016 Taka
-	-
-	-
-	-

## 4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS

In Bangladesh

**Special notice deposits**

Trust Bank Limited

**Outside Bangladesh**

262,340,242	362,747,462
<b>262,340,242</b>	<b>362,747,462</b>
-	-
<b>262,340,242</b>	<b>362,747,462</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>4.1 Remaining maturity grouping of balance with other banks and financial institutions</b>		
On demand	-	-
Upto 1 month	262,340,242	362,747,462
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 Year	-	-
Over 1 Year but not more than 5 Years	-	-
Over 5 Years	-	-
	<b>262,340,242</b>	<b>362,747,462</b>
<b>5 MONEY AT CALL AND SHORT NOTICE</b>	-	-
<b>6 INVESTMENTS</b>		
Government securities	-	-
<b>Other investments</b>		
Ordinary shares		
Quoted	2,069,771,288	1,725,123,621
Unquoted	-	-
	<b>2,069,771,288</b>	<b>1,725,123,621</b>
	<b>2,069,771,288</b>	<b>1,725,123,621</b>
<b>6.1 Remaining maturity grouping of investments</b>		
On demand	-	-
Upto 1 month	2,069,771,288	1,725,123,621
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>2,069,771,288</b>	<b>1,725,123,621</b>
<b>7 LOANS AND ADVANCES</b>		
<b>Loans and advances</b>		
Loan to investors	2,335,833,766	2,466,163,409
	<b>2,335,833,766</b>	<b>2,466,163,409</b>
<b>7.1 Residual maturity grouping of loans and advances</b>		
Repayable on demand	-	-
Upto 1 month	2,335,833,766	2,466,163,409
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>2,335,833,766</b>	<b>2,466,163,409</b>

## 7.2 Loans and advances

### Inside Bangladesh

Loans	2,335,833,766	2,466,163,409
Cash credit	-	-
Overdraft	-	-
Bills purchased and discounted	-	-

31.12.2017 Taka	31.12.2016 Taka
2,335,833,766	2,466,163,409
-	-
-	-
-	-
<b>2,335,833,766</b>	<b>2,466,163,409</b>
-	-
<b>2,335,833,766</b>	<b>2,466,163,409</b>

### Outside Bangladesh

## 7.3 Loans and advances on the basis of significant concentration

### 7.3.1 Advances to directors and others

Advance to directors and their allied concerns	-	-
Advances to CEO and Senior executives	-	-
Advances to customers (group wise)	-	-
Others loan	2,335,833,766	2,466,163,409

-	-
-	-
-	-
2,335,833,766	2,466,163,409
<b>2,335,833,766</b>	<b>2,466,163,409</b>

### 7.3.2 Geographical location-wise concentration of loans and advances

#### Inside Bangladesh

Dhaka division	2,335,833,766	2,466,163,409
Chittagong division	-	-
Khulna division	-	-
Sylhet division	-	-
Barisal division	-	-
Rangpur division	-	-
Rajshahi division	-	-

2,335,833,766	2,466,163,409
-	-
-	-
-	-
-	-
-	-
-	-
2,335,833,766	2,466,163,409
-	-
<b>2,335,833,766</b>	<b>2,466,163,409</b>

#### Outside Bangladesh

## 7.4 Classification of loans and advances including bills purchased and discounted

a	Unclassified loans and advances (including staff loan)	2,335,833,766	2,466,163,409
b	Special mentioned accounts	-	-
c	Classified loans and advances		
1	Sub-standard loans and advances	-	-
2	Doubtful loans and advances	-	-
3	Bad /Loss loans and advances	-	-

2,335,833,766	2,466,163,409
-	-
-	-
-	-
-	-
-	-
<b>2,335,833,766</b>	<b>2,466,163,409</b>

		31.12.2017 Taka	31.12.2016 Taka
<b>8</b>	<b>FIXED ASSETS INCLUDING PREMISES, FURNITURE AND FIXTURES</b>		
	<b>Cost</b>		
	Furniture and fixtures	2,209,553	2,209,553
	Office equipment	8,271,414	10,636,229
	Office renovation	12,482,875	12,482,875
		<b>22,963,842</b>	<b>25,328,657</b>
	Less: Accumulated depreciation	15,118,567	16,114,590
		<b>7,845,275</b>	<b>9,214,067</b>
	For details please refer to Annexure - A		
<b>9</b>	<b>OTHER ASSETS</b>		
i)	Stationery, stamps, printing materials in stock etc.;	8,128	13,366
ii)	Advance rent and advertisement	13,382,013	4,081,794
iv)	Security deposits	222,992	222,992
ix)	Others 9.1	38,055,361	34,990,353
		<b>51,668,494</b>	<b>39,308,505</b>
<b>9.1</b>	<b>Others</b>		
	Intangible assets	-	27,764
	Deferred tax asset 9.1.1	1,765,412	1,780,244
	Brokers account	70	69
	Sundry debtors	35,470,375	31,765,657
	Affected small investors(ASI) block	105,467	429,606
	ASI waiver	714,037	987,013
		<b>38,055,361</b>	<b>34,990,353</b>
	<b>Deferred Tax Asset</b>		
	Balance as on 01 January	1,780,244	1,796,246
	Addition during the year	(14,832)	(16,002)
	Closing Balance	<b>1,765,412</b>	<b>1,780,244</b>
<b>9.1.1</b>	To maintain the deferred tax Asset of Tk. 1,765,412 as on 31 December 2017, a deferred tax expense of Tk. 14,832 has been made during the year ended 31 December 2017 as per BAS-12 -Income Taxes.		
<b>9.2</b>	<b>Break-up of other assets</b>		
	Income generating other assets	-	-
	Non income generating other asset	51,668,494	39,308,505
		<b>51,668,494</b>	<b>39,308,505</b>
<b>10</b>	<b>NON BANKING ASSET</b>	-	-
<b>11</b>	<b>BORROWINGS</b>		
	<b><u>In Bangladesh</u></b>		
	Borrowing from Trust Bank Limited	29,248,720	26,459,602
		<b>29,248,720</b>	<b>26,459,602</b>
	<b><u>Outside Bangladesh</u></b>	-	-
		<b>29,248,720</b>	<b>26,459,602</b>

			31.12.2017 Taka	31.12.2016 Taka
<b>11.1</b>	<b>Security wise borrowings</b>			
	Secured borrowings		29,248,720	26,459,602
	Unsecured borrowings		-	-
			<b>29,248,720</b>	<b>26,459,602</b>
<b>11.2</b>	<b>Repayment nature wise borrowings</b>			
	Repayment on demand		-	-
	Others		29,248,720	26,459,602
			<b>29,248,720</b>	<b>26,459,602</b>
<b>11.3</b>	<b>Remaining maturity grouping of borrowings from other banks, financial institutions and agents</b>			
	<b>Payable</b>			
	On demand		-	-
	Upto 1 month		29,248,720	26,459,602
	Over 1 month but within 3 months		-	-
	Over 3 months but within 1 year		-	-
	Over 1 Year but within 5 years		-	-
	Over 5 years		-	-
			<b>29,248,720</b>	<b>26,459,602</b>
<b>12</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>			
	Current and other accounts		85,728,241	114,154,207
			<b>85,728,241</b>	<b>114,154,207</b>
<b>12.1</b>	<b>Remaining maturity grouping of deposits and other accounts</b>			
	<b>Inside Bangladesh</b>			
		<b>Banks</b>	<b>Other than Banks</b>	
	Payable on demand	-	-	-
	Upto 1 month	-	85,728,241	114,154,207
	Over 1 month but within 3 months	-	-	-
	Over 3 months but within 1 year	-	-	-
	Over 1 Year but within 5 years	-	-	-
	Over 5 years	-	-	-
		-	85,728,241	114,154,207
	<b>Outside Bangladesh</b>	-	-	-
	<b>Total</b>	-	<b>85,728,241</b>	<b>114,154,207</b>
<b>12.2</b>	<b>Unclaimed deposits for 10 years and above</b>		-	-
<b>13</b>	<b>OTHER LIABILITIES</b>			
	Provision for loans and advances	13.1	211,632,014	139,854,228
	Provision for investment		68,265,445	52,969,730
	Interest suspense account		950,448,788	902,145,823



		31.12.2017 Taka	31.12.2016 Taka
Provision for income tax less advance income tax	13.2	20,495,248	22,327,546
Accrued expenses		2,587,460	6,035,763
Audit fees payable		115,000	172,500
Sundry creditors		2,716,798	216,798
Provision for ASI		714,037	987,013
Others		18,617,017	343,558
		<b>1,275,591,807</b>	<b>1,125,052,958</b>
<b>13.1 Provision for loans and advances</b>			
Specific provision			
Against classified loans & advances		-	-
<b>General provision</b>			
Against unclassified loans & advances	13.1.1	211,026,714	139,248,928
Against special mention accounts		-	-
Against off balance sheet exposures		605,300	605,300
		211,632,014	139,854,229
		<b>211,632,014</b>	<b>139,854,229</b>
<b>13.1.1 Against unclassified loans &amp; advances</b>			
Provision held on 01 January		139,248,929	286,100,005
Provision made during the year		173,942,115	122,230,476
Provisions adjusted during the year		(102,164,330)	(269,081,553)
Provision held at end of year		<b>211,026,714</b>	<b>139,248,929</b>
<b>13.1.1.1</b>	As per BSEC circular# SEC/CMRRCD/2009-193/196 dated: December 28, 2016 Merchant Banks are required to keep 20% provision for the unrealized loss in clients portfolio at the year ending as on December 31, 2017 and TBIL has Interest Suspense of Tk. 950,448,788.00 and Loan provision of Tk. 173,942,115.00 as on December 31, 2017 totalling Tk. 1,124,390,903.00 against negative equity of Tk. 1,111,458,516.90 as on December 31, 2017.		
<b>13.2 Provision for income tax less advance income tax</b>			
<b>Provision for income tax</b>			
Balance on 01 January		576,612,785	544,612,785
Provisions made during the year		34,200,000	32,000,000
Provision made for previous year(s)		-	-
Settlement for previous year(s)		-	-
		610,812,785	576,612,785
<b>Less: advance income tax</b>			
Balance on 01 January		554,285,239	501,106,659
Paid during the year		36,032,298	53,178,580
Settlement for previous year(s)		-	-
		590,317,537	554,285,239
<b>Net closing balance</b>		<b>20,495,248</b>	<b>22,327,546</b>

- 13.2.1** Provision for current tax of Tk. 34,200,000.00 has been made @ 37.50% on Business Income and @ 20% on Dividend Income and 10% on Capital Gain, of the accounting profit made by the Company during the year after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance and Rules, 1984.

	31.12.2017 Taka	31.12.2016 Taka
<b>14 CAPITAL</b>		
<b>14.1 Authorized capital</b>		
50,000,000 Ordinary shares of Tk. 100 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>14.2 Issued, subscribed and paid-up capital</b>		
30,000,000 ordinary shares of Tk. 100 each issued for cash	<b>3,000,000,000</b>	<b>3,000,000,000</b>

**14.3 Pattern of shareholdings**

Name	Nos. of shares subscribed	31.12.2017 Taka	31.12.2016 Taka
Trust Bank Limited represented by General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc	29,999,993	2,999,999,300	2,999,999,300
Maj Gen S M Matiur Rahman, afwc, psc	1	100	100
Brig Gen Md. Jalal Ghani Khan, ndc, psc	NIL	NIL	100
Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	1	100	NIL
Brig Gen Md Main Ullah Chowdhury, awc, psc	1	100	100
Mr. Ashrafuzzaman Khan	1	100	100
Mr. Ishtiaque Ahmed Chowdhury	1	100	100
Brig Gen Md Mehdi Hassan, SGP, ndc, afwc, psc	1	100	NIL
Mr. Shahud Ahmed	1	100	100
Mr. Shahedul Islam	NIL	NIL	NIL
Mr. Abu Zafar Hedaytul Islam	NIL	NIL	100
<b>Total</b>	<b>30,000,000</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>

**14.4 Percentage of shareholdings at the closing date**

Title	Amount (In Taka)	Percentage (%)
Sponsors	3,000,000,000	100.00%
Financial institutions	-	0.00%
Foreign investors	-	0.00%
Non-resident Bangladeshi	-	0.00%
General public	-	0.00%
<b>Total</b>	<b>3,000,000,000</b>	<b>100.00%</b>

31.12.2017  
Taka

31.12.2016  
Taka

#### 14.5 Shareholding range on the basis of shareholdings as on 31 December 2017

Share holding			No. of shares	No. of shares	Percentage (%)
10	to	500	7	7	0%
501	to	5,000	0	-	0%
5,001	to	10,000	0	-	0%
10,001	to	20,000	0	-	0%
20,001	to	30,000	0	-	0%
30,001	to	40,000	0	-	0%
40,001	to	50,000	0	-	0%
50,001	to	100,000	0	-	0%
100,001	to	1,000,000	1	29,999,993	100%
1,000,001	and more		8	<b>30,000,000</b>	<b>100%</b>

#### 15 STATUTORY RESERVE

Opening balance	-	-
Reserve made during the year	-	-
Closing balance	-	-

#### 16 OTHER RESERVE

-	-
-	-

#### 17 RETAINED EARNINGS

Opening balance	336,890,297	336,890,297
Adjustment of deferred tax	-	-
	336,890,297	336,890,297
Net profit for the year transferred from profit and loss account	-	-
Less: Issue of bonus share	-	-
Less: transferred to statutory reserve	-	-
	-	-
Closing Balance	<b>336,890,297</b>	<b>336,890,297</b>

#### 18 CONTINGENT LIABILITIES AND COMMITMENTS

##### 18.1 Claims against the Company not acknowledged as debts

Money for which the Company is contingently liable in respect of guarantee given favouring:

Directors	-	-
Government	-	-
Banks and other financial institution	-	-
Others	60,530,000	60,530,000
	<b>60,530,000</b>	<b>60,530,000</b>

## 19 INCOME STATEMENTS

### Income:

Interest/profit, discount and similar income  
Fees, commission and brokerage  
Gains less losses arising from investment securities  
Other operating income

### Expenses:

Interest / profit paid on deposits, borrowings etc.,  
Administrative expenses  
Other operating expenses  
Depreciation on banking assets

31.12.2017 Taka	31.12.2016 Taka
49,833,562	57,294,088
21,334	220,304
197,142,173	115,059,729
34,767,086	57,515,316
<b>281,764,155</b>	<b>230,089,437</b>
1,415,518	15,994,278
46,256,657	48,873,865
10,243,424	9,931,977
395,894	437,538
<b>58,311,493</b>	<b>75,237,659</b>
<b>223,452,662</b>	<b>154,851,778</b>
42,967,897	55,933,494
<b>42,967,897</b>	<b>55,933,494</b>
6,865,665	1,360,594
<b>6,865,665</b>	<b>1,360,594</b>
<b>49,833,562</b>	<b>57,294,088</b>

## 20 INTEREST INCOME

### Interest from loans and advances

Interest on other loans

### Interest from banks and other financial institutions

Interest on special notice deposits

As of reporting date, an aggregate amount of Tk. 950,448,788.00 have been transferred to “Interest Suspense Account” instead of “Interest from Loans and Advances” as these income charged to negative equity holders account which were doubtful of recovery.

## 21 INTEREST PAID ON DEPOSITS AND BORROWINGS

### Interest paid on deposits

Interest on TBIL depositors account

### Interest paid on borrowings

Interest on other borrowings

1,410,612	1,117,220
<b>1,410,612</b>	<b>1,117,220</b>
4,906	14,877,058
<b>4,906</b>	<b>14,877,058</b>
<b>1,415,518</b>	<b>15,994,278</b>
197,142,173	115,059,729
<b>197,142,173</b>	<b>115,059,729</b>
21,334	20,304
-	200,000
-	-
<b>21,334</b>	<b>220,304</b>
-	-
<b>21,334</b>	<b>220,304</b>

## 22 INCOME FROM INVESTMENTS

## 23 Commission

Introductory commission  
Manager to the issue commission  
Underwriting commission

Foreign currency exchange gain

	31.12.2017 Taka	31.12.2016 Taka
<b>24 OTHER OPERATING INCOME</b>		
Documentation charges	48,800	26,000
Account maintenance fee	591,500	642,750
Portfolio management fees	13,408,241	27,745,478
Portfolio transaction fees	16,910,210	25,206,064
Other service charges	3,781,190	3,837,010
Miscellaneous earnings	27,145	58,015
	<b>34,767,086</b>	<b>57,515,316</b>
<b>25 Salaries and allowances</b>		
Basic salary	11,412,794	11,606,373
House rent allowances	5,706,398	5,803,186
Conveyance allowances	774,481	766,341
Medical allowances	2,323,443	2,327,292
Leave fare assistances	774,481	785,187
Leave encashment	49,632	266,490
Utility allowances	-	-
Telephone allowance	-	-
Club membership allowance	-	-
Festival bonus	2,300,140	2,109,539
Incentive bonus	2,024,400	4,569,628
Employer's contribution to provident fund	1,141,279	1,160,638
Employer's contribution to employees' gratuity fund	3,189,764	2,689,380
	<b>29,696,812</b>	<b>32,084,054</b>
<b>26 RENT, TAXES, INSURANCE, ELECTRICITY, ETC.</b>		
Rent with car parking	10,663,525	10,157,963
Electricity and air condition	1,620,011	1,634,240
Insurance	53,734	23,261
Rates, taxes & excise duty	112,150	68,000
Fees & renewals	389,720	406,069
Gas bill, water bill, fuel bill	215,841	254,710
	<b>13,054,981</b>	<b>12,544,243</b>
<b>27 POSTAGE, STAMPS, TELECOMMUNICATION, ETC.</b>		
Stamp	11,468	3,080
Online expenses	505,805	1,189,943
Internet charge	-	25,805
Courier charge	10,022	7,964
Telegram, telex, telephone set, mobile bill etc.	194,131	186,529
	<b>721,426</b>	<b>1,413,321</b>
<b>28 STATIONERY, PRINTING, ADVERTISEMENT, ETC.</b>		
Printing and stationery	245,908	410,748
Publicity and advertisement	11,630	5,490
	<b>257,538</b>	<b>416,238</b>

	31.12.2017 Taka	31.12.2016 Taka
<b>29 DIRECTORS' FEES</b>		
Meeting fees @ Taka 3,000 per Director	111,000	102,000
	<b>111,000</b>	<b>102,000</b>
<b>30 Depreciation and repair of bank's assets</b>		
<b>Depreciation</b>		
Fixed assets	1,355,230	1,508,594
For details please refer to Annexure - A		
<b>Repairs</b>		
Furniture and fixtures	45,139	51,800
Office equipment, com access, repal elec light	162,655	182,638
Maintenance-software	188,100	203,100
	<b>395,894</b>	<b>437,538</b>
	<b>1,751,124</b>	<b>1,946,132</b>
<b>31 OTHER EXPENSES</b>		
Travelling expense-local	61,666	4,700
Training expense	14,500	8,000
Utility & service charge	163,872	169,668
Conveyance	92,405	95,313
Entertainment	351,879	386,990
Bank charges	57,855	49,716
Car expenses	703,200	804,258
Newspaper and magazine	31,169	30,366
Books and periodicals	700	4,530
Other contractual service	5,164,638	4,831,770
Upkeep of office premises	310,829	312,103
Washing charges	15,280	10,790
CDBL charge	1,843,003	1,946,891
Purchase of utensils	8,672	599
Wages paid to temporary employees	-	2,700
Amortization of intangible assets	27,764	66,672
Subscription & membership fees	100,000	-
Write off loan-for ASI	(72,800)	(301,682)
Loss on sale/transfer of property/assets	13,562	-
	<b>8,888,194</b>	<b>8,423,383</b>
<b>32 PROVISION FOR LOANS AND ADVANCES</b>		
Specific provisions-against classified loans & advances	-	-
General provisions-against unclassified loans & advances	173,942,115	122,230,476
General provisions-against special mentioned accounts	-	-
	<b>173,942,115</b>	<b>122,230,476</b>



	31.12.2017 Taka	31.12.2016 Taka
<b>33 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS:</b>		
Decline in value of investment should consist of the following divisions:		
(a) Dealing securities		
- Quoted	-	-
- Unquoted	-	-
(b) Investment securities		
- Quoted	15,295,715	-
- Unquoted	-	-
	<b>15,295,715</b>	-
	<b>15,295,715</b>	-
Provision for Investment in Share has been made as per DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.		
<b>34 OTHER PROVISION</b>		
General provision for off balance sheet exposures	-	605,300
Provision for other assets	-	-
	-	<b>605,300</b>
<b>35 EARNING PER SHARE (EPS)</b>		
Profit attributable to outstanding ordinary share holders	-	-
<b>Share outstanding before right issue</b>		
Share outstanding as on 01 January	30,000,000	30,000,000
Issue of bonus share	-	-
	<b>30,000,000</b>	<b>30,000,000</b>
Earning per share	-	-
<b>36 INCOME RECEIVED FROM OTHER OPERATING ACTIVITIES</b>		
Documentation charge	48,800	26,000
Account maintenance fee	591,500	642,750
Portfolio management fees	13,408,241	27,745,478
Portfolio transaction fees	16,910,210	25,206,064
Other service charge	3,781,190	3,837,010
Income from investment	197,142,173	115,059,729
Miscellaneous earnings	27,145	58,015
	<b>231,909,259</b>	<b>172,575,045</b>
<b>37 EXPENSES PAID FOR OTHER OPERATING ACTIVITIES</b>		
Travelling expense	(61,666)	(4,700)
Training expense	(14,500)	(8,000)
Utility & service charge	(163,872)	(169,668)
Conveyance	(92,405)	(95,313)
Entertainment	(351,879)	(386,990)
Bank charges	(57,855)	(49,716)
Car expenses	(703,200)	(804,258)
Newspaper and periodicals	(31,169)	(30,366)
Books and periodicals	(700)	(4,530)
Other contractual service	(5,164,638)	(4,831,770)

	31.12.2017 Taka	31.12.2016 Taka
Upkeep of office premises	(310,829)	(312,103)
Washing charges	(15,280)	(10,790)
CDBL charge	(1,843,003)	(1,946,891)
Purchase of utensils	(8,672)	(599)
Wages paid to temporary employees	-	(2,700)
Publicity and advertisement	(11,630)	(5,490)
Rent, taxes, insurance, lighting etc.	(13,054,981)	(12,544,243)
Postage, telegram, telephone	(721,426)	(1,413,321)
Audit fee	(115,000)	(172,500)
Legal expense	(115,000)	(262,310)
Directors fees	(111,000)	(102,000)
Repairs and maintenance of fixed assets	(395,894)	(437,538)
Subscription & membership fees	(100,000)	-
Write off loan-for ASI	(200,176)	(191,810)
	<b>(23,644,775)</b>	<b>(23,787,605)</b>
<b>38 CHANGES IN OTHER OPERATING ASSETS</b>		
Security deposits	-	-
Advance rent	(9,300,219)	2,000,122
ASI block	324,139	665,944
ASI waiver	272,976	493,492
Others	(3,704,719)	(18,062,226)
	<b>(12,407,823)</b>	<b>(14,902,668)</b>
<b>39 CHANGES IN OTHER LIABILITIES</b>		
Interest suspense account	(53,861,365)	(244,463,375)
Sundry creditors	2,500,000	208,348
Accrued expense	(3,505,802)	236,582
Others	18,273,459	99,993
	<b>(36,593,708)</b>	<b>(243,918,453)</b>
<b>40 CLOSING CASH AND CASH EQUIVALENT</b>		
Balance with other bank and financial institutions	262,340,242	362,747,462
	<b>262,340,242</b>	<b>362,747,462</b>

#### 41 EXPENDITURE INCURRED FOR EMPLOYEES

##### Salaries, allowances and benefits

Number of employees at 31 December 2017 was 25; (31 December 2016 was 26) who were in receipt of remuneration for that period which in the aggregate was not less than Tk 36,000 and those employed for a part of that year who were in receipt of remuneration of not less than TK. 3,000 per month.

#### 42 AUDIT COMMITTEE

Since the Company started its operation on 14 November 2010, the Board of Directors of the Company yet to form any Audit Committee as on reporting date.

#### 43 FINANCIAL HIGHLIGHTS

As per DFIM Circular # 11, dated 23 December 2009, Financial Highlights of the Company for the year ended on 31 December 2017 has been shown in Annexure - B.

## 44 Related Party Disclosures

### a) Name of Directors and their interest in different Entities as on 31 December 2017

Sl.	Name	Status	Entities where they have interest	% of interest
1	General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc	Chairman (Representing Trust Bank Ltd.)	Sena Kalyan Sangstha, Chairman	Nominated
			Trust Bank Limited, Chairman	Nominated
			Sena Hotel Development Limited, Chairman	Nominated
			Bangladesh Machine Tools Factory Limited, Chairman	Nominated
			Army Welfare Trust, Chairman	Nominated
			Military Institute of Science and Technology, Vice Chairman	Nominated
			Council of the College, Armed Forces Medical College, Chairman	Nominated
			Sena Paribar Kalyan Samiti, Chief Patron	Nominated
			Advisory Committee of Proyash, President	Nominated
			National Defence College and Defence Services Command and Staff	Nominated
			College Governing Body, Vice Chairman	Nominated
			Kurmitola Golf Club, President	Nominated
			Bangladesh Golf Federation, President	Nominated
			Defence Officers Housing Scheme Committee, Chairman	Nominated
			BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Chairman	Nominated
2	Maj Gen S M Matiur Rahman, afwc, psc	Vice Chairman (Shareholder as well as Director nominated by Trust Bank Ltd.)	Bangladesh Olympic Association, President	Nominated
			Bangladesh Diesel Plant Limited, Chairman	Nominated
			Sena Kalyan Sangstha, Vice Chairman	Nominated
			Trust Bank Limited, Vice Chairman	Nominated
			Sena Hotel Developments Limited, Vice Chairman	Nominated
			Army Welfare Trust, Vice Chairman	Nominated
			Army Housing Scheme, Chairman	Nominated
			Trust Bank Securities Limited, Chairman	Nominated
			Trust Technical Training Institute, Chairman	Nominated
			Governing Bodies of Cadet Colleges, Chairman	Nominated
			Trust Transport Services, Chairman	Nominated
			BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Member	Nominated
3	Mr. Ashrafuzzaman Khan	Independent Director (Shareholder as well as Director nominated by Trust Bank Ltd.)	Trust Bank Limited, Independent Director	--
			Trust Bank Securities Limited, Independent Director	Nominated
			Executive Attire Limited, Managing Director	50.00%
4	Mr. Shahedul Islam	Independent Director (Nominated by Trust Bank Ltd.)	Trust Bank Limited, Independent Director	--
			Bengal Pacific (Pvt.) Limited, Managing Director	35.55%
			Bengal Braided Rugs Limited, Managing Director	47.50%
			Promises Medical Limited, Chairman	11.00%
			Desh General Insurance Company Limited, Independent Director	--
5	Brig Gen Md. Main Ullah Chowdhury, awc, psc	Director (Shareholder as well as Director nominated by Trust Bank Ltd.)	Trust Bank Limited, Director	Nominated
			Trust Bank Securities Limited, Director	Nominated
			Army Sports Control Board, Chairman	Nominated
			BUP, DSCSC, NDC, MIST, Member	Nominated
			BKSP, Member	Nominated
6	Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	Director (Shareholder as well as Director nominated by Trust Bank Ltd.)	Army Welfare Trust, Managing Director	Nominated
			Trust Bank Limited, Director	Nominated
			Trust Bank Securities Limited, Vice Chairman	Nominated
			Sena Hotel Developments Limited, Director	Nominated
			Trust Technical Training Institute, Director	Nominated
			Army Housing Scheme, Managing Director	Nominated
7	Mr. Ishtiaque Ahmed Chowdhury	Director (Shareholder as well as Director Nominated by Trust Bank Ltd.)	Trust Transport Services, Member	Nominated
			Trust Bank Limited, Managing Director & CEO	Service
8	Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	Director (Nominated by TBL)	Trust Bank Securities Limited, Director	Nominated
			Trust Bank Limited, Senior Executive Vice President	Service
9	Mr. Monzur Morshed Khan	Managing Director & CEO	Trust Bank Investment Limited, Senior Assistant Vice President	Service

b) Significant contracts where Company is a party and wherein Directors have interest:

Nil

c) Shares issued to Directors and Executives without consideration or exercisable at discount:

Nil

d) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act – 1991:

Not applicable

e) Investments in the Securities of Directors and their related concern:

Not applicable

  
Vice Chairman

  
Director

  
Director

  
Managing Director

## Schedule of Fixed Assets

### As at 31 December 2017

Annexure - A

PARTICULARS	COST				Rate of Depreciation	DEPRECIATION				Written down value 31 December 2017
	Balance on 1 January 2017	Additions during the year	Disposal/ adjustment during the year	Balance at 31 December 2017		Balance on 1 January 2017	Charge for the year	Disposal/ adjustment during the year	Balance at 31 December 2017	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
Furniture and Fixtures	2,209,553	-	-	2,209,553	10%	1,026,854	118,315	-	1,145,169	1,064,384
Office Equipment	10,636,229	-	2,364,815	8,271,414	20%	8,909,198	480,393	2,351,253	7,038,338	1,233,076
Office Renovation	12,482,875	-	-	12,482,875	12%	6,178,538	756,522	-	6,935,060	5,547,815
<b>31 December 2017</b>	<b>25,328,657</b>	<b>-</b>	<b>2,364,815</b>	<b>22,963,842</b>		<b>16,114,590</b>	<b>1,355,230</b>	<b>2,351,253</b>	<b>15,118,567</b>	<b>7,845,275</b>
<b>31 December 2016</b>	<b>23,506,172</b>	<b>1,922,485</b>	<b>100,000</b>	<b>25,328,657</b>		<b>14,681,011</b>	<b>1,508,594</b>	<b>75,015</b>	<b>16,114,590</b>	<b>9,214,067</b>

Independent Auditors' Report  
& Financial Statements  
of  
Trust Bank Securities Limited



# AUDITORS' REPORT TO THE SHAREHOLDERS of Trust Bank Securities Limited

We have audited the accompanying financial statements of Trust Bank Securities Limited which comprise Statements of Financial Position as at 31 December 2017 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows for the year then ended and other explanatory notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), the Companies Act 1994 and 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 opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

In our opinion, the financial statements give a true and fair view of the financial position of Trust Bank Securities Limited as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs); Bangladesh Accounting Standards (BASs); the Companies Act, 1994; and other applicable laws and regulations.

Further to our opinion in the above paragraph, 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 have been kept by the company;
- (c) Statement of financial position, Statement of Profit or Loss and other Comprehensive Income, and its Statement of Cash flows dealt with by the report are in agreement with the books of account and returns.

Dated, Dhaka;  
26 April, 2018

  
**M I Chowdhury & Co.**  
Chartered Accountants



# TRUST BANK SECURITIES LIMITED

## Statement of Financial Position

as at 31 December 2017

	Notes	2017 Taka	2016 Taka
<b>ASSETS</b>			
<b>Non-Current Assets:</b>		<b>322,919,185</b>	<b>323,569,219</b>
Property, plant & equipment (carrying value)	2	963,099	1,534,870
Intangible Assets	3	-	55,556
Membership of DSE at Cost	4	321,720,000	321,720,000
Deferred Tax Assets	5	236,086	258,793
<b>Current Assets:</b>		<b>113,186,490</b>	<b>183,177,154</b>
Advances, Deposits and Prepayments	6	4,917,480	30,204,000
Trade and Other Receivables	7	1,335,066	7,652
Receivables from Dhaka Stock Exchange	8	-	786,793
Other Current Assets	9	22,068,459	8,998,766
Short Term Investment	10	27,500,000	17,500,000
Cash & Cash Equivalents	11	57,365,485	125,679,943
<b>TOTAL ASSETS</b>		<b>436,105,675</b>	<b>506,746,373</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholder's Equity:</b>		<b>375,828,203</b>	<b>354,574,673</b>
Ordinary Share Capital	12	350,000,000	350,000,000
Retained Earnings		25,828,203	4,424,043
Fair Valuation Surplus/ (Deficit) of Investment		-	150,630
<b>Current Liabilities:</b>		<b>60,277,472</b>	<b>152,171,700</b>
Trade and Other Payables	13	15,194,606	26,286,630
Payables to Dhaka Stock Exchange	14	23,278,837	23,820,547
Provision for Expenses	15	642,318	1,058,038
Short Term Loan	16	2,526	23,088,662
Other Liabilities	17	21,159,185	77,917,823
<b>Total liabilities</b>		<b>60,277,472</b>	<b>152,171,700</b>
<b>Total equity and liabilities:</b>		<b>436,105,675</b>	<b>506,746,373</b>


\* Figures have been rounded off to the nearest taka.

\* The annexed notes 2 to 34 form an integral part of these Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director  
Dhaka, 26 April, 2018

As per our annexed report of same date.

  
M I Chowdhury & Co.  
Chartered Accountants

**TRUST BANK SECURITIES LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
for the year ended 31 December 2017

Particulars	Notes	2017 Taka	2016 Taka
<b>Revenue</b>	18	<b>35,690,373</b>	<b>16,899,338</b>
<b>Less: Cost of Services</b>	19	3,756,107	1,821,718
Laga Charge		2,958,460	1,462,181
CDBL Charge		797,647	359,537
<b>GROSS PROFIT</b>		<b>31,934,266</b>	<b>15,077,620</b>
Other Non -operational Income	20	9,815,124	8,664,117
<b>Less: Operating Expenses</b>		<b>11,524,905</b>	<b>12,024,165</b>
Salaries and Allowances	21	7,006,592	7,309,580
Rent, Taxes, Insurance, Electricity	22	1,037,993	990,920
Legal Expenses	23	41,791	22,980
Postage, Stamps, Telecommunications	24	643,337	851,360
Stationery, Printing, Advertisement	25	83,705	89,150
Board Meeting Attendance Fees	26	129,000	141,000
Auditor's Fees	27	57,500	57,500
Depreciation, Amortization and Repair of bank's assets	28	774,578	1,047,464
Other Expenses	29	1,750,409	1,514,211
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>30,224,485</b>	<b>11,717,572</b>
<b>Income Tax Expenses</b>		(8,820,325)	(5,060,047)
Current Tax Expenses		(8,797,618)	(5,197,384)
Deferred Tax (Income)/ Expense		(22,707)	137,337
<b>NET PROFIT/ (LOSS) AFTER TAX FOR THE YEAR</b>		<b>21,404,160</b>	<b>6,657,525</b>
<b>Other Comprehensive Income</b>		(150,630)	320,866
Fair valuation surplus/ (Deficit) of Investment		(150,630)	320,866
Other Provision		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>21,253,530</b>	<b>6,978,391</b>

\* Figures have been rounded off to the nearest taka.

\* The annexed notes 2 to 34 form an integral part of these Financial Statements.

  
Vice Chairman

  
Director

  
Director

  
Managing Director  
Dhaka, 26 April, 2018

As per our annexed report of same date.

  
**M I Chowdhury & Co.**  
Chartered Accountants

**TRUST BANK SECURITIES LIMITED**  
**Statement of Changes in Equity**  
for the year ended 31 December 2017

Particulars	Share Capital	Fair valuation surplus/ deficit of investment	Retained Earning	Total
<b>Balance at 01 January 2017</b>	<b>350,000,000</b>	<b>150,630</b>	<b>4,424,043</b>	<b>354,574,673</b>
Total Comprehensive Income 2017	-	-	21,404,160	21,404,160
Gain/ (Loss) on fair valuation of income	-	(150,630)	-	(150,630)
<b>Balance at 31 December 2017</b>	<b>350,000,000</b>	<b>-</b>	<b>25,828,203</b>	<b>375,828,203</b>

**TRUST BANK SECURITIES LIMITED**  
**Statement of Changes in Equity**  
for the year ended 31 December 2016

Particulars	Share Capital	Fair valuation surplus/ deficit of investment	Retained Earning	Total
<b>Balance at 01 January 2016</b>	<b>350,000,000</b>	<b>(170,236)</b>	<b>(2,233,482)</b>	<b>347,596,282</b>
Net profit for the year 2016	-	-	6,657,525	6,657,525
Gain/ (Loss) on fair valuation of income	-	320,866	-	320,866
<b>Balance at 31 December 2016</b>	<b>350,000,000</b>	<b>150,630</b>	<b>4,424,043</b>	<b>354,574,673</b>

  
Vice Chairman

  
Director

  
Director

  
Managing Director

**Trust Bank Securities Limited**  
**Statement of Cash Flows**  
For the year ended 31 December, 2017

	Notes	2017 Taka	2016 Taka
<b>A) Cash Flows from Operating Activities</b>			
Cash Generated from Operations before changes in operating Assets and Liabilities		<b>21,106,378</b>	<b>6,943,081</b>
Income Taxes paid		(7,690,603)	(4,612,547)
Dividend receipts		7,215,106	7,223,856
Received from operating activities	30	36,736,031	17,251,690
Payments of operating activities	31	(15,154,156)	(12,919,918)
Increase/(Decrease) in Operating Assets & Liabilities		<b>(57,828,216)</b>	<b>74,607,180</b>
Others assets	32	19,256,173	(30,384,238)
Other liabilities	33	(77,084,389)	104,991,418
<b>Net Cash Generated from Operating Activities (A)</b>		<b>(36,721,838)</b>	<b>81,550,261</b>
<b>B) Cash Flows from Investing Activities</b>			
		<b>(8,506,484)</b>	<b>(16,308,081)</b>
Purchase of property, plant & equipment		(20,850)	(15,525)
Short Term Investment		(10,000,000)	(17,500,000)
Received from FDR	34	1,514,366	1,207,444
<b>Net Cash from/ (used in) Investing Activities ( B)</b>		<b>(8,506,484)</b>	<b>(16,308,081)</b>
<b>C) Cash Flows from Financing Activities</b>			
		<b>(23,086,136)</b>	<b>23,088,662</b>
Proceeds from loan		(23,086,136)	23,088,662
<b>Net Cash from Financing Activities ( C)</b>		<b>(23,086,136)</b>	<b>23,088,662</b>
<b>D) Net increase in Cash and Cash Equivalent ( A+B+C)</b>		<b>(68,314,458)</b>	<b>88,330,842</b>
<b>E) Opening Cash and Cash Equivalent</b>		125,679,943	37,349,101
<b>F) Cash and Cash Equivalents at end of year ( D+E)</b>		<b>57,365,485</b>	<b>125,679,943</b>

  
Vice Chairman

  
Managing Director

  
Director

  
Director

## TRUST BANK SECURITISE LIMITED

### Notes to the Financial Statements

For the year ended 31 December 2017

#### 1.0 Company and its activities

##### 1.1 Legal Status of the Company

Trust Bank Securities Limited (hereinafter referred to as “the Company”) was incorporated on 7th February 2013 as a Private Limited Company bearing registration no. C-107267/13 under the Companies Act, 1994. The registered office of the company is located at 28, North Kafrul, Dhaka Cantonment, Dhaka-1206. The Company has an authorized share capital of Tk. 2,000,000,000 (Two hundred crore Taka) only divided into 200,000,000 ordinary shares of Tk. 10/- each and a paid up capital of Tk. 350,000,000 only divided into 35,000,000 ordinary shares of TK.10/- each.

##### 1.2 Principal Activities of the Company

The principal activities of the company are to act as a member of Dhaka Stock Exchanges Ltd. to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, The company has one branches in Bangladesh namely Dhaka-Dilkusha Branch,

##### 1.3 Basis of Preparation and Significant Accounting Policies

###### Components of the financial statements:

The financial statements referred to comprise here:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements.

##### 1.4 Basis of Preparation of the Financial Statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with the Bangladesh Accounting Standards (BAS) and the Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh, The Companies Act, 1994 and other laws and rules applicable in Bangladesh.

##### 1.5 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the Listing Rules of Dhaka and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRS's) including Bangladesh Accounting Standards (BASs) and other applicable laws and regulations.

##### 1.6 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis, except Investment for Membership in Dhaka Stock Exchange and which have been re-measured at fair value. No adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

### 1.7 Date of Authorization

The Board of Directors accorded its approval and authorized these financial statements on 26 April, 2018.

### 1.8 Presentation and Functional Currency and Level of Precision

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

### 1.9 Uses of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provision and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- The Company 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.
- A reliable estimate can be made for the amount of the obligation.

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.

### 1.10 Going Concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

### 1.11 Materiality and Aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the Company 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.

### 1.12 Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". Depreciation is charged at the following rates per annum using reducing balance method on all fixed assets except office equipment and motor vehicle where straight-line method is applied. Depreciation rates have mentioned below:

Building	2.50%
Furniture & Fixture- Office	10.00%
Equipments	20.00%
Decoration & Renovation	12.00%
Motor Vehicles	20.00%



### 1.13 Intangible Assets and Amortization of Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives (which is 3 years) based on the management best estimates. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense as incurred.

### 1.14 Investments in Securities

Investment in quoted shares and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at market price at the reporting date. Unrealized gain and loss has been recognized in Other Comprehensive Income.

### 1.15 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial institutions and short term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard (BAS) 7, "Cash flow statement" under direct method.

### 1.16 Provision for Tax

Current tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made there to from time to time.

Deferred Tax

Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS) 12 "Income Tax". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

### 1.17 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition"

#### **Brokerage commission**

Brokerage commission is recognized as income when selling or buying order executed.

#### **Interest Income from margin loan**

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis.

#### **Dividend income and profit/(loss) on sale of marketable securities**

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when share are sold in the market and profit is realized or loss is incurred.

### 1.18 Related Party Disclosure

As per Bangladesh Accounting Standard (BAS) -24 “Related Party disclosures”, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm’s length basis at commercial rates with related parties.(Details shown in ANNEXURE-C)

### 1.19 Application of Bangladesh Accounting Standards (BASs)

The Financial Statements have been prepared in compliance with requirement of BAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs are applicable for the financial statements for the period under review:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyper-inflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	N/A
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Financial Instruments: Disclosures	BFRS-7	Applied
Financial Instruments	BFRS-9	Applied

### 1.20 Comparative

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year’s financial statements.

### 1.21 Reporting Period

The financial period of the company covers the fiscal year from 01 January 2017 to 31 December 2017.

### 1.22 Director’s Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

2017 Taka	2016 Taka
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**02. PROPERTY, PLANT AND EQUIPMENT: Tk.963,099**

Details of Property, Plant and Equipment and Depreciation as at 31 December, 2017 are shown in the Annexure -A. This is arrived at as follows:

Opening balance (At cost)	3,141,232	3,125,707
Add: Adjustment for revaluation/ Surplus	-	-
Add: Addition during the year	20,850	15,525
Less: Disposal/adjustment during the year	-	-
Closing Balance	3,162,082	3,141,232
<b>Accumulated depreciation :</b>		
Opening balance	1,606,362	1,013,729
Add: Charged during the year	592,621	592,633
	2,198,983	1,606,362
<b>Carrying Value</b>	<b>963,099</b>	<b>1,534,870</b>

**03. INTANGIBLE ASSETS: Tk. NIL**

Details of Intangible Assets and Amortization as at 31 December, 2017 are shown in the Annexure -B. This is arrived at as follows:

Opening balance (At cost)	1,000,000	1,000,000
Add: Addition during the year	-	-
Less: Disposal/adjustment during the year	-	-
Closing Balance	1,000,000	1,000,000
<b>Accumulated Amortization:</b>		
Opening balance	944,444	611,111
Add: Charged during the year	55,556	333,333
	1,000,000	944,444
<b>Carrying Value</b>	<b>-</b>	<b>55,556</b>

**04. MEMBERSHIP OF DSE AT COST: Tk. 321,720,000**

Shares in DSE	321,720,000	321,720,000
	<b>321,720,000</b>	<b>321,720,000</b>

This represents total cost and other expenses of 1 nos membership of DSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange (DSE) allotted total 72,15,106 nos ordinary Shares at face value of Tk.10.00 each against the membership of DSE and out of the above DSE transferred 2,886,042 nos shares directly to the credit of the Beneficiary Owner's account of the company. The rest of the shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013.

	2017 Taka	2016 Taka
<b>05. DEFERRED TAX ASSETS: Tk. (236,086)</b>		
The tax effect of temporary differences as per BAS 12 that resulted in deferred tax assets or liabilities		
<b>Depreciation as on balance sheet date (Note 2 &amp; 3)</b>	963,099	1,590,426
Less: Tax base as on balance sheet date	1,594,593	2,421,511
Deductible temporary difference	(631,494)	(831,085)
Deferred tax assets ( 35% on taxable temporary deference )	(221,023)	(290,880)
Deferred tax assets (10% on diminution in value of Investment)	(15,063)	32,087
Deferred tax Assets	<b>(236,086)</b>	<b>(258,793)</b>
<b>06. ADVANCES, DEPOSITS &amp; PREPAYMENTS: Tk. 4,917,480</b>		
<b>Pre-Paid Exp.</b>		
Application for IPO	4,713,480	30,000,000
<b>Total</b>	<b>4,713,480</b>	<b>30,000,000</b>
<b>Deposits</b>		
Refundable security deposit-CDBL	200,000	200,000
Refundable security deposit & BTCL	4,000	4,000
<b>Total</b>	<b>204,000</b>	<b>204,000</b>
	<b>4,917,480</b>	<b>30,204,000</b>
<b>07. TRADE &amp; OTHERS RECEIVABLE: Tk. 1,335,066</b>		
Receivable from clients (balance as at 31 December, 2017)	1,335,066	7,652
	<b>1,335,066</b>	<b>7,652</b>
<b>08. RECEIVABLES FROM DSE: Tk. NIL</b>		
Receivables from DSE	-	786,793
	<b>-</b>	<b>786,793</b>
<b>09. OTHER CURRENT ASSETS: Tk. 22,068,459</b>		
Advance Income Tax	15,304,920	7,614,317
Interest Receivable on FDR	-	13,021
Investment in Dealer at Market Price	6,710,524	1,348,428
Dividend receivable	53,015	23,000
	<b>22,068,459</b>	<b>8,998,766</b>
<b>10. SHORT TERM INVESTMENT: Tk. 27,500,000</b>		
FDR with Delta Housing Finance Corporation Ltd.	27,500,000	17,500,000
	<b>27,500,000</b>	<b>17,500,000</b>
<b>11. CASH &amp; CASH EQUIVALENTS: Tk. 57,365,485</b>		
Cash at Other Institution	-	-
Cash at bank 11.1	57,365,485	125,679,943
	<b>57,365,485</b>	<b>125,679,943</b>

		2017 Taka	2016 Taka
<b>11.1 CASH AT BANK: Tk. 57,365,485</b>			
Trust Bank Limited. C/D A/C-00170210011174		151,742	197,876
Pubali Bank Limited. SND, A/C-2982102000367		45,921,898	51,739,809
Trust Bank Limited. SND A/C-00170320001306		2,195,585	5,931,058
Trust Bank Limited, SND IPO-00410320000343		299,626	66,713,652
One Bank Limited . SND, A/C-001300000707		8,796,634	1,097,548
Standard Chartered Bank, SND, A/C-01-1184109-01		-	-
		<b>57,365,485</b>	<b>125,679,943</b>
<b>12. ORDINARY SHARE CAPITAL: Tk. 350,000,000</b>			
Authorized share capital: 200,000,000 shares of Taka 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up capital : 35,000,000 ordinary shares of Tk. 10 each		<b>350,000,000</b>	<b>350,000,000</b>
<b>13. TRADE &amp; OTHER PAYABLES: Tk. 15,194,606</b>			
Deposits of clients		15,194,606	26,286,630
		<b>15,194,606</b>	<b>26,286,630</b>
<b>14 PAYABLES TO DHAKA STOCK EXCHANGE: Tk.23,278,837</b>			
Payable to DSE		23,278,837	23,820,547
		<b>23,278,837</b>	<b>23,820,547</b>
<b>15. PROVISION FOR EXPENSES: Tk. 642,318</b>			
Provision for audit fees		57,500	57,500
Provision for online		224,800	126,400
Provision for other contractual service		13,153	19,224
Provision for CDBL Charges		96,347	83,074
Provision for Incentive Bonus		250,518	771,840
		<b>642,318</b>	<b>1,058,038</b>
<b>16. SHORT TERM LOAN: Tk. 2,526</b>			
TBSL OD A/C No.-00170136000120		2,526	15,058,958
Loan from DBH Deposit No.-710008218		-	4,515,407
Loan from DBH Deposit No.-7100021760		-	3,514,297
		<b>2,526</b>	<b>23,088,662</b>
<b>17. OTHER LIABILITIES: Tk. 21,159,185</b>			
TDS Payable		32,087	-
VAT Payable		16,262	-
Provident Fund contribution (Both)		2,136,716	1,581,748
Hospitalization Benefit Fund		70,600	53,300
Gratuity Fund		2,043,816	1,510,690
IPO Application		-	66,710,000
Other Provision	17.01	16,859,704	8,062,085
		<b>21,159,185</b>	<b>77,917,823</b>

**17.01 OTHER PROVISION: Tk. 16,859,704**

Other Liabilities to TBL  
Provision for Income Tax  
Provision for Investment

**18. REVENUE: Tk. 35,690,373**

Brokerage Commission (DSE)  
Realized Gain/(Loss) on Share  
BO Account Opening  
BO Renewal Income  
IPO-Commission

**19. COST OF SERVICE: Tk. 3,756,107**

Laga Charge  
CDBL Charge

**20. OTHER NON-OPERATIONAL INCOME: Tk. 9,815,124**

Interest on Margin Loan  
Interest From Bank  
Interest from FDR  
Cheque Dishonour  
Dividend Income from Other  
Dividend Income

**21. SALARIES AND ALLOWANCE: Tk. 7,006,592**

Basic Salary  
House Rent Allowance  
Conveyance Allowance  
Medical Allowance  
Leave Fare Assistance  
Festival Bonus  
Incentive Bonus  
Leave and Cashment  
Employer's Contribution to Provident Fund  
Employer's Contribution to Gratuity Fund

**22. RENT, TAXES, INSURANCE, ELECTRICITY : Tk. 1,037,933**

Office Rent  
Service charges  
Electricity & Generator Fuel  
Fees, Renewal & Subscription  
Renewal (Stock DLR, Broker, CDBL)  
Insurance premium

2017 Taka	2016 Taka
-	-
16,859,704	8,062,085
-	-
<b>16,859,704</b>	<b>8,062,085</b>
30,398,619	14,731,900
5,178,464	2,055,718
57,600	45,200
46,400	59,100
9,290	7,420
<b>35,690,373</b>	<b>16,899,338</b>
2,958,460	1,462,181
797,647	359,537
<b>3,756,107</b>	<b>1,821,718</b>
4,201	4,733
1,040,957	346,618
1,501,345	1,064,910
500	1,000
53,015	-
7,215,106	7,246,856
<b>9,815,124</b>	<b>8,664,117</b>
2,796,914	2,744,400
1,405,297	1,372,200
185,239	181,500
725,998	710,460
298,759	292,140
509,162	504,671
250,518	731,414
20,520	-
281,059	262,437
533,126	510,358
<b>7,006,592</b>	<b>7,309,580</b>
198,000	198,000
426,240	426,240
222,000	222,000
108,316	48,615
70,000	77,300
13,437	18,765
<b>1,037,993</b>	<b>990,920</b>



	2017 Taka	2016 Taka
<b>23. LEGAL EXPENSES: Tk. 41,791</b>		
Legal Expenses	41,791	22,980
	<b>41,791</b>	<b>22,980</b>
<b>24. POSTAGE, STAMPS TELECOMMUNICATIONS : Tk. 643,337</b>		
Telephone Expenses	17,188	9,282
Mobile	26,695	21,829
Stamp Charges	1,650	575
Postage & Courier	580	300
Internet & Online Charges	597,224	819,374
	<b>643,337</b>	<b>851,360</b>
<b>25. STATIONARY,PRINTING, ADVERTISEMENT : Tk. 83,705</b>		
Stationery, Printing, Advertisement.	83,705	89,150
	<b>83,705</b>	<b>89,150</b>
<b>26. BOARD MEETING ATTENDANCE FEES: Tk. 129,000</b>		
Board Meeting Attendance Fees	129,000	141,000
	<b>129,000</b>	<b>141,000</b>
<b>27. AUDITOR'S FEES: Tk. 57,500</b>		
Auditor's Fees	57,500	57,500
	<b>57,500</b>	<b>57,500</b>
<b>28. DEPRCIATION, AMORTIZATION AND REPAIR &amp; MAINTENANCE: Tk. 774,578</b>		
Depreciation of PPE	592,623	592,632
Amortization of Intangible Assets	55,555	333,333
Repair & Maintenance	126,400	121,499
	<b>774,578</b>	<b>1,047,464</b>
<b>29. OTER EXPENSES: Tk. 1,750,409</b>		
Entertainment	90,186	84,255
Travelling Expenses	19,671	10,235
Local Conveyance	11,700	-
Other Contractual Service	693,939	584,224
Repair Maintenance(Car Allowance)	652,800	652,800
Water Bill	14,962	6,324
Paper Bill	4,630	4,990
Bidding Fees IPO	21,000	5,000
Authorized Representative	-	500
Bank Charges	108,252	77,746
Interest Expenses	100,434	81,162
TWS Set up Expenses	5,000	-
Biniyog Shiksha Tahobil	15,000	-
Investor Protection Fees	12,835	6,975
	<b>1,750,409</b>	<b>1,514,211</b>

	2017 Taka	2016 Taka
<b>30. RECEIVED FROM OPERATING ACTIVITIES: TK. 36,736,031</b>		
Brokerage Commission	30,398,619	14,731,900
Interest on Margin Loan	4,201	4,733
BO Account Opening	57,600	45,200
Interest From Bank	1,040,957	346,618
Other Receivable	-	-
Realized Gain/(Loss)	5,178,464	2,055,718
BO Renewal Income	46,400	59,100
Chq Dishonor	500	1,000
IPO-Commission	9,290	7,420
	<b>36,736,031</b>	<b>17,251,690</b>
<b>31. PAYMENTS OF OPERATING ACTIVITIES:TK. (15,154,156)</b>		
Laga Charge	(2,958,460)	(1,462,181)
CDBL Charge	(797,647)	(359,537)
Salary & Allowance	(7,527,914)	(7,309,580)
Legal expenses	(41,791)	(22,980)
Rent, taxes, insurance, electricity etc.	(1,037,993)	(990,920)
Postage, stamps, telecommunications, etc.	(643,337)	(851,360)
Stationery, Printing, advertisement etc.	(83,705)	(89,150)
Auditors' Fees	(57,500)	(57,500)
Director's Fees	(129,000)	(141,000)
Depreciation, Amortization and repair of bank's assets	(126,400)	(121,499)
Other expenses	(1,750,409)	(1,514,211)
	<b>(15,154,156)</b>	<b>(12,919,918)</b>
<b>32. CHANGES IN OTHER OPERATING ASSETS: Tk.19,256,173</b>		
Investment in IPO	25,286,520	(30,000,000)
Receivable from DSE	786,793	(786,793)
Receivable from Clients	(1,327,414)	163,048
Dividend Income	23,000	-
Fair valuation of Investment	(150,630)	-
Investment in Dealer at Cost	(5,362,096)	239,507
	<b>19,256,173</b>	<b>(30,384,238)</b>
<b>33. CHANGES IN OTHER OPERATING LIABILITIES: Tk. (77,084,389)</b>		
Payables to clients	(11,092,024)	17,016,890
Payables to DSE	(541,710)	19,727,521
TDS payable	32,087	(21,566)
VAT Payable	16,262	(10,372)
Provision for online	98,400	126,400

Provision for other contractual service  
 provident fund contribution  
 Hospitalization benefit fund  
 Gratuity fund  
 Provision for others  
 Incentive Bonus  
 Provision for Audit Fees  
 IPO application  
 Provision for CDBL

2017 Taka	2016 Taka
(6,071)	19,224
554,968	524,874
17,300	17,000
533,126	510,358
-	-
-	308,414
-	-
(66,710,000)	66,710,000
13,273	62,676
<b>(77,084,389)</b>	<b>104,991,418</b>
1,501,345	1,064,910
-	(13,021)
13,021	155,555
<b>1,514,366</b>	<b>1,207,444</b>

**34. RECEIVED FROM FDR: Tk.1,514,366**

Interest from FDR  
 Less: Interest Accrued From FDR  
 Add: FDR Last year Accrued

# Trust Bank Securities Limited

## Schedule of Property, Plant and Equipment at 31 December 2017

ANNEXURE-A

Particulars	COST			DEPRECIATION			Amount in BDT
	Balance as at 1 January 2017	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 December 2017	Balance as at 1 January 2017	Charge for the year	
Office Renovation							
Interior Decoration	276,478	-	-	276,478	88,689	22,539	165,250
Overhead Cabinet	11,200	-	-	11,200	3,514	921	6,765
Vertical Blind & Name Plate	16,452	-	-	16,452	5,097	1,362	9,993
Office Equipment							
Photocopy Machine	82,000	-	-	82,000	53,300	16,400	12,300
Box Fan	6,500	-	-	6,500	4,224	1,300	976
Printer	165,150	-	-	165,150	86,973	33,029	45,148
Computer & Computer Accessories	664,600	-	-	664,600	350,706	132,924	180,970
Air Conditioner	275,527	-	-	275,527	116,741	55,104	103,682
UPS	67,725	-	-	67,725	32,175	13,545	22,005
Fax Machine	9,100	-	-	9,100	4,095	1,820	3,185
Rack Server	1,467,000	-	-	1,467,000	831,300	293,400	342,300
Television	99,500	-	-	99,500	29,548	19,900	50,052
Telephone Set	-	650	-	650	-	22	628
Kettle	-	1,100	-	1,100	-	37	1,063
Furniture & Fixture (Office)							
Chair	-	19,100	-	19,100	-	318	18,782
<b>Total</b>	<b>3,141,232</b>	<b>20,850</b>	<b>-</b>	<b>3,162,082</b>	<b>1,606,362</b>	<b>592,621</b>	<b>963,099</b>

# Trust Bank Securities Limited

## Schedule of Property, Plant and Equipment at 31 December 2016

Particulars	COST			DEPRECIATION			Amount in BDT
	Balance as at 1 January 2016	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 December 2016	Balance as at 1 January 2016	Charge for the year	
Office Renovation							
Interior Decoration	276,478	-	-	276,478	64,548	24,141	187,789
Overhead Cabinet	11,200	-	-	11,200	2,525	989	7,686
Vertical Blind & Name Plate	16,452	-	-	16,452	3,637	1,460	11,355
Office Equipment							
Photocopy Machine	82,000	-	-	82,000	36,900	16,400	28,700
Box Fan	6,500	-	-	6,500	2,924	1,300	2,276
Printer	165,150	-	-	165,150	53,943	33,030	78,177
Computer & Computer Accessories	664,600	-	-	664,600	217,782	132,924	313,894
Air Conditioner	275,527	-	-	275,527	61,637	55,104	158,786
UPS	52,200	15,525	-	67,725	20,010	12,165	35,550
Fax Machine	9,100	-	-	9,100	2,275	1,820	5,005
Rack Server	1,467,000	-	-	1,467,000	537,900	293,400	635,700
Television	99,500	-	-	99,500	9,648	19,900	69,952
<b>Total</b>	<b>3,125,707</b>	<b>15,525</b>	<b>-</b>	<b>3,141,232</b>	<b>1,013,729</b>	<b>592,633</b>	<b>1,534,870</b>

**Trust Bank Securities Limited**  
**Schedule of Intangible Assets at 31 December 2017**

Particulars	COST			AMORTIZATION			Carrying Amount
	Balance as at 1 January 2017	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 December 2017	Balance as at 1 January 2017	Charge for the year	Balance as at 31 December 2017
ADA Software	1,000,000	-	-	1,000,000	944,444	55,556	1,000,000
Total	1,000,000	-	-	1,000,000	944,444	55,556	1,000,000

Amount in BDT

**Trust Bank Securities Limited**  
**Schedule of Intangible Assets at 31 December 2016**

Particulars	COST			AMORTIZATION			Carrying Amount
	Balance as at 1 January 2016	Addition during the year	Disposal/ adjustment during the year	Balance as at 31 December 2016	Balance as at 1 January 2016	Charge for the year	Balance as at 31 December 2016
ADA Software	1,000,000	-	-	1,000,000	611,111	333,333	944,444
Total	1,000,000	-	-	1,000,000	611,111	333,333	944,444

Amount in BDT

## TRUST BANK SECURITIES LIMITED

### Directors and their interest in different entities as on 31 December 2017

Name of the Directors	Status	Entities where they have interest	% of Interest
Maj Gen S M Matiur Rahman, afwc, psc	Chairman (Representing Trust Bank Ltd.)	Trust Bank Limited, Vice Chairman	Nominated
		Sena Kalyan Sangstha, Vice Chairman	Nominated
		Sena Hotel Developments Limited, Vice Chairman	Nominated
		Army Welfare Trust, Vice Chairman	Nominated
		Army Housing Scheme, Chairman	Nominated
		Trust Bank Investment Limited, Vice Chairman	Nominated
		Trust Technical Training Institute, Chairman	Nominated
		Governing Bodies of Cadet Colleges, Chairman	Nominated
		Trust Transport Services, Chairman	Nominated
Brig Gen Naquib Ahmed Chowdhury, BSP, ndc, psc	Vice Chairman (Nominated)	BAIUST Comilla/BAUET Quadirabad/BAUST Saidpur, Member	Nominated
		Trust Bank Limited, Director	Nominated
		Army Welfare Trust, Managing Director	Ex-Officio
		Sena Hotel Developments Limited, Director	Nominated
		Trust Technical Training Institute, Director	Nominated
		Army Housing Scheme, Managing Director	Nominated
		Trust Bank Investment Limited, Director	Nominated
Mr. Ashraffuzaman Khan	Independent Director (Nominated)	Trust Transport Services, Member	Nominated
		Trust Bank Limited, Independent Director	--
		Trust Bank Investment Limited, Independent Director	Nominated
Brig Gen Md Main Ullah Chowdhury, awc, psc	Director (Nominated)	Executive Attire Limited, Managing Director	50.00%
		Trust Bank Investment Limited, Director	Nominated
		Army Sports Control Board, Chairman	Nominated
		BUP, DSCSC, NDC, MIST, Member	Nominated
Mr. Ishtiaque Ahmed Chowdhury	Director (Shareholder as well as Nominated Director)	BKSP, Member	Nominated
		Trust Bank Limited, Managing Director & CEO	Service
		Trust Bank Investment Limited, Director	Nominated
Mr. Abul Moqsud	Director & Managing Director (Nominated)	Trust Bank Limited, Deputy Managing Director	Service
Mr. Shahud Ahmed	Director (Nominated)	Trust Bank Limited, Senior Executive Vice President	Service
Mr. Akhlasur Rahman Bhuiyan	Director (Nominated)	Trust Bank Limited, Senior Executive Vice President	Service
Ms. Musarrat Hossaini Khan	Director (Nominated)	Trust Bank Limited, Senior Executive Vice President	Service
Brig Gen Md. Mehdi Hassan, SGP, ndc, afwc, psc (Retd.)	Director (Nominated)	Trust Bank Investment Limited, Director	Nominated
		Trust Bank Limited, Senior Executive Vice President	Service



Vice Chairman



Managing Director



Director



Director



## Photo Gallery



Board of Directors at 18<sup>th</sup> Annual General Meeting of Trust Bank Limited.



Attendance of Shareholders at 18<sup>th</sup> Annual General Meeting



Attendance of Shareholders at 18<sup>th</sup> Annual General Meeting



## Photo Gallery

Shareholders of the bank delivered their speech  
at 18<sup>th</sup> Annual General Meeting





## Photo Gallery



*General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff, Bangladesh Army & Chairman, Trust Bank Limited handed over cheques to Honourable Prime Minister Sheikh Hasina for Jatir Janak Bangabandhu Sheikh Mujibur Rahman Memorial Trust, PM's Education Assistance Fund and Suchona Foundation.*



*Maj Gen S M Matiur Rahman, afwc, psc, Adjutant General of Bangladesh Army & Vice Chairman of Trust Bank Limited handed over a cheque to Honourable Prime Minister Sheikh Hasina for PM's Relief Fund for flood affected people.*



## Photo Gallery



On behalf of Army Welfare Trust (AWT), General Abu Belal Muhammad Shafiul Huq, SBP, ndc, psc, Chief of Army Staff, Bangladesh Army and Chairman, Trust Bank Limited receiving a Dividend Warrant for the year 2016 from former Managing Director & CEO of the Bank.



Agreement signing between Trust Bank Limited and Bangladesh Bank for JICA Funded 'Urban Building Safety Project' for RMG Industries.



Inauguration of Gazipur Cantonment Branch of Trust Bank Limited.



Re-Inauguration of Mirer Bazar SME/Krishi Branch of Trust Bank Limited.



Re-Inauguration of Ashulia Branch of Trust Bank Limited.



Agreement signing ceremony between Trust Bank Limited and bKash Limited



## Photo Gallery



Eid Reunion 2017



BAMLCO Conference 2017



Inauguration Ceremony of Daulatpur Branch of Trust Bank Limited.



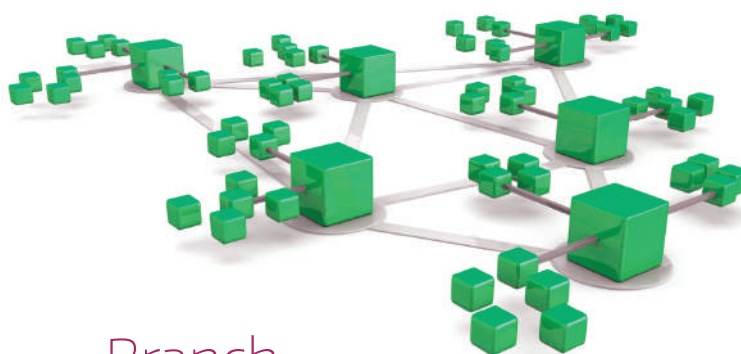
MoU signing ceremony between Trust Bank Limited and Le Meridien Dhaka.



Re-Inauguration of Joypara Branch of Trust Bank Limited.



Meeting of Trust Bank Shariah Supervisory Committee.



## Branch Network

Number of Branches & SME Service Centre **110**

Number of ATM Booths **211**

Number of ATM Booths Opened in 2017 **21**

Number of t-Lobby **09**

Number of Collection Booth **05**

## Dhaka

### Principal Branch

98 Shaheed Sarani  
Dhaka Cantonment, Dhaka  
Direct-02-8713282, 02-8750298  
PABX-02-8712751-3  
Fax-02-8750276, 02-9832376.

### Sena Kalyan Bhaban Branch

Sena Kalyan Bhaban  
195 Motijheel C/A, Dhaka-1000  
Manager-02-9513086  
Sub-Manager-02-9561721  
PABX-57164384, 47114019  
Fax-02-7163977, 9590390.

### Momenshahi Cantonment Branch

Aklima Complex (1<sup>st</sup> Floor), Sankipara  
Momenshahi Cantonment, Mymensingh  
Direct-091-62371  
FAX-09162371.

### Savar Cantonment Branch

Ground Floor, Bank Complex  
Savar Cantonment, Dhaka  
PABX-02-7791931  
Fax-02-7791263.

### Shaheed Salahuddin Cantonment Branch

Shaheed Salahuddin Cantonment  
Ghatal, Tangail  
Direct-09225-56141.

### Dhanmondi Branch

Design Concepts Ltd. (1<sup>st</sup> Floor)  
House-35, Road-2  
Dhanmondi, Dhaka-1205  
PABX-02-8623401, 02-9677553  
Fax-02-9677571.

### Gulshan Corporate Branch

110 Gulshan Avenue  
Gulshan, Dhaka-1212  
Direct-02-9886594, 02-9886592  
PABX-02-8828088, 02-8815594  
02-9862520, Fax-9881508.

### Dilkusha Corporate Branch

Peoples Insurance Bhaban (1<sup>st</sup> floor)  
36 Dilkusha C/A, Dhaka-1000  
Direct-02-9561821, 02-9560944  
PABX-9576421, 9577186  
Fax-9560793, 47120048.

### Radisson Water Garden Hotel Branch

Airport Road, Zoar Shahara  
Dhaka Cantonment, Dhaka-1206  
Direct-02-9833865  
(PABX and FAX).

### Millennium Corporate Branch

Shadhinata Tower, Bir Sreshtha Shahid  
Jahangir Gate, Dhaka Cantonment  
Dhaka-1206  
Direct-8812032, 8812028  
PABX-02-8712076, Fax-02-8712075.

### Uttara Corporate Branch

House-111/A, Road-7, Sector-4  
Uttara, Dhaka  
Direct-02-7913335, 02-8921312  
PABX-02-7914658, 02-7914732  
Fax-02-8922650.

### Mirpur Branch

Swapnapuri, Holding no. 24  
Main Road-3, Section-11  
Mirpur, Pallabi, Dhaka  
Direct-02-9008218  
PABX-02-9008310, Fax-02-9008359.

### Karwan Bazar Branch

EDB Trade Centre, 93 Kazi Nazrul Islam  
Avenue (Ground Floor), Karwan Bazar  
Tejgaon, Dhaka  
Direct-02-9126554, PABX-02-8189602-3  
Fax-9126544.

### Joypara Branch

1<sup>st</sup> Floor, Sheikh Uddin, Mozhar Ali and  
Khair Uddin Plaza, Ward no. 2  
Joypara, Dohar, Dhaka  
Direct-02-7768096, PABX-02-7768097  
Fax- 02-7768098.

### Joydevpur Branch

Vaowal Point, Vill-Vogra  
UP-Bason, PO- National University  
PS-Joydevpur, Gazipur  
Direct-02-9262852, PABX-02-9262853  
Fax-02-9262859.

### Narsingdi Branch

Salam Mansion, Holding no. 13/9  
PS-Narsingdi, Dist-Narshindi  
Direct -02-9451684, PABX-02-9451686  
Fax-02-9451685.

### Narayangonj Branch

1, Alam Khan Lane  
PO+PS-Narayangonj  
Dist-Narayangonj  
Direct-02-7648282, PABX-02-7648283  
Fax-02-7648208.

### Kafrul Branch

Holding no. 28, North Kafrul  
Dhaka City Corporation  
PS-Kafrul, Dist-Dhaka  
Direct-02-8715457  
Fax-02-8715458, PABX-02-8715459.



## Tongi Branch

1<sup>st</sup> Floor of Senakallyan Commercial Complex, Tongi Paurashova  
PS-Tongi, Dist-Gazipur  
Direct-02-9816721, PABX-02-9816722-3  
Fax-02-9816724.

## Bashundhara Branch

1<sup>st</sup> Floor, 12/D/E, Block-A  
Bashundhara R/A, Dhaka-1229  
PABX-02-8412258, 02-8412245  
Fax Ext-203.

## Ashulia Branch

1<sup>st</sup> Floor of Chowdhury Bhaban, Baipail  
EPZ Road, Ashulia, Dhaka  
Direct-02-7790843  
Fax-02-7790867.

## Elephant Road Branch

1<sup>st</sup> Floor of M. R. Mansion 19  
Elephant Road, Dhaka  
Direct 02-9614127, PABX-02-9614126  
Fax -02-9611032.

## Rajendrapur Cantonment Branch

Holding no 551, Nayanpur, Mirzapur  
Ward no. 02, PS-Gazipur Sadar  
Dist-Gazipur  
PABX-02-9201791-2  
Fax-02-9201790.

## Khawja Garib Newaz Avenue Branch

1<sup>st</sup> Floor, House No-36  
Khawja Gharib Newaz Avenue  
Sector-11, Uttara, Dhaka  
Direct-02-7914667  
PABX 02-7914666  
Fax-02-7914668.

## Banani Branch

1<sup>st</sup> Floor of Delta Dahlia Complex  
36, Kamal Ataturk Avenue, Dhaka  
PABX-02-9863053, 02-9863107  
Fax-02-9884927.

## Kishorganj Branch

1<sup>st</sup> Floor of Hajee Abdul Majid Munshi Building, Ishakhan Road, Terripatty  
Bara Bazar, Kishoregonj  
Direct-0941-62609, Fax-0941-62615.

## Bhairab Branch

Ground Floor, House # 173  
Kali Bari Road, Bhairab Bazar  
Bhairab, Kishoregonj  
Direct-02-9471501  
Sub-Manager-02-9471500.

## Keraniganj Branch

1<sup>st</sup> Floor, Azhar Plaza  
Ferry Ghat, Bus Road  
Zinjira, Keraniganj, Dhaka  
Direct - 02-7764268, PABX-02-7764267.

## Gopalgonj Branch

1<sup>st</sup> Floor of Holding no. 172  
Adhunik Shamobay Biponi  
Puratan Bazar Road, Gopalgonj  
Direct- 6681166, Fax-6681188.

## Faridpur Branch

M K Shopping Complex  
Holding no. 15/18  
Faridpur Sadar, Faridpur  
Direct-0631-65249  
(PABX and FAX).

## Dhamrai Branch

1<sup>st</sup> Floor of Siddique Super Market  
Holding no. A-29, Dhamrai Pourashava  
Dhamrai, Dhaka  
Direct-7731026, Fax-7731027.

## Sreenagar Branch

1<sup>st</sup> Floor, M Rahman Complex  
Sreenagar Bazar, Bhagyakul Road  
Sreenagar, Munshiganj  
Direct-7627175, Fax-7627190  
Mobile-01755636238.

## Patuatuly Branch

1<sup>st</sup> Floor, Lucky Mansion  
70/A, Patuatuly, Kotwali, Dhaka  
Direct-02-57396167  
PABX-02-57396168, Fax-02-7341266.

## Mohakhali Branch

1<sup>st</sup> Floor, Holding No 100, Bir Uttam AK Khandaker Road, Mohakhali C/A  
PS- Banani, Dhaka -1212  
Direct-02-9881750  
PABX-02-9881350, 02-9881360  
Fax-02-9881350,02-9881360, EXT-100.

## Bhaderganj Branch

1<sup>st</sup> Floor of SEBA Tower, Shaheed Mohiuddin Sarak, Bhaderganj  
Pourashava, PS-Bhaderganj, Shariatpur  
Direct-06022-56121  
PABX-06022-56122.

## Matuail Branch

1<sup>st</sup> Floor, Mainuddin Bhaban, Saddam Market, South Matuail  
Kadamtali, Dhaka-1213  
Direct-02-7553416, Fax-02-7553426  
Mobile-01730091692.

## Kanchpur Branch

1<sup>st</sup> Floor, Sonargoan Mega Shopping Complex, Kanchpur, Sonargoan  
Narayanganj  
Mobile-01755540561.

## Shambhugonj Branch

1<sup>st</sup> Floor, Hazi Nurul Islam Tower  
Shambhugonj Main Road, Shambhugonj  
Mymensingh  
Direct- 091- 65650  
Mobile-01755690426.

## Kakrail Branch

38, Kakrail, Inner Circular Road  
Bijoy Nagar, Dhaka  
Direct-9348201  
PABX-9361265  
Fax-9348202  
Mobile-01730335496.

## Bangabandhu Cantonment Branch

Bangabandhu Cantonment  
Bhuapur, Tangail  
Direct-09234-76002  
Mobile-01716302089.

## Pangsha Branch

1<sup>st</sup> Floor, Mahamud Plaza, College Road  
Pangsha Sadar, Pangsha, Rajbari  
Mobile-01911508398.

## Centennial Branch

Dream by Icon, 2/4 Block A  
Mohammadpur Housing Estate  
Mirpur Road, Dhaka  
Direct-9142902, 9142904  
PABX02 -9142903.

## Taranagar Branch

Ghatarchar, Taranagar  
Keranigonj Model Thana  
Keranigonj, Dhaka  
Mobile-01709648578, 01743106263

## Takerhat Branch

Shahbuddin Mollah Complex  
Vill-Takerhat, PS-Raoir  
Dist-Madaripur  
Mobile-01716608426.

## Gazipur Cantonment Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, BOF Complex, Gazipur  
Cantonment, Shimultoli  
Joydevpur, Gazipur  
Mobile - 01718494254.

## Comilla Cantonment Branch

1<sup>st</sup> Floor, Mainamati Super Market  
Comilla Cantonment, Comilla  
Direct-081-65005  
PABX-081-65004  
Fax-77023.

## Chittagong Cantonment Branch

Bangladesh Tea Board Bhaban  
Ground Floor, 171-172 Baijid Bostami  
Road, Nasirabad, Chittagong  
Direct-031-683680  
PABX-031-2581170-71  
Fax-031-2581172.

## Agrabad Branch

Rafique Tower  
92 Agrabad C/A, Chittagong  
Direct-031-720188  
PABX-031- 2524462-3, 2514708-9  
Fax-031-715791.

## Khatungonj Branch

205, Main Road  
Plot no. 218, Khatungonj, Chittagong  
Direct-031-2861718  
PABX-031-627860, 285235-6  
Fax-2861719.

## CDA Avenue Branch

Holding no.1837 (New), Elite House  
(1<sup>st</sup> and Ground Floor)  
CDA Avenue, Chittagong  
Direct-031-2550938  
PABX-031- 2550936-7, 2553091-4  
Fax -2550939.

## Halishahar Branch

House no. 2030/A, Block -G  
Road no. 3, Plot 2, Bara Pul, Port  
Connecting Road, Chittagong  
Direct-031-2512593  
PABX-031-2512592  
Fax-2512591.

## Naval Base Branch

BNS Isha Kha, Naval Base Anchor  
Building (1<sup>st</sup> Floor), Potenga, Chittagong  
PABX-031-741833, 031-741834  
Fax-741831.

## Feni Branch

Kazi Centre (Ground Floor),  
Holding no. 106, A.S.K Road, Feni  
Direct-0331-63536  
PABX-0331-63535  
Fax-0331-63537.

## Jubilee Road Branch

Royal Tower, Jubilee Road  
PS-Kotwali, Chittagong  
Direct-031-2857212  
PABX-031-2859061-2  
Fax-031-285713.

## Ashugonj Branch

Mouza-Char Char Tala  
PS-Ashugonj, Dist- Brahmanbaria  
Direct-0852-874026 (PABX)  
Fax-0852-874027.

## Amirabad Lohagara Branch

Best Chowdhury Plaza, Amirabad  
Lohagara, Chittagong  
Direct-03034-56612  
Fax & PABX-03034-56349.

## Chowmuhuni Branch

1<sup>st</sup> Floor, Holding no.- 309 & 310  
Feni Road, Chowmuhuni Paurashova  
PS-Begumgonj, Dist-Noakhali  
Direct-0321-54193, 0321-54192  
Fax-0321-54194.

## Cox's Bazar Branch

1<sup>st</sup> Floor of Degenta Annexure  
Complex, Cinema Hall Super Market  
Bazar Ghat, Cox's Bazar  
Direct-0341-52108  
PABX-0341-52109, Fax-52110.

## Kadamtali Branch

1<sup>st</sup> & 2<sup>nd</sup> Floor of Royal Plaza, 431  
DT Road, Kadamtali Bus Station  
Kadamtali, Chittagong  
Direct-031-2529951  
PABX-2529953, 2529954  
Fax-2529952.

## Rangamati Branch

1<sup>st</sup> Floor of SR Tower  
107, Shahid Abdul Rashid Sarak  
Banarupa, Rangamati  
Direct-0351-61885, 0351-61932  
PABX-0351-61886.

## Comilla Branch

1<sup>st</sup> & 2<sup>nd</sup> Floor of Omori Mansion  
Badurtala 1st Lane, Kandirpar, Comilla  
PABX-081-64249  
Fax-081-64250.

## Khagrachari Branch

Ground Floor, Mahdi Complex  
Santinagar, Changi Square  
PS-Khagrachari Sadar  
Direct-0371-61370, PABX- 0371-61390  
Fax-0371-61374.

## Bandarban Branch

1<sup>st</sup> Floor of Chairman Market  
Bandarban Bazar Fund, Plot no. 240/C  
Bandarban Sadar, Bandarban  
Direct-0361- 63204  
PABX- 0361-63205  
Fax-63206.

## Dewan Bazar Branch

1<sup>st</sup> Floor Iqbal Tower  
85/86 Dewan Bazar  
Nawab Sirajuddowla Road, Chittagong  
Direct-031-2869825  
PABX -031-2869826  
FAX-2869827.

## Titas Branch

1<sup>st</sup> Floor, Bhai Bhai Italian Plaza  
Karikandi Bazar, PS-Titas, Comilla.  
Mobile-01730304862, 01915652100.

## Maligaon Branch

1<sup>st</sup> Floor, Maligaon Hospital Medicine  
Market, Daudkandi, Comilla  
Mobile-01713010894.

## Chandpur Branch

1<sup>st</sup> Floor of Notun Bazar Super Market  
Chandpur  
Direct-0841-66541  
PABX-0841-66543  
Fax-0841-66542  
Mobile- 01713012561, 01708140980.

## RBCBVH Branch

1<sup>st</sup> Floor of Radisson Blu Chittagong Bay  
View (RBCBV) Hotel, Chittagong  
Manager-01713122929.

## Ramu Branch

Alhaji Jahed Shopping Complex  
Mandolpara, Fatekharkul, Ramu  
Cox's Bazar  
Dire t- 03425-56011  
PABX- 03425-56017.

## Companygonj Branch

1<sup>st</sup> Floor, Khokon tower  
Vill- Poia Pathor (Companygonj)  
Union-Nobipur  
PS-Muradnagar  
Dist-Comilla  
Mobile - 01709654653.

## Kabirhat Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor, Haque Tower  
Ward-2, Kabirhat Pourushova  
Kabirhat, Noakhali  
Mobile-01708140986.

## Rajshahi

### Bogra Cantonment Branch

Bogra Cantonment, Bogra  
PABX-051-82032, 82033.

### KhajwaYounus Ali Medical College & Hospital (KYAMCH) Branch

Khajwa Younus Ali Medical College & Hospital, Enayetpur, Sirajgonj  
Direct-0751-63897  
PABX-0751-63761-3, Fax-63898.

### Rajshahi Branch

1<sup>st</sup> Floor of Dainik Barta Complex  
Alupatty, Ghoramara, Rajshahi  
Direct-0721-770958  
PABX-0721-774051, 770655  
Fax-0721-772820.

### Dayarampur Branch

1<sup>st</sup> Floor of MK Shopping Complex  
Doyarampur Bazar  
Kadirabad Cantonment Road  
Dayarampur, Natore  
Direct-07722-72351  
Fax-07722-72351.

### Dashuria Branch

1<sup>st</sup> Floor, Abdul Khalaque Market  
Dashuria, Ishwardi, Pabna  
Mobile-01755690421.

### Chapainawabganj Branch

1<sup>st</sup> and 2<sup>nd</sup> Floor  
16 Jhilim Road  
Ward-02, PS-Chapai Nawabganj  
Dist-Chapai Nawabganj  
Mobile-0781-52684-6, 01733005020.

### Sherpur Branch

1<sup>st</sup> Floor, Shah Turkan Plaza, Sherpur  
Bogra. Mobile - 01770790786.

## Khulna

### Jessore Cantonment Branch

Trust Commercial Complex  
Arabpur MP Check Post, Jessore  
Cantonment, Jessore  
PABX-0421-61043.

### Khulna Branch

Sena Kallayan Bhaban, 1, KDA Avenue  
Khulna City Corporation  
PS-Sonadanga, Dist-Khulna  
Direct-041-2831570  
PABX-041-2831571-2  
Fax-041-2831573.

## Khulna

### Mongla Branch

1<sup>st</sup> Floor of BN School & College  
Campus, PS-Mongla, Bagerhat  
Direct-04662-75395  
Fax-75396.

### Munshiganj Branch

Vill-Munshiganj, PO-Kalinagar  
PS-Shyamnagar, Satkhira  
Mobile-01755552689.

### Jahanabad Cantonment Branch

Cinema Hall Complex  
Jahanabad Cantonment  
Gilatala, Fultala, Khulna  
Direct-785101  
PABX-041-785100  
Fax-785102.

### Jhenaidah Branch

Ground floor, Holding # 54 Jhenaidah  
Sadar, Jhenaidah (Adjacent to Shishu  
Kunjo School & College inside  
Jhenaidah Cadet College campus)  
Direct-0451-61316  
Fax-61317.

### Kushtia Branch

1<sup>st</sup> Floor of Shatabdi Bhaban, Holding  
no. 92/A, Nabab Siraj-Ud- Doula Road  
PS-Kushtia Sadar, Kushtia  
PABX-071-73218  
Fax-071-73851.

### Bagerhat Branch

1<sup>st</sup> Floor, 7/2, Khan Jahan Ali Road  
Bagerhat Sadar, Bagerhat  
Direct-0468-64572  
Fax-0468-64573  
Mobile-01787672377.

### Daulatpur Branch

1<sup>st</sup> Floor, 1/1 SS Centre, Upper Jessore  
Road Daulatpur Khulna  
Mobile-01708483175  
01708494259.

## Sylhet

### Jalalabad Cantonment Branch

Jalalabad Cantonment, Sylhet  
Direct-0821-2870115  
Fax-0821-2872135.

### Sylhet Corporate Branch

BMA Bhaban, Chouhatta  
Kotwali, Sylhet  
Direct-0821-727531  
PABX-0821-719063  
Fax-0821-719139.

## Sylhet

### Beani Bazar Branch

Al-Amin Super Market, College Road  
Beani Bazar, Sylhet  
Direct-08223-56008, Fax-08223-56009.

### Moulvi Bazar Branch

Holding no. 426/2, Court Road  
Kotwali, Moulvibazar  
Direct-0861-62981  
PABX-0861-62883, Fax-0861-62884.

### Goalabazar Branch

1<sup>st</sup> Floor, Hazi Nasibullah Market  
Main Road, Goalabazar  
Osmani Nagar, Sylhet  
Direct-08242-56297  
Fax-08242-56327.

### Shahjalal Uposhahor Branch

Syed Plaza, Plot No.-1, Block-D  
Shahjalal Housing Estate  
PS- Kotwali, Sylhet  
PABX-0821-727691, Fax-0821-727692.

### Modina Market Branch

1<sup>st</sup> Floor, Hoque Mansion  
Holding no. 711, Modina Market  
Pathantula, Sylhet  
Direct-0821-721811, Fax-0821-721811.

### Golapganj Branch

1<sup>st</sup> Floor of Rahman Shopping Complex  
Holding no.76, PS- Golapganj, Sylhet  
Direct-08227-56077  
Fax- 08227-56078.

### Habigonj Branch

Mannan Shopping Center  
Badiuzzaman Khan Road, Habigonj  
Sadar, Habigonj  
Direct-0831-54142  
PABX- 0831-54143  
Fax- 0831-54144  
Mobile-01755690420.

### Sunamgonj Branch

233 Alfat Bhaban, Old Bus Station  
Ward no. 06, PS-Sunamgonj Sadar  
Dist-Sunamgonj  
Mobile-01730334648.

## Rangpur

### Rangpur Cantonment Branch

Sena Shomver Complex  
RK Road, Rangpur  
Direct-0521-66653  
Fax-67371.

## Rangpur

### Saidpur Cantonment Branch

1<sup>st</sup> Floor of Shaheed Sarani Market  
Airport Road, Saidpur Cantonment  
Saidpur, Nilphamari  
Direct-05526-73631  
Fax-73630.

### Bir Uttam Shaheed Mahbub Cantonment Branch

Cantonment Board Market  
Bir Uttam Shaheed Mahbub  
Cantonment, Dinajpur  
Mobile-01755552688.

### Auliapur Branch

Vill-Auliapur, PO-Pulhat, Bscic Road  
PS-Sadar, Dinajpur  
Direct-0531-66629  
Fax- 0531-66635.

### Lalmonirhat Branch

1<sup>st</sup> Floor of Simanto Shopping Complex  
Holding no.- 755, Misson More Zero  
Point, PS - Lalmonirhat Sadar  
Lalmonirhat  
Direct -0591-62092  
Fax-0591-62090.

### Shathibari Branch

1<sup>st</sup> Floor of Atique Market, Shathibari  
Bazar, PS-Mithapukur, Rangpur  
Direct- 0522-556314.

## Barisal

### Barisal Branch

Ground Floor of S Rahman Marker  
78, Sadar Road, Barisal City  
Corporation Area, Barisal  
Direct-0431-64506  
PABX-0431-2177324  
Fax-0431-2177323.

## SME/Krishi Branches and Service Center

## Dhaka

### Mirer Bazar SME/Krishi Branch

1<sup>st</sup> Floor, Istiak Commercial Complex, Holding no. 52  
Block-B, Mirer Bazar Road, Gazipur  
Direct-02-9816765  
Fax-02-9816765.

### Madhabdi SME/Krishi Branch

R M Building-3, Phalpatri Road  
PS-Madhabdi, Dist-Narsingdi  
Direct-02-9446806  
Fax-02-9446807.

### Manikgonj SME/Krishi Branch

1<sup>st</sup> Floor of Anjoli Super Market, 75, Shaheed Rafique  
Sarak, Kali Bari, Manikgonj  
Direct-02-7711061, 02-7711058  
Fax-7711067.

### Dholaikhal SME Service center

31/1, Lal Mohan Saha Street, Dholaikhal, Dhaka  
Direct-02-9571362  
Fax-02-9571362.

## Rajshahi

### Tamai SME/Krishi Branch

Protigga Banijjik Bhaban, PS-Belkuchi  
Dist- Sirajgonj  
Direct-07522-56357  
Mobile-01730334646.

### Natore SME/Krishi Branch

1<sup>st</sup> Floor of Shahara Plaza  
Kanai Khali Natore Sadar Natore  
Direct-0771-66889, 66916  
Fax- 0771-66942.



## Trust Bank Limited

### Head Office & Registered Office:

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka-1206, Bangladesh  
www.tblbd.com

### Notice of the 19<sup>th</sup> Annual General Meeting

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of Trust Bank Limited will be held on Saturday, 23 June 2018 at 11.00 a.m. at Trust Milonayaton, 545 Old Airport Road, Dhaka Cantonment, Dhaka to transact the following business:

#### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended on 31 December 2017 including approval of transfer of an amount not exceeding 5% of total income to Special Reserve Fund together with the Directors' and Auditors' Report thereon.
2. To declare Dividend for the year ended on 31 December 2017.
3. To elect/re-elect/approve the appointment of Directors (including Independent Director).
4. To appoint/re-appoint Auditors and fix their remuneration for the financial year 2018.

Dated: 31 May 2018

By order of the Board of Directors

**Md. Mizanur Rahman, FCS**  
Company Secretary

#### Notes:

- a) The Record Date of AGM was 22 May 2018. The members' whose names appeared in the Register of Members of the Bank on Record Date are eligible to attend the meeting and vote thereat.
- b) Any Member of the Bank entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. A Member being a corporation or company may appoint its representative, duly appointed and authorized, to attend and vote on its behalf.
- c) The Proxy Form, duly signed by the Member and stamped by the Revenue Stamp of TK. 20.00 (Twenty) each, must be submitted at the Share Department of the Bank at any time not less than 72 hours before the time fixed for the meeting.
- d) Members of the Bank are requested to submit their written option to the Share Department regarding the way of receiving their dividend within 20 June 2018; otherwise, the dividend will be paid through BEFTN or any other mode as may be deemed appropriate by the Bank.
- e) Attendance Slip and Proxy Form along with the Notice will be sent to the entitled Members by post/courier. These can also be collected, if so required, from the Share Department or the website of the Bank: [www.tblbd.com](http://www.tblbd.com).

Special Note: In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009/193/154 dated 24 October 2013, no gift/food box will be distributed at the 19<sup>th</sup> AGM.







# Trust Bank Limited

## Head Office & Registered Office:

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka-1206, Bangladesh  
www.tblbd.com

### PROXY FORM

I/We.....of.....  
.....being a member of Trust Bank Limited, do hereby appoint Mr./Ms.....of  
.....as my/ our PROXY to attend and vote on my/our behalf at the 19<sup>th</sup>  
Annual General Meeting of the Bank to be held on Saturday, 23 June 2018 at 11.00 a.m. at Trust Milonayaton, 545  
Old Airport Road, Dhaka Cantonment, Dhaka and at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2018.

.....  
Signature of Shareholder(s)

.....  
Signature of PROXY

No. of Shares held .....

Folio No.	
-----------	--

BO ID No.																			
-----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Revenue  
Stamp  
Tk.20.00

Note: A member entitled to attend at the Annual General Meeting may appoint a PROXY to attend in his/her behalf. The Proxy Form, duly stamped, must be deposited at the Share Department of the Company at least 72 hours before the scheduled time of the meeting. Signature of the Member should agree with the specimen signature registered with the Company/CDBL.

Signature Verified by

.....  
Authorized Signatory



# Trust Bank Limited

## Head Office & Registered Office:

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate, Dhaka Cantonment  
Dhaka-1206, Bangladesh  
www.tblbd.com

### ATTENDANCE SLIP

I do hereby record my attendance at the 19<sup>th</sup> Annual General Meeting of the Bank being held on Saturday, 23 June 2018 at 11.00 a.m. at Trust Milonayaton, 545 Old Airport Road, Dhaka Cantonment, Dhaka.

Name of the Shareholder/Proxy																			
Folio No.																			
BO ID No.																			
Contact No.																			

.....  
Signature of Shareholder(s)/Proxy

.....  
Signature verified by

**Notes:** Please deposit this slip at the reception desk. Children and non-shareholders will not be allowed at the meeting.





# t-cash

বিশ্বস্ততায় সবার সাথে



**Trust Bank**

*A Bank for Financial Inclusion*

**Head Office & Registered Office:**

Shadhinata Tower, Bir Srestha Shaheed Jahangir Gate

Dhaka Cantonment, Dhaka – 1206, Bangladesh

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