



# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AS AT AND FOR THE FIRST HALF ENDED 30 JUNE, 2021



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
Mutual Trust Bank Ltd.

you can bank on us

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated 2 February, 2010 and the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the un-audited Consolidated Financial Statements of Mutual Trust Bank Limited as at and for the first half ended 30 June, 2021. These Consolidated Financial Statements are comprised of the financials of Mutual Trust Bank Limited including Off-shore Banking Unit, Islamic Banking and its subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, which are prepared as per International Accounting Standard (IAS) 34 "Interim Financial Reporting".

### Condensed Consolidated Balance Sheet (Unaudited) As at 30 June 2021

Property and Assets	June'2021	2020
	BDT	BDT
<b>Cash</b>	<b>11,691,463,335</b>	<b>11,781,494,720</b>
In Hand (Including Foreign Currency)	3,027,709,136	2,839,955,309
With Bangladesh Bank and its agent Bank(s) (including foreign currency)	8,663,754,199	8,941,539,411
<b>Balance with other Banks &amp; Financial Institutions</b>	<b>2,991,989,434</b>	<b>5,030,965,937</b>
In Bangladesh	419,703,070	3,322,877,323
Outside Bangladesh	2,572,286,364	1,708,088,615
<b>Money at Call &amp; Short Notice</b>	<b>-</b>	<b>1,114,100,000</b>
<b>Investments</b>	<b>40,824,835,402</b>	<b>36,656,698,182</b>
Government	34,545,700,270	32,826,020,472
Others	6,279,135,132	3,830,677,710
<b>Loans and Advances</b>	<b>218,142,705,270</b>	<b>203,887,322,069</b>
Loans, Cash Credits, Overdrafts, etc.	215,375,250,988	202,140,630,692
Bills Purchased and Discounted	2,767,454,282	1,746,691,377
<b>Fixed Asset including Premises, Furniture &amp; Fixtures</b>	<b>4,718,874,225</b>	<b>4,896,306,425</b>
<b>Other Assets</b>	<b>8,260,532,513</b>	<b>5,902,372,242</b>
<b>Non-Banking Assets</b>	<b>-</b>	<b>-</b>
<b>Total Property and Assets</b>	<b>286,630,400,179</b>	<b>269,269,259,576</b>
<b>Liabilities and Capital</b>		
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>35,427,711,097</b>	<b>30,847,308,439</b>
<b>Deposits and Other Accounts</b>	<b>195,982,721,108</b>	<b>190,120,484,514</b>
Current Deposit & Other Accounts	20,819,296,985	19,206,638,034
Bills Payable	2,505,484,397	1,988,092,081
Savings Deposit	39,121,487,612	36,214,629,286
Fixed Deposits	89,256,035,388	94,752,893,487
Special Noticed Deposits	21,605,253,194	15,370,530,851
Deposit Products	22,675,163,533	22,587,700,775
<b>Other Liabilities</b>	<b>24,879,249,202</b>	<b>20,440,174,149</b>
<b>Bond</b>	<b>12,350,000,000</b>	<b>10,850,000,000</b>
Perpetual Bond	3,150,000,000	650,000,000
Subordinated Debts	9,200,000,000	10,200,000,000
<b>Total Liabilities</b>	<b>268,639,681,407</b>	<b>252,257,967,102</b>
<b>Capital/Shareholders' Equity</b>		
Paid up Capital	8,124,956,590	7,386,324,180
Statutory Reserve	5,336,082,545	5,037,523,366
Share Premium	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	649,721,658	535,041,698
Foreign Currency Translational Gain/ Loss	2,923,306	3,937,871
General Reserve	786,777,324	786,777,324
Retained earnings	1,994,819,191	2,166,251,505
<b>Total Shareholders' Equity</b>	<b>17,990,585,393</b>	<b>17,011,160,723</b>
<b>Minority Interest</b>	<b>133,379</b>	<b>131,752</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>286,630,400,179</b>	<b>269,269,259,576</b>
<b>Net Asset Value (NAV) per share (2020 Restated)</b>	<b>22.14</b>	<b>20.94</b>
<b>Off-Balance Sheet Items</b>		
<b>Contra &amp; Contingent Assets &amp; Liabilities:</b>		
Acceptances and endorsements	34,039,658,109	25,672,241,302
Letter of guarantee	39,860,068,274	34,887,687,852
Irrevocable letters of credit	29,828,893,644	25,753,147,769
Bills for collection	8,280,414,715	7,282,893,368
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>	<b>112,009,034,741</b>	<b>93,595,970,291</b>

Chairman: *[Signature]*  
Director: *[Signature]*  
Managing Director & CEO: *[Signature]*  
Group Chief Financial Officer: *[Signature]*  
Group Company Secretary: *[Signature]*

### DISCLOSURE ON 1st HALF UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2021

Particulars	Amount in BDT	
	June 30, 2021	June 30, 2020
Net Asset Value (NAV)	17,990,585,393	17,231,337,991
Net Asset Value (NAV) Per Share (Restated)	22.14	21.21
Earnings Per Share (EPS) (Restated)	1.08	1.34
Net Operating Cash Flow (NOCF) Per Share (Restated)	(0.60)	(6.16)

### Mutual Trust Bank Limited and Its Subsidiaries Selective Notes to the Condensed Interim Financial Statements As at and for the period ended 30 June 2021

**1.0 Legal status and nature of the Bank**  
Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended up to date) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized Capital of the Bank is BDT 10 billion. The Bank has 119 (One Hundred and Nineteen) branches including 14 (Fourteen) SME/Agri Branches and 32 (Thirty Two) sub branches all over the Bangladesh, 164 (One Hundred and Sixty Four) Agent Banking Centre, 04(Four) air lounge and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

**1.1 Principal Activities**  
The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches and offices in Bangladesh such as accepting deposits, corporate, SME and retail banking, personal financial services, project finance, etc.

**1.2 Off-Shore Banking Unit (OBU)**  
The Bank obtained Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009-4470 dated December 3, 2009 and commenced its operation on December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

**1.3 Islamic Banking:**  
The Bank obtained permission for Islamic Banking from Bangladesh Bank vide Letter No. BRPD(P-3)745(51)/2019-9642 dated November 25, 2019. Through the Islamic Banking the Bank extends all types of Islamic Shariah compliant finance like Lease, Hire Purchase Shirkatul Melk (HPSM), Bai Muazzal, Household Scheme etc. and different types of deposits like Mudaraba savings deposits, Mudaraba term deposits, Al-Wadeeah current deposits, monthly/quarterly profit paying scheme etc.

**1.4 Agent Banking:**  
The Bank obtained permission from Bangladesh Bank on 07/01/2016 vide reference No BRPD (P-3) 745 (51)/2016-142 to start the operation of Agent Banking and subsequently started its commercial operation on 06/06/2016. The services that are currently being offered includes- Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

**1.5 Subsidiary Companies**

**1.5.1 MTB Securities Limited (MTBSL)**  
MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82888/10 and converted into public Ltd. company in the year 2015 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC). The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

**1.5.2 MTB Exchange (UK) Limited (MTB UK)**  
Bangladesh Bank vide its letter No. BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on September 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London, United Kingdom.

**1.5.3 MTB Capital Limited (MTBCL)**  
The Bank obtained permission to embark upon Merchant Banking from the Securities and Exchange Commission (SEC) vide its certificate No. MB-55/2010 dated December 06, 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011.

**2.0 Significant Accounting Policies**

**2.1 Basis of Accounting**  
The financial statements of the Bank as at and for the period ended 30 June 2021 have been prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec-38)" of the Bank Companies Act, 1991 (as amended up to date) and as per the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council of Bangladesh (FRC), The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations 2015, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the Corporate Head Office and the branches have been taken into account.

**2.2 Basis of Consolidation**  
The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units, Islamic Banking and its subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited. The consolidated financial statements are prepared to a common financial period ending 30 June 2021.

**2.3 Cash Flow Statement**  
Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular no. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

**2.4 Provisions**

**2.4.1 Loans and Advance**  
Provision for Loans and Advance has been made as per directives/letter issued by Bangladesh Bank from time to time. As well as Bangladesh Bank letter Reference No. DBI-1/119/2020-1616 dated June 24, 2020, DBI-1/119/2021-1023 dated April 13, 2021 and DOS (RMMCMCS) 1154/161/2021-1841 dated 26 April, 2021 regarding approval to defer the required provision amount over the next three years from 2021 to 2023.

**2.4.2 Investment**  
Provisions for diminution in value of investment is made for loss arising from decrease of the value of investment in quoted shares as per directives of the competent authorities.

**2.4.3 Off - Balance Sheet Exposures**  
Off-balance sheet items have been disclosed under contingent liabilities and other commitments according to Bangladesh Bank guidelines. As per BRPD Circular no. 14 of September 23, 2012, Circular letter no. 1 of January 03, 2018, Circular No. 7 of 21 June 2018 and Circular No.13 of 18 October 2018 the Bank has maintained provision against off-balance sheet exposures.

**2.5 According to IAS-12 "Income Taxes", Current Tax comprises of Operating Profit before Provision after adjustment of permanent disallowances.**  
Required provision for current tax has been calculated on operating profit before provision as per the Income Tax Ordinance 1984 as well as according to IAS 12, so the tax rates stood at 29.04% and 27.02% for the 1H of 2021 and 1H for 2020 respectively which is shown below:

Particulars	01 January to 30 June 2021	01 January to 30 June 2020
Operating profit before Provision	2,477,848,908	2,001,806,804
Provision for Current Tax	719,521,358	540,805,429
<b>Tax rate</b>	<b>29.04%</b>	<b>27.02%</b>

**2.6 Calculation of Deferred Tax:**

Particulars	01 January to 30 June 2021	01 January to 30 June 2020
Taxable temporary difference arising from the carrying value of fixed assets	(483,947,660)	
Deductibles temporary difference arising from the provision of classified loan	2,698,441,106	
<b>Net deductible temporary difference (a)</b>	<b>2,214,493,446</b>	
Tax rate (b)	37.50%	
Closing deferred tax assets (a x b)	830,435,042	
Opening deferred tax assets	858,157,826	
<b>Deferred tax income of the Bank</b>	<b>(27,722,784)</b>	
Deferred tax income of subsidiaries	5,966	
<b>Consolidated deferred tax income</b>	<b>27,716,818</b>	

**2.7 Composition of Shareholders' Equity:**

Particulars	BDT
Paid up Capital (812,495,659 Ordinary shares @ 10.00 each)	8,124,956,590
Statutory Reserve	5,336,082,545
Share Premium	1,095,304,778
Revaluation Reserve on Investment in Securities	649,721,658
Foreign Currency Translation gain	2,923,306
General Reserve	786,777,324
Retained Earnings	1,994,819,191
<b>Total Shareholders' Equity</b>	<b>17,990,585,393</b>

**2.8 Net Asset Value Per Share (NAVPS):**  
Net assets value (NAV) per share as of 1H 2021: BDT 22.14 which was BDT 20.94 (Restated) in December 2020. Calculation of the NAVPS furnished below:

**Calculation of NAVPS:**

Particulars	Net asset value/ No. of shares outstanding
Total net assets value (a)	17,990,585,393
Number of shares outstanding as of 30 June 2021 (b)	812,495,659
Net asset value per share (a/b)	22.14

**2.9 Earnings Per Share (EPS)**  
The Bank calculates EPS in accordance with International Accounting Standard (IAS) 33 "Earning per Share" which has been shown in the profit and loss account. EPS as of 1H 2021: BDT 1.08 as against BDT 1.34 (Restated, Original EPS: BDT 1.55) of 1H 2020. EPS has decreased compared to the same period of last year due to higher requirement of loan loss provision. Calculation of EPS as of 1H 2021 is as under:

**Calculation of Basic EPS:**

Particulars	Net profit after tax/ No. of shares outstanding
Net profit after tax (a)	873,927,712
Number of shares outstanding (b)	812,495,659
Earnings per share (a/b)	1.08

**2.10 Net Operating Cash Flows Per Share (NOFPS)**  
NOFPS for the period has stood at BDT (0.60) compare to the same period of last year of BDT (6.16) (Restated, Original NOFPS: BDT (7.11)) mainly due to reduction of gap between collection of deposits / fund and deployment of fund through advances over the same period of previous year. Calculation of NOFPS as of 1H 2021 is as under:

**Calculation of NOFPS:**

Particulars	01 January to June 30, 2021	01 January to June 30, 2020
<b>Profit before provision</b>	<b>2,477,848,908</b>	<b>2,001,806,804</b>
Adjustment for non-cash items		
Depreciation on fixed assets	290,694,399	295,521,676
Amortization on software	2,739,481	2,858,205
Interest on lease liability	41,855,040	-
<b>357,427,920</b>	<b>324,379,881</b>	
<b>Adjustment with non-operating activities</b>		
Recovery of written off loan	-	197,080
Accounts Receivable	2,684,528,410	(238,632,270)
Accounts Payable on deposits	(2,275,758,045)	(382,782,809)
Loss on sale of assets	2,739,871	1,545,336
Loss on revaluation of Government Securities	56,657,199	46,923,058
<b>468,167,235</b>	<b>(572,749,604)</b>	
<b>Changes in operating assets and liabilities</b>		
Changes in loans & advances	(16,981,824,532)	(11,147,058,033)
Changes in deposits & other accounts	8,079,615,785	(270,082,709)
Changes in borrowings	4,580,402,658	3,978,534,409
Changes in other assets	(1,981,909,114)	(444,414,852)
Changes in other liabilities	2,843,510,861	1,901,996,544
<b>(3,460,204,343)</b>	<b>(5,981,024,641)</b>	
<b>Income tax paid</b>	<b>(334,338,235)</b>	<b>(773,877,168)</b>
<b>(491,098,514)</b>	<b>(5,001,464,729)</b>	

**2.11 Reconciliation of statement of cash flows from operating activities**

**2.12 Reporting Period**  
These financial statements cover the period from 01 January to 30 June 2021.

**2.13 General**  
a) These financial statements are presented in BDT, which is the bank's functional currency. Figure appearing in these financial statements have been rounded off to the nearest BDT.  
b) Figures of the previous year have been rearranged to conform to the current year's presentation.

**2.14 Review of the Financial Statements**  
These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 4th meeting for 2021 held on 26 July 2021 and was subsequently approved by the MTB Board in its 264th meeting held on 28 July 2021.

**2.15 Credit Rating**  
Credit Rating Information and Services Limited (CRISL) has rated the Bank based on December 31, 2020 with "AA" (pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was May 23, 2021.

Periods	Rating Validity	Long Term Rating	Short Term Rating
January to December 2020	22 May, 2022	AA	ST-2
January to December 2019	14 July, 2021	AA	ST-2
January to December 2018	15 July, 2020	AA	ST-2

### Condensed Consolidated Profit and Loss Account (Unaudited) For the period ended 30 June 2021

Particulars	01 January to 30 June 2021	01 January to 30 June 2020	01 April to 30 June 2021	01 April to 30 June 2020
	BDT	BDT	BDT	BDT
<b>Interest Income</b>	<b>7,205,934,141</b>	<b>8,451,078,247</b>	<b>3,487,839,638</b>	<b>3,773,035,228</b>
Interest Expenses	4,487,064,075	6,405,759,405	2,168,408,107	3,090,713,174
<b>Net Interest Income</b>	<b>2,718,870,066</b>	<b>2,045,318,842</b>	<b>1,319,431,531</b>	<b>682,322,054</b>
<b>Income from Investments</b>	<b>1,464,748,341</b>	<b>1,891,821,309</b>	<b>749,595,814</b>	<b>1,081,363,929</b>
Commission, Exchange and Brokerage	985,672,940	780,890,768	548,977,219	335,046,384
Other Operating Income	479,075,401	1,110,930,541	190,618,600	746,317,545
<b>Total Other Income</b>	<b>2,907,427,881</b>	<b>2,967,234,803</b>	<b>1,584,923,693</b>	<b>1,880,029,646</b>
<b>Total Operating Income</b>	<b>5,626,297,946</b>	<b>5,012,553,644</b>	<b>2,904,355,225</b>	<b>2,622,351,700</b>
<b>Less: Operating Expenses:</b>				
Salary & Allowances	1,781,610,785	1,761,017,537	920,235,524	909,386,909
Rent Taxes Insurance Electricity etc.	351,406,454	304,193,900	173,533,118	142,466,086
Legal Expenses	2,387,108	699,211	1,091,797	96,157
Postage Stamps and Telecommunication etc.	8,434,496	7,520,365	4,674,309	3,120,437
Stationery Printing and Advertisements etc.	47,279,859	24,752,256	21,773,122	9,489,387
Managing Director's Remuneration	15,780,243	11,633,900	9,957,762	6,527,075
Director's Expenses	1,108,800	803,549	497,800	184,949
Auditor's Fees	-	217,729	-	104,896
Depreciation & Repair & Maintenance of Assets	368,565,066	367,940,076	187,031,528	185,564,609
Other Expenses	571,876,227	531,968,318	310,415,481	222,968,618
<b>Total Operating Expenses</b>	<b>3,148,449,038</b>	<b>3,010,746,804</b>	<b>1,629,210,441</b>	<b>1,479,909,122</b>
<b>Profit Before Provision</b>	<b>2,477,848,908</b>	<b>2,001,806,804</b>	<b>1,275,144,784</b>	<b>782,442,578</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>				
Provision for Unclassified Loan and Advance	175,163,287	69,639,585	603,788,880	39,206,703
Provision for Classified Loan and Advance	376,015,873	366,640,765	(43,431,743)	145,418,366
Provision for Off-Balance Sheet Items (Expenses)	160,002,233	35,093,621	65,988,175	(19,118,677)
Provision for Investment in Share of Quoted Co.				