

Auditor's Report

AUDITOR'S REPORT TO THE SHAREHOLDERS OF MUTUAL TRUST BANK LIMITED

We have audited the accompanying consolidated financial statements of Mutual Trust Bank Limited (MTB) and its subsidiaries, which comprises the balance sheet as at 31 December 2010 and the income statement, statement of changes in equity, liquidity statement and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bank Companies Act, 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 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 consolidated 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 consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the bank's affairs as at 31 December 2010 and of the results of its operations and cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulation.

Auditor's Report

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by MTB so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) the MTB's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the MTB's business;
- (v) the financial position of MTB as on 31 December 2010 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the Bank Companies Act, 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (ix) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) the Bank has no overseas branches;
- (xii) 80% of the risk-weighted assets have been audited; and
- (xiii) we have spent approximately 3,120 man hours for the audit of books and accounts of the Bank.

Dhaka, February 08, 2011

Hodawas Chowdhury & Co
Chartered Accountants

125 Auditor's Report of MTB

127 MTB Consolidated Balance Sheet

129 MTB Consolidated Profit and Loss Account

131 MTB Consolidated Statement of Cash Flow

132 MTB Consolidated Statement of Changes in Equity

Consolidated Balance Sheet

<i>Ref.</i>	Mutual Trust Bank Limited		2010	2009
<i>IAS 1.51(a)</i>	Consolidated Balance Sheet		BDT	BDT
<i>IAS 1.10(a)</i>	As at December 31, 2010			
<i>IAS 1.51(c)</i>	Property and Assets	Note		
<i>IAS 1(38 & 39)</i>			2010	2009
			BDT	BDT
<i>IAS 1.54(i), IAS 7.7</i>	Cash	3 (a)	3,456,112,220	3,103,953,777
	In Hand (Including Foreign Currency)		520,003,549	346,750,709
	With Bangladesh Bank and its agent Bank (including Foreign Currency)		2,936,108,671	2,757,203,068
<i>IAS 1.54(d)</i>	Balance with Other Banks & Financial Institutions	4 (a)	3,197,748,640	3,607,171,139
	In Bangladesh		2,835,613,990	3,337,079,631
	Outside Bangladesh		362,134,650	270,091,508
<i>IAS 1.54(i)</i>	Money at Call and Short Notice		-	-
<i>IAS 1.54(b)</i>	Investments	5 (a)	9,216,332,760	9,537,973,528
	Government		8,070,955,596	8,961,988,755
	Others		1,145,377,164	575,984,773
<i>IAS 1.5 4(h)</i>	Loans and Advances	6 (a)	39,676,121,484	33,883,923,705
	Loans, Cash Credit, Overdrafts, etc.		37,704,921,351	31,493,607,971
	Bills Purchased and Discounted		1,971,200,133	2,390,315,734
<i>IAS 1.54(a)</i>	Fixed Asset including Premises, Furniture & Fixture	7 (a)	765,260,620	445,576,880
<i>IAS 1.55, 1.57 (a)</i>	Other Assets	8 (a)	1,934,455,329	2,196,167,040
<i>IAS 1.55, 1.57 (a)</i>	Non-Banking Asset		-	-
	Total Property and Assets		58,246,031,053	52,774,766,068
	Liabilities and Capital			
<i>IAS 1.54(k)</i>	Borrowing from other Banks, Financial Institutions & Agents	9 (a)	2,329,576,556	3,550,000,000
<i>IAS 1.54 (m)</i>	Deposit and Other Accounts	10 (a)	45,846,309,207	42,354,065,907
	Current Deposit & Other Accounts		8,590,502,228	6,511,156,357
	Bills Payable		529,737,722	528,953,937
	Savings Deposit		5,655,577,091	5,104,087,897
	Fixed Deposit		25,576,314,337	26,229,065,156
	Deposit-Products		5,494,177,829	3,980,802,560
<i>IAS 1.55, 1.57(a)</i>	Other Liabilities	11 (a)	3,109,122,681	3,186,191,049
	Subordinated Debt	12.00	2,582,191,780	-
	Total Liabilities		53,867,200,224	49,090,256,956
	Capital/Shareholders' Equity			
<i>IAS 1.54(r), 1.78(e)</i>	Paid up Capital	13.00	2,119,582,000	1,766,318,400
<i>IAS 1.54(r), 1.78(e)</i>	Statutory Reserve	14 (a)	1,278,436,492	980,325,611
<i>IAS 1.54(r), 1.78(e)</i>	Revaluation Reserve on Investment in Securities		89,590,794	383,866,189
<i>IAS 1.55, 1.57(a)</i>	Foreign Currency Translation Gain		235,052	-
<i>IAS 1.54(r), 1.78(e)</i>	General Reserve	15.00	361,777,324	161,777,324
<i>IAS 1.54(r), 1.78(e)</i>	Retained Earnings	16 (a)	529,187,624	392,221,588
	Total Shareholders' Equity		4,378,809,286	3,684,509,112
<i>IAS 1.55, 1.57(a)</i>	Minority Interest		21,543	-
	Total Liabilities and Shareholders' Equity		58,246,031,053	52,774,766,068
	Net Asset Value (NAV) Per Share		206.59	173.83

Consolidated Balance Sheet

<i>Ref.</i>		Note	2010 BDT	2009 BDT
IAS 1.51(a)				
IAS 1.10(a)				
IAS 1.51(c)				
IAS 1(38 & 39)				
IAS 1.55	Off-Balance Sheet Items			
IAS 37.28, 37.86	Contingent Liabilities	17 (a)		
	Letter of Guarantee		3,723,340,283	3,243,533,864
	Irrevocable Letter of Credit		4,683,910,229	2,989,895,602
	Bills for Collection		760,653,590	760,214,308
	Other Contingent Liabilities		3,847,663,096	3,067,399,087
			13,015,567,198	10,061,042,861
	Other Commitments			
	Documentary credits and short term trade related transactions		-	-
	Forward asset purchased and forward deposit placed		-	-
	Undrawn note issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		2,483,300,000	-
	Claim against the bank not acknowledged as debt		-	-
	Litigation pending against Bank		-	-
			2,483,300,000	-
	Other Memorandum Items			
	Value of Travelers' Cheque on Hand		-	-
	Value of Bangladesh Sanchoy Patra on Hand		-	-
			-	-
	Total Off-Balance Sheet Items including Contingent Liabilities		15,498,867,198	10,061,042,861

The annexed notes form an integral part of these accounts



Samson H. Chowdhury
Chairman



Dr. Arif Dowla
Vice Chairman



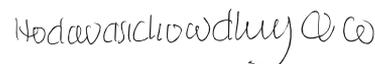
Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per annexed report on even date

Dhaka, February 08, 2011



Chartered Accountants

Consolidated Profit and Loss Account

Ref.
IAS 1.51(a)
IAS 1.10(b)
IAS 1.51(c)
IAS 1(38 & 39)
IAS 1.85

Mutual Trust Bank Limited Consolidated Profit and Loss Account For the year ended December 31, 2010

Appropriation:	Note	2010 BDT	2009 BDT
Bonus Share Issued during the year		353,263,600	193,324,670
Transferred to Statutory Reserve		298,110,881	278,383,710
Transferred to General Reserve		200,000,000	150,000,000
		851,374,481	621,708,380
Retained Surplus, Carried Forward		529,187,624	392,221,588
Earnings Per Share	33 (a)	46.63	38.72

The annexed notes form an integral part of these accounts



Samson H. Chowdhury
Chairman



Dr. Arif Dowla
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per annexed report on even date

Dhaka, February 08, 2011

Nodwasichowdhury & Co
Chartered Accountants

Consolidated Statement of Cash Flow

Ref.
 IAS 1.51(a)
 IAS 1.10(d)
 IAS 1.51(c)

Mutual Trust Bank Limited Consolidated Statement of Cash Flow For the year ended December 31, 2010

IAS 1(38 & 39)	Note	2010 BDT	2009 BDT
A) Cash Flow From Operating Activities:			
IAS 7.10 Interest Received		5,428,520,094	5,017,608,780
IAS 7.31 Interest Paid on Deposits, Borrowings, etc.		(3,432,752,386)	(3,259,016,332)
IAS 7.31 Dividend Income		16,832,850	10,375,248
IAS 7.14 (b) Fees & Commission Income		802,643,141	418,217,312
Recoveries of Loans previously written off		1,000,000	-
IAS 7.14 (d) Cash Paid to Employees as Salaries and Allowances		(478,449,569)	(374,525,906)
IAS 7.35 Advance Income Tax Paid		(625,663,553)	(347,574,469)
IAS 7.14 (b) Cash Received From Other Operational Income	34 (a)	384,769,702	398,187,158
IAS 7.14 (c) Cash Paid for Other Operational Expenses	35 (a)	(752,776,912)	(358,290,871)
		1,344,123,367	1,504,980,920
Cash Flow From Operating Activities Before Changes in Net Current Asset			
Changes in Net Current Asset :			
IAS 7.19(b) Investment in Treasury Bond		(680,595,898)	(2,490,190,686)
Loans & Advances		(5,738,964,774)	(5,245,595,767)
Other Asset	8 (a)	(234,149,677)	(588,475,920)
Bank Deposit		(116,451,597)	(773,567,194)
Customers' Deposit		3,835,287,426	9,156,891,884
Subordinated debt		2,500,000,000	-
Borrowing from Other Banks, Financial Institutions & Agents	9 (a)	(1,220,423,444)	3,550,000,000
Other Liabilities	11 (a)	(45,788,670)	(426,285,610)
		(1,701,086,634)	3,182,776,707
Net Cash Flow From Operating Activities		(356,963,267)	4,687,757,627
B) Cash Flow From Investing Activities:			
IAS 7.10 Investment in Shares & Bonds		(569,392,391)	(335,824,065)
IAS 7.16 (c) Purchase of Premises & Fixed Asset (net)		(408,497,111)	(131,510,249)
Net Cash Flow From Investing Activities		(977,889,502)	(467,334,314)
C) Cash Flow From Financing Activities:			
IAS 7.10 Received From Issue of Right Shares		-	-
IAS 7.17 (a) Dividend Paid		-	-
Net Cash Flow From Financing Activities		-	-
D) Net Increase in Cash and Cash Equivalents (A+B+C)		(1,334,852,769)	4,220,423,313
IAS 7.28 E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		235,052	-
F) Opening Cash and Cash Equivalents		8,788,206,245	4,567,782,932
Closing Cash and Cash Equivalents (D+E+F)		7,453,588,528	8,788,206,245
IAS 7.45 The above closing Cash and Cash Equivalents include:			
Cash in Hand		520,003,549	346,750,709
Balance with Bangladesh Bank and its Agent Bank		2,936,108,671	2,757,203,068
Balance with Other Banks & Financial Institutions		3,197,748,640	3,607,171,139
Money at Call and Short Notice		-	-
Treasury Bill		798,263,268	2,075,818,430
Prize Bond		1,464,400	1,262,900
		7,453,588,528	8,788,206,245
Net Operating Cash Flow Per Share		(16.84)	265.40

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
 Chairman


Dr. Arif Dowla
 Vice Chairman


Syed Manzur Elahi
 Director


Anis A. Khan
 Managing Director & CEO

Consolidated Statement of Changes in Equity

Mutual Trust Bank Limited Consolidated Statement of Changes in Equity

For the year ended December 31, 2010

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Profit & Loss Account	Total	Minority Interest	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 01 January 2010	1,766,318,400	-	980,325,611	161,777,324	383,866,189	-	392,221,588	3,684,509,112	-	3,684,509,112
Bonus Share Issued during the year IAS 1.106(d)	353,263,600	-	-	-	-	-	(353,263,600)	-	-	-
Right Share Issued during the year IAS 1.106(d)	-	-	-	-	-	-	-	-	-	-
Cash Dividend Paid during the year IAS 1.107	-	-	-	-	-	-	-	-	-	-
Currency Translation differences IAS 1.106(d)	-	-	-	-	-	235,052	-	235,052	-	235,052
Transferred to General Reserve IFRIC 1.6(a)	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve transferred during the year IAS 1.106(a)	-	-	-	-	(294,275,395)	-	-	(294,275,395)	-	(294,275,395)
Net Profit After Tax for the year IAS 1.106(d)	-	-	-	-	-	-	988,340,517	988,340,517	21,543	988,362,060
Appropriation made during the year	-	-	298,110,881	200,000,000	-	-	(498,110,881)	-	-	-
Balance as on 31 December 2010	2,119,582,000	-	1,278,436,492	361,777,324	89,590,794	235,052	529,187,624	4,378,809,286	21,543	4,378,830,829

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Consolidated Liquidity Statement

Mutual Trust Bank Limited Consolidated Liquidity Statement As at December 31, 2010

Ref.
IAS 1.51(a)
IAS 1.65
IAS 1.51(c)

Particulars	Less than 1 month		1 to 3 months		3 to 12 months		1 to 5 years		Above 5 years		Total	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
ASSET :												
Cash	3,456,112,220	-	-	-	-	-	-	-	-	-	-	3,456,112,220
Balance with other Banks and Financial Institutions	877,567,092	1,418,123,020	842,383,694	59,674,834	-	-	-	-	-	-	-	3,197,748,640
Money at Call & Short Notice	-	-	-	-	-	-	-	-	-	-	-	-
Investments	118,842,774	367,032,710	1,103,396,648	2,975,210,232	4,651,850,396	9,216,332,760	-	-	-	-	-	19,004,620
Loans and Advances	4,894,829,813	11,377,036,424	9,303,512,879	11,590,386,824	2,510,355,544	39,676,121,484	-	-	-	-	-	765,260,620
Premises and Fixed Asset	7,652,606	15,305,212	68,873,454	367,325,088	35,195,705	1,934,455,329	-	-	-	-	-	-
Other Asset	236,935,123	278,857,658	525,784,130	857,682,713	-	-	-	-	-	-	-	-
Non-Banking Asset	-	-	-	-	-	-	-	-	-	-	-	-
Total Asset	9,591,939,628	13,456,355,024	11,843,950,805	15,850,279,691	7,503,505,905	58,246,031,053						
LIABILITIES :												
Borrowing From Other Banks, Financial Institutions & Agents	1,272,076,556	211,500,000	846,000,000	-	-	-	-	-	-	-	-	2,329,576,556
Deposit and Other Account	16,748,140,066	13,845,847,311	10,585,068,595	3,268,480,062	1,398,773,173	45,846,309,207	-	-	-	-	-	67,346,565,308
Provision & Other Liabilities	445,078,848	85,248,278	504,590,909	791,053,946	2,500,000,000	3,109,122,681	-	-	-	-	-	6,834,073,752
Subordinated Debt	-	82,191,780	-	-	-	2,582,191,780	-	-	-	-	-	2,582,191,780
Total Liability	18,465,295,470	14,224,787,369	11,935,659,504	4,059,534,008	5,181,923,873	53,867,200,224						
Net Liquidity	(8,873,355,842)	(768,432,345)	(91,708,699)	11,790,745,683	2,321,582,032	4,378,830,829						

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Balance Sheet

<i>Ref.</i>	Mutual Trust Bank Limited			
	Balance Sheet			
	As at December 31, 2010			
<i>IAS 1(38 & 39)</i>	Property and Asset	Note	2010 BDT	2009 BDT
<i>IAS 1.54(i), IAS 7.7</i>	Cash	3.00	3,456,112,220	3,103,953,777
	In Hand (Including Foreign Currency)		520,003,549	346,750,709
	With Bangladesh Bank and its agent Bank (Including Foreign Currency)		2,936,108,671	2,757,203,068
<i>IAS 1.54(d)</i>	Balance with other Banks & Financial Institutions	4.00	2,675,838,121	3,607,171,139
	In Bangladesh		2,118,788,032	3,337,079,631
	Outside Bangladesh		557,050,089	270,091,508
<i>IAS 1.54(i)</i>	Money at Call and Short Notice		-	-
<i>IAS 1.54(b)</i>	Investments	5.00	9,098,954,386	9,537,973,528
	Government		8,070,955,596	8,961,988,755
	Others		1,027,998,790	575,984,773
<i>IAS 1.54(h)</i>	Loans and Advances	6.00	37,730,458,690	33,883,923,705
	Loans, Cash Credit, Overdrafts, etc.		35,952,811,858	31,493,607,971
	Bills Purchased and Discounted		1,777,646,832	2,390,315,734
<i>IAS 1.54(a)</i>	Fixed Asset including Premises, Furniture & Fixture	7.00	722,053,009	445,576,880
<i>IAS 1.55, 1.57(a)</i>	Other Asset	8.00	2,774,026,010	2,196,167,040
<i>IAS 1.55, 1.57(a)</i>	Non-Banking Asset		-	-
	Total Property and Asset		56,457,442,436	52,774,766,068
	Liabilities and Capital			
<i>IAS 1.54(k)</i>	Borrowing from other Banks, Financial Institutions & Agents	9.00	1,270,000,000	3,550,000,000
<i>IAS 1.54(m)</i>	Deposit and Other Accounts	10.00	45,846,309,207	42,354,065,907
	Current Deposit & Other Accounts		8,590,502,228	6,511,156,357
	Bills Payable		529,737,722	528,953,937
	Savings Deposit		5,655,577,091	5,104,087,897
	Fixed Deposit		25,576,314,337	26,229,065,156
	Deposit-Products		5,494,177,829	3,980,802,560
<i>IAS 1.55, 1.57(a)</i>	Other Liabilities	11.00	2,613,550,331	3,186,191,049
	Subordinated Debt	12.00	2,582,191,780	-
	Total Liabilities		52,312,051,318	49,090,256,956
	Capital/Shareholders' Equity			
<i>IAS 1.54(r), 1.78(e)</i>	Paid up Capital	13.00	2,119,582,000	1,766,318,400
<i>IAS 1.54(r), 1.78(e)</i>	Statutory Reserve	14.00	1,219,222,616	980,325,611
<i>IAS 1.54(r), 1.78(e)</i>	Revaluation Reserve on Investment in Securities		89,590,794	383,866,189
<i>IAS 1.54(r), 1.78(e)</i>	General Reserve	15.00	361,777,324	161,777,324
<i>IAS 1.54(r), 1.78(e)</i>	Retained Earnings	16.00	355,218,384	392,221,588
	Total Shareholders' Equity		4,145,391,118	3,684,509,112
	Total Liabilities and Shareholders' Equity		56,457,442,436	52,774,766,068
	Net Asset Value (NAV) Per Share		195.58	173.83

135 MTB Balance Sheet
 136 MTB Profit and Loss Account
 138 MTB Statement of Cash Flow
 139 MTB Statement of Changes in Equity
 140 MTB Liquidity Statement

Balance Sheet

<i>Ref.</i>	Mutual Trust Bank Limited		
	Balance Sheet		
	As at December 31, 2010		
<i>IAS 1(38 & 39)</i>	<u>Note</u>	<u>2010</u> <u>BDT</u>	<u>2009</u> <u>BDT</u>
<i>IAS 1.51(a)</i>			
<i>IAS 1.10(a)</i>			
<i>IAS 1.51(c)</i>			
<i>IAS 1.55</i>			
<i>IAS 37.28, 37.86</i>			
Off-Balance Sheet Items			
Contingent Liabilities	17.00		
Letter of Guarantee		3,723,340,283	3,243,533,864
Irrevocable Letter of Credit		4,683,910,229	2,989,895,602
Bills for Collection		760,653,590	760,214,308
Other Contingent Liabilities		3,847,663,096	3,067,399,087
		13,015,567,198	10,061,042,861
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		2,483,300,000	-
Claim against the bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
		2,483,300,000	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		15,498,867,198	10,061,042,861

The annexed notes form an integral part of these accounts



Samson H. Chowdhury
Chairman



Dr. Arif Dowla
Vice Chairman



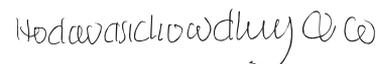
Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Signed as per annexed report on even date

Dhaka, February 08, 2011


Chartered Accountants

Profit and Loss Account

		Mutual Trust Bank Limited		
		Profit and Loss Account		
		For the year ended December 31, 2010		
Ref.	Particulars	Note	2010 BDT	2009 BDT
IAS 1.51(a)				
IAS 1.10(b)				
IAS 1.51(c)				
IAS 1(38 & 39)				
	Interest Income	19.00	4,352,466,800	4,279,499,839
	Less: Interest Paid on Deposit and Borrowing, etc.	20.00	3,274,789,176	3,409,350,043
	Net Interest Income		1,077,677,624	870,149,796
	Income from Investments	21.00	1,010,640,654	857,466,508
	Commission, Exchange and Brokerage	22.00	796,946,740	663,349,650
	Other Operating Income	23.00	170,405,464	153,054,820
	Total Operating Income		1,977,992,858	1,673,870,978
	Total Operating Income		3,055,670,482	2,544,020,774
	Less: Operating Expenditure			
	Salary and Allowances	24.00	538,657,817	489,805,215
	Rent, Tax, Insurance, Electricity	25.00	277,794,761	116,232,689
	Legal Expense		1,671,229	1,056,207
	Postage, Stamps and Telephone	26.00	47,339,116	27,474,706
	Printing, Stationery, Advertisement	27.00	70,418,235	33,546,432
	Managing Director's Remuneration	24.01	9,120,000	7,881,999
	Directors' Fee	28.00	654,000	632,000
	Audit Fee		623,000	400,000
	Depreciation on and Repair to Bank's Property	29.00	94,685,176	58,971,205
	Other Expenditure	30.00	310,971,396	181,101,770
	Total Operating Expenses		1,351,934,730	917,102,223
	Profit Before Provision		1,703,735,752	1,626,918,551
	Less: Provision against Loans & Advances including Off-Balance Sheet Items	31.00	508,837,012	235,000,000
	Less: Provision against Investment in Quoted Shares		413,713	-
	Less: Provision against Other Asset		-	-
	Total Provision		509,250,725	235,000,000
	Profit Before Tax		1,194,485,027	1,391,918,551
	Less: Provision for Tax	32.00	439,327,626	571,313,253
	Current Tax		437,135,281	594,000,000
	Deferred Tax		2,192,345	(22,686,747)
	Net Profit After Tax		755,157,401	820,605,298
	Retained Surplus Brought Forward		392,221,588	193,324,670
			1,147,378,989	1,013,929,968

Profit and Loss Account

<i>Ref.</i>		Note	2010 BDT	2009 BDT
<i>IAS 1.51(a)</i>	Appropriation		353,263,600	193,324,670
<i>IAS 1.10(b)</i>			238,897,005	278,383,710
<i>IAS 1.51(c)</i>			200,000,000	150,000,000
<i>IAS 1(38 & 39)</i>			792,160,605	621,708,380
<i>IAS 1.85</i>			355,218,384	392,221,588
	Bonus Share Issued during the year			
	Transferred to Statutory Reserve			
	Transferred to General Reserve			
<i>IAS 1.85</i>	Retained Surplus, Carried Forward			
<i>IAS 33.66</i>	Earnings Per Share	33.00	35.63	38.72

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
 Chairman

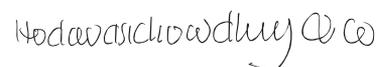

Dr. Arif Dowla
 Vice Chairman


Syed Manzur Elahi
 Director


Anis A. Khan
 Managing Director & CEO

Signed as per annexed report on even date

Dhaka, February 08, 2011


 Chartered Accountants

Statement of Cash Flow

Ref.
IAS 1.51(a)
IAS 1.10(d)
IAS 1.51(c)
IAS 1(38 & 39)

Mutual Trust Bank Limited Statement of Cash Flow For the year ended December 31, 2010

	Note	2010 BDT	2009 BDT
A) Cash Flow From Operating Activities:			
IAS 7.10 Interest Received		5,539,242,335	5,017,608,780
IAS 7.31 Interest Paid on Deposits, Borrowings, etc.		(3,419,189,925)	(3,259,016,332)
IAS 7.31 Dividend Income		16,832,850	10,375,248
IAS 7.31 Fees & Commission Income		591,995,672	418,217,312
IAS 7.14 (b) Recoveries of Loans previously written off		1,000,000	-
Cash Paid to Employees as Salaries and Allowances		(470,887,006)	(374,525,906)
IAS 7.14 (d) Advance Income Tax Paid		(595,774,687)	(347,574,469)
IAS 7.35 Cash Received From Other Operational Income	34.00	374,356,532	398,187,158
IAS 7.14 (b) Cash Paid for Other Operational Expenses	35.00	(717,094,556)	(358,290,871)
IAS 7.14(c) Cash Flow From Operating Activities Before Changes in Net Current Asset		1,320,481,215	1,504,980,920
Changes in Net Current Asset :			
IAS 7.19(b) Investment in Treasury Bond		(680,595,898)	(2,490,190,686)
Loans & Advances		(4,039,502,716)	(5,245,595,767)
Other Asset	8.00	(1,073,720,358)	(588,475,920)
Bank Deposit		(116,451,597)	(773,567,194)
Customers' Deposit		3,835,287,426	9,156,891,884
Subordinated Debt		2,500,000,000	-
Borrowing from Other Banks, Financial Institutions & Agents	9.00	(2,280,000,000)	3,550,000,000
Other Liabilities	11.00	(506,473,805)	(426,285,610)
		(2,361,456,948)	3,182,776,707
		(1,040,975,733)	4,687,757,627
Net Cash Flow From Operating Activities			
B) Cash Flow From Investing Activities:			
Investment in Shares & Bonds		(452,014,017)	(335,824,065)
IAS 7.10 Purchase of Premises & Fixed Asset (net)		(363,538,486)	(131,510,249)
IAS 7.16(c) Net Cash Flow From Investing Activities		(815,552,503)	(467,334,314)
C) Cash Flow From Financing Activities:			
IAS 7.23 Received From Issue of Right Shares		-	-
Dividend Paid		-	-
IAS 7.10 Net Cash Flow From Financing Activities		-	-
IAS 7.17(a) D) Net Increase in Cash and Cash Equivalents (A+B+C)		(1,856,528,236)	4,220,423,313
IAS 7.31 E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		-	-
F) Opening Cash and Cash Equivalents			
Closing Cash and Cash Equivalents (D+E+F)		8,788,206,245	4,567,782,932
IAS 7.28 The above closing Cash and Cash Equivalents include:		6,931,678,009	8,788,206,245
Cash in Hand		520,003,549	346,750,709
Balance with Bangladesh Bank and its Agent Bank		2,936,108,671	2,757,203,068
IAS 7.45 Balance with Other Banks & Financial Institutions		2,675,838,121	3,607,171,139
Money at Call and Short Notice		-	-
Treasury Bill		798,263,268	2,075,818,430
Prize Bond		1,464,400	1,262,900
		6,931,678,009	8,788,206,245
Net Operating Cash Flow Per Share		(49.11)	265.40

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Statement of Changes in Equity

Mutual Trust Bank Limited Statement of Changes in Equity For the year ended December 31, 2010

Ref.
IAS 1.5(a)
IAS 1.10(c)
IAS 1.51(c)

Particulars	Paid up Capital		Share Premium		Statutory Reserve		General Reserve		Revaluation Surplus on Investments		Profit & Loss Account		Total	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance as on 01 January 2010	1,766,318,400	-	980,325,611	161,777,324	383,866,189	392,221,588	3,684,509,112							
IAS 1.106(d) Bonus Share Issued During the year	353,263,600	-	-	-	-	(353,263,600)	-							
IAS 1.106(d) Right Share Issued during the year	-	-	-	-	-	-	-							
IAS 1.107 Cash Dividend Paid during the year	-	-	-	-	-	-	-							
IAS 1.106 (d) Transferred to General Reserve	-	-	-	-	-	-	-							
IFRIC 1.6(a) Revaluation Reserve transferred during the year	-	-	-	-	(294,275,395)	-	-							
IAS 1.106 (a) Net Profit After Tax for the year	-	-	238,897,005	200,000,000	-	755,157,401	755,157,401							
IAS 1.106(d) Appropriation made during the year	-	-	-	-	-	(438,897,005)	-							
Balance as on 31 December 2010	2,119,582,000	-	1,219,222,616	361,777,324	89,590,794	355,218,384	4,145,391,118							

The annexed notes form an integral part of these accounts



Samson H. Chowdhury
Chairman



Dr. Arif Dowla
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Liquidity Statement

Mutual Trust Bank Limited Liquidity Statement As at December 31, 2010

Ref.
IAS 1.51(a)
IAS 1.65
IAS 1.51(c)

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
ASSET :						
Cash	3,456,112,220	-	-	-	-	3,456,112,220
Balance with other Banks and Financial Institutions	355,656,573	1,418,123,020	842,383,694	59,674,834	-	2,675,838,121
Money at Call & Short Notice	-	-	-	-	-	-
Investments	1,464,400	367,032,710	1,103,396,648	2,975,210,232	4,651,850,396	9,098,954,386
Loans and Advances	2,949,167,019	11,377,036,424	9,303,512,879	11,590,386,824	2,510,355,544	37,730,458,690
Premises and Fixed Asset	7,220,530	14,441,060	64,984,770	346,585,440	288,821,209	722,053,009
Other Asset	106,908,542	278,857,658	495,381,392	857,682,713	1,035,195,705	2,774,026,010
Non-Banking Asset	-	-	-	-	-	-
Total Asset	6,876,529,284	13,455,490,872	11,809,659,383	15,829,540,043	8,486,222,854	56,457,442,436
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	1,270,000,000	-	-	-	-	1,270,000,000
Deposit and Other Account	16,748,140,066	13,845,847,311	10,585,068,595	3,268,480,062	1,398,773,173	45,846,309,207
Provision & Other Liabilities	14,282,576	85,248,278	439,814,831	791,053,946	1,283,150,700	2,613,550,331
Subordinated Debt	-	82,191,780	-	-	2,500,000,000	2,582,191,780
Total Liability	18,032,422,642	14,013,287,369	11,024,883,426	4,059,534,008	5,181,923,873	52,312,051,318
Net Liquidity	(11,155,893,358)	(557,796,497)	784,775,957	11,770,006,035	3,304,298,981	4,145,391,118

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

141	MTB Notes to the Financial Statements
1.0	Legal status and nature of the Bank
142	2.0 Significant Accounting Policies and Basis of preparation of Financial Statements
153	3.00 Cash

Notes to the Financial Statements

Ref.
IAS 1.51(a)
IAS 1.10(e)
IAS 1.51(c)

Mutual Trust Bank Limited Notes to the Financial Statements For the year ended December 31, 2010

IAS 1.138(a) 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. All types of commercial banking services are provided by the bank within the stipulations laid down by the Bank Companies Act, 1991 and directive as received from the Bangladesh Bank from time to time. The bank started its commercial business from October 24, 1999. The shares of the bank are listed with the Dhaka and Chittagong Stock Exchange, as a publicly quoted company for its shares. Authorized Capital of the Bank is BDT 10 billion. The Bank has 55 (fifty five) bank branches, 12 (twelve) SME/Agri branches and 1 (one) Booth all over Bangladesh. The bank has no overseas branch as on December 2010. The booth is located at Hazrat Shahjalal Internatioanl Airport, Dhaka.

IAS 1.138(b) The registered office of the Bank is located at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212.

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 in Bangladesh such as accepting deposits, corporate and retail banking, personal financial services, project finance, etc.

IAS 1.138(b)

1.2 Off-Shore Banking Unit (OBU)

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

IAS 1.138(b)

1.3 Subsidiary Companies

1.3.1 MTB Securities Limited (MTBSL)

MTBSL is engaged in buying and selling of securities for its customer and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guideline. It also undertakes investment of the bank's fund in the capital market.

IAS 1.138(b)

1.3.2 MTB Exchange (UK) Limited

Bangladesh Bank vide their 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 and style of MTB Exchange (UK) Limited. The Company was incorporated on June 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

The main acitivities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses. Separate Financial Statements of MTB Exchange (UK) Limited. has not been drawn up due to insignificant operation.

IAS 1.138(b)

1.3.3 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 is yet to start as on December 31, 2010 and there is no significant impact of it on consolidation

MTBCL will offer the following services to the market:

- Discretionary and Non Discretionary Portfolio Management services shall be offered to both the retail and

Notes to the Financial Statements

- b) Issue Management services shall be offered to medium to large corporate houses to manage their Initial Public Offer (IPO), secondary offering, debt issuance, and rights issuance.
- c) Underwriting services shall be offered for both debt and equity issues.

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

IAS 1.112(a) 2.0 Significant Accounting Policies and Basis of preparation of Financial Statements

IAS 1.117 2.1 Basis of Accounting

The financial statements of the Bank are made up to December 31, 2010 and are 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 by the Bangladesh Bank vide BRPD circular No. 14 dated June 25, 2003 and other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards(BFRS) , Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations, 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 branch have been taken into accounts.

References have been made according to International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) and Interpretations as approved at 01 January 2010.

IAS 1.119 2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units and its subsidiary, MTB Securities Limited, made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ending 31 December 2010.

IAS 27.4 & 22 Subsidiary

Subsidiary is that enterprise 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 the control effectively commences until the date that it control effectively ceases. Subsidiary company is consolidated using the purchase method of accounting. The subsidiary MTB Securities Ltd. has a common financial year ending 31 December 2010.

Conversion Policy

The conversion policy of Off-shore Banking unit (OBU) is given below.

Details	Price	Rate
For assets & liabilities	Closing price	70.50
For income & expenses	Average price	69.58

IAS 27.24 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.

IAS 1.122 2.3 Use of Estimates & Judgments

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

Notes to the Financial Statements

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 period affected.

IAS 1.111 2.4 Cash Flow Statement

Cash flow statement has been prepared in accordance with the Bangladesh 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.

IFRS 7.39 2.5 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- i) Balance with other Banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term.
- ii) Investments are on the basis of their repayment schedule
- iii) Loans and advances/investments are on the basis of their repayment schedule
- iv) Fixed assets are on the basis of their useful lives
- v) Other assets are on the basis of their realization/amortization
- vi) Borrowing from other Banks, financial institutions and agents, etc are as per their maturity/repayment terms
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors
- viii) Provision and other liabilities are on the basis of their payment/ adjustments schedule

IAS 1.36 2.6 Reporting Period

These financial statements cover one calendar year from January 1 to December 31, 2010

IAS 1.119 2.7 Assets and Basis of their Valuation

IAS 7.45 2.7.1 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.

IAS 1.118 2.7.2 Investments

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

Held to Maturity (HTM)

The government securities under HTM category are valued at present value of amortized cost at the end of the year. The HTM securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains/ (losses) are credited to revaluation of reserve account and are shown in the equity.

Held for Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing –in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises. These investments are subsequently measured at present value as per the Bangladesh Bank Guideline. Investments in securities have been revalued as mark to market as at December 31, 2010, and have been shown in the equity. Value of investments has been enumerated as follows:

Items	Applicable accounting value
Government treasury bill	Present value
Government treasury bond	Present value
Prize bond	At cost

Notes to the Financial Statements

Investment in Securities

Investment in marketable securities has been shown at cost or market price, whichever is lower, on an aggregate portfolio basis under Bangladesh Accounting Standard (BAS) 25 "Accounting for Investment". Investment in non-marketable securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

IAS 1.119 2.7.3 Loans and Advances

1. Loans and advances have been stated at gross value as per Bank Companies Act, 1991.
2. Interest is calculated in a daily product basis but charged quarterly.
3. Interests on good loans and advances have been accounted for as income on accrual basis.

Provision for loans and advances and Off Balance Sheet items are made on the basis of information furnished by the branches and instructions contained in Bangladesh Bank. BCD Circular No. 12 dated 4 September 1995, BRPD Circular No.16 dated 6 December 1998, BRPD Circular No.9 dated 14 May 2001, BRPD Circular No.20 dated 20 December 2005, BRPD circular No. 5 dated 05 June 2006, BRPD Circular no. 10 dated 18 September 2007 and BRPD circular No. 5 dated 29 April 2008 at the following rates:

Classification Criteria	Rates of provision
General Provision on unclassified loans and advances	1%
General Provision on unclassified small enterprise financing	2%
General Provision on unclassified loans for housing finance and on loans for professional	2%
General Provision on unclassified consumer financing Other than housing finance and loans for professionals	5%
General Provision on Special Mentioned Account	5%
Specific Provision on substandard loans and advances	20%
Specific Provision on doubtful loans and advances	50%
Specific Provision on bad/ loss loans and advances	100%

i) Security against Loans

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

ii) Bills Purchased and Discounted

- a. Bills purchased and discounted have not included Government Treasury bills and have been classified into two sub-heads viz.,
 - i. Payable in Bangladesh and
 - ii. Payable outside Bangladesh.

The bills purchased and discounted have been analyzed as per the maturity grouping.

IAS 16.73 2.7.4 Property, Plant and Equipment

- a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- b) The bank recognizes the cost of replacing part of an item of property, plant and equipment in the carrying amount of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.
- c) Depreciation is charged at the following rates on reducing balance method on all fixed assets other than motor vehicles and leased assets, which are depreciated on straight line basis and no depreciation is charged on land:

Notes to the Financial Statements

Category of Fixed Assets	Rates of Depreciation
Land	Nil
Immovable Property	2.50%
Furniture	10%
Interior Decoration	10%
Office Equipments	20%
Motor Vehicles	20%
Books & Periodicals	10%
Leased Assets	20%

- d) Assets purchased during the year are depreciated from the date of acquisition and for disposal depreciation is charged up to the date of disposal.
- e) On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sale proceeds.
- f) Capital Work-in-Progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of building, system development, awaiting capitalization.
- g) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalized as part of the cost of the assets.

IAS 1.119 **2.7.5 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.

IAS 1.78(b) **2.7.6 Receivables**

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

IAS 17.8 **2.7.7 Leases**

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

The Bank as Lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the bank's net investment in the leases (Note-6.03). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the bank's net investment outstanding in respect of the leases.

The Bank as Lessee

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

IAS 1.119 **2.7.8 Non-Banking Assets**

There are no assets acquired in exchange for loan during the period of financial statements.

IAS 1.117(b) **2.7.9 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 the case of inter-branch transactions as on the reporting date are not material (note-8.01)

Notes to the Financial Statements

IAS 21.23 **2.7.10 Foreign Currency**

i) **Foreign Currency transaction**

Items include 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. functional currency. The Financial statements of the Bank are presented in taka which is the Bank's functional and presentation currency.

ii) **Foreign Currency translation**

Foreign Currency Transaction is converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "the Effect of Changes in Foreign Exchange Rates". Foreign Currency balance held in US Dollar is converted into Taka 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 price of the previous day and converted into Taka equivalent.

iii) **Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. 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 ruling on the balance sheet date.

iv) **Transaction & Translation Gains and Losses**

The resulting exchange transaction gains and losses are included in the profit and loss account.

IAS 1.119 **2.8 Dividend payments**

Interim dividends are recognized when paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2010 has not been recognized as a liability in the Balance Sheet in accordance with the BAS 10 "Events after the Balance Sheet Date".

Dividend payable to the bank's shareholders are recognized as a liability and deducted from the Shareholders' Equity in the period in which the shareholders' right to receive payment is established.

IAS 1.79(a) **2.9 Share Capital**

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

IAS 1.79(b) **2.10 Statutory Reserve**

Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

IAS 1.119 **2.11 Deposits from Customers**

Deposits include non-interest bearing deposits, saving deposits, term deposits, etc. They are brought to account at the gross value of the outstanding balance. Interest paid is charged to the Income Statement.

IAS 1.119 **2.12 Basis for valuation of liabilities and provisions**

IAS 37.85 **2.12.1 Provision for Tax**

IAS 12.46 **a. Current Tax**

Provision for Income Tax has been made @ 42.5% as prescribed in the Finance Ordinance, 2010 on the accounting profit made by the Bank after considering some of the taxable add backs of income and disallowance of expenditures as per income tax laws in compliance with BAS-12 "Income Taxes".

Notes to the Financial Statements

IAS 12(47,15&24) **b. Deferred Tax**

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying value of assets, liabilities, income and expenditures and their respective tax basis. Deferred tax assets and liabilities are measured using tax rate 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 a per BAS-12 "Income taxes".

IAS 19.120 **2.12.2 Employees Benefit Obligation**

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

a) Provident Fund

Provident fund benefits are given to the permanent employees' of the Bank in accordance with Bank's service rules. Accordingly a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone 3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from April 30, 2001. The Fund is operated by a Board of Trustees consisting as of 5 (five) members. All confirmed employees of the Bank are contributing 10% of their basic salary a subscription to the Fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

b) Gratuity

The Bank operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. Full provision for gratuity has been made in the accounts for the existing employees based on their years of services with the Bank. As per gratuity scheme every permanent employee will get gratuity benefit as per following policy that rendering their service without break:

Category of Fixed Assets	Rates of Depreciation
8 years	02 months last drawn basic
7 years	1.70 months last drawn basic
6 years	1.35 months last drawn basic
5 years	1 month last drawn basic

c) MTB Welfare Fund

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

d) MTB Employees Medical Assistance Fund

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

e) MTB Employees Death Benefit Plan

The plan has been formed to provide financial benefit to the bereaved family of a deceased employee. The Bank contributes to the fund from the annual profit of the bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of five members. In case of death of an employee while in active service, financial benefit is paid to the nominee of the deceased employee at a prescribed amount ranges from 3 (three) lac to 10 (ten)

Notes to the Financial Statements

IAS 21.23 f) MTB Foundation

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

g) Incentive Bonus

Mutual Trust Bank Limited has started an incentive bonus scheme for its employees. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually, normally first quarter of every following year and costs are accounted for the period to which it relates.

IAS 37.85 2.12.3 Provision for Liabilities

A provision is recognized if, as a result of past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.12.4 Provision for 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 # 10, dated September 18, 2007, Banks are advised to maintain provision @ 1% against off-balance sheet exposure (L/C and Guarantee).

2.12.5 Provision for Nostro Accounts

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

IAS 1.119 2.13 Revenue Recognition

IAS 18.35(a) 2.13.1 Interest Income

According to the BAS -18 "Revenue", the interest income is recognized on an accrual basis. Interest from loans and advances ceases to be accrued when they are classified as non-performing. It is then kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

IAS 18.35(a) 2.13.2 Investment Income

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

IAS 18.35(a) 2.13.3 Fees and Commission Income

Fees and commission income arising on services provided by the Bank are recognized on a cash basis. Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

IAS 18.35(a) 2.13.4 Dividend Income on Shares

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

IAS 1.117(b) 2.14 Earnings per Share

The Bank presents Basic and Diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank calculates EPS in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning Per Share" which has been shown in the profit and loss account and computation is stated in Note 33 and Note 33(a). Diluted earning per share is not required to be calculated for the year as there is no scope for dilution during the year under review.

Notes to the Financial Statements

IAS 1.119 **2.15 Risk Management**

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

IFRS 7.33 **(a) Credit Risk Management**

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

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

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

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

IFRS 7.33 **(b) Market Risk**

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

1) Foreign Exchange Risk Management

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

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

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

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

2) Interest Rate Risk

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

Notes to the Financial Statements

In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MTB has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee calls for a meeting once every month to set and review strategies on ALM. MTB ALM desk performs Money Market activities, manage liquidity and interest rate risk of the bank, understanding of the market dynamics i.e. competition, potential target markets etc , update the balance sheet movement and also comply the statutory obligations as well as the risk elements involved with the business.

3) Equity Risk

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

IAS 1.114(d)

(c) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems or from external events. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control framework. Material losses regularly analyzed by cause and actions taken to improve system and controls to prevent recurrence in the future. MTB has restructured Internal Control and Compliance Division headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Division is comprised of three departments; Audit and Inspection Department, ICC Compliance Unit and ICC Monitoring Unit. Bank has developed an Internal Control and Compliance Policy duly approved by the Board of Directors. As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interest of the bank.

The Compliance & Monitoring Units of this division ensure timely and proper compliances of all regulatory instructions and internal policies and procedures in the day-to-day operation of the bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the bank. ICC Division reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures. The ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

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

IAS 1.114(d)

(d) Reputation Risk

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

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

Notes to the Financial Statements

IAS 1.119 2.16 Post Balance Sheet Events

No material events after the Balance Sheet date came to our notice, which could affect the values, reported in the financial statements. The Board has recommended the bonus share 20% for the year 2010 subject to the approval of shareholders at Annual General Meeting (AGM).

2.17 Audit Committee

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 3 (Three) Directors of the Board.

SL. NO.	Name of the Director	Status With the Bank	Status with the committee	Educational Qualification
01.	Mr. Syed Manzur Elahi	Director	Chairman	MA in Economics From DU
02.	Mr. Rashed Ahmed Chowdhury	Director	Member	Post Graduate in Business Management from Kingston University, England
03.	Mr. Md. Wakiluddin	Director	Member	-

During the year, 4 (four) meetings of the audit committee 8

Audit committee reviewed various audit/inspection reports at regular intervals. Upon scrutiny of the audit objections and compliance, the committee advised the management to remain within the policy guidelines and directives of the regulatory authorities. As per circular the committee is placing their report regularly to the board meeting of the Bank mentioning their activities & recommendations of the internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.18 Compliance report on 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, Mutual Trust Bank Limited applied most of IAS and IFRS as adopted by ICAB. Details are given below:

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

Notes to the Financial Statements

Name of the BFRS	BFRS no	Status
Share Based Payment	2	Applied
Business Combinations	3	Applied
Insurance Contracts	4	Applied
Non-current Assets Held for sale and discontinued operations	5	Applied
Exploration for and Evaluation of Mineral Resources	6	Applied
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	Applied

IAS 10.17 **2.19 Approval of Financial Statements**

The financial statements were approved by the Board of Directors on February 08, 2011.

IAS 1.121 **2.20 General**

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

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 7.45	3.00 Cash		
IAS 1.77	3.01 In Hand (Including Foreign Currency)		
	Local Currency	501,575,509	336,765,771
	Foreign Currency	18,428,040	9,984,938
		520,003,549	346,750,709
IAS 1.77	3.02 Balance with Bangladesh Bank and its Agent Bank (Including Foreign Currency)		
	With Bangladesh Bank		
	Local Currency	2,675,029,249	2,522,029,651
	Foreign Currency	60,770,116	49,350,754
	With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	200,309,306	185,822,663
		2,936,108,671	2,757,203,068

Bangladesh Bank Adjustment Account represents outstanding transactions(net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as of 31.12.2010 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	8	4	108,024,605	114,186
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	8	4	108,024,605	114,186

All unadjusted entries are subsequently adjusted on regular basis.

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and BRPD Circular No. 11 and 12 , dated August 20, 2005.

Monetary Policy Department (MPD) of Bangladesh Bank has issued a Circular regarding CRR through Circular No. 04 dated 01 December 2010 and the Bank has maintained CRR in accordance with circular. The Cash Reserve Requirement on the Bank's Time and Demand Liabilities at the rate of 5.5% and 6% has been calculated and maintained with the Bangladesh Bank in Current Account and 19% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of Treasury Bills, Bonds, FC with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirement.

3.04 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

	2010		2009	
	%	(BDT in crore)	%	(BDT in crore)
Cash Reserve Requirement (CRR)				
Required	6%	283.22	5%	208.32
Maintained	6.13%	289.35	5.15%	214.41
Surplus/(Deficit)	0.13%	6.13	0.15%	6.09
Statutory Liquidity Ratio (SLR) (including CRR)				
Required	19%	896.85	18%	749.95
Maintained	24.10%	1,137.41	22.08%	919.92
Surplus/(Deficit)	5.10%	240.56	4.08%	169.97

Notes to the Financial Statements

Ref.			2010 BDT	2009 BDT
	3.05 Components of Statutory Liquidity Ratio (SLR) (BDT in Crore)			
	Cash in Hand		52.00	34.67
	Balance with Bangladesh Bank		278.29	252.26
	Balance with Sonali Bank		20.03	17.52
	HTM Securities		280.38	326.00
	HFT Securities		506.56	275.65
	Other Eligible Security		0.15	13.82
			1,137.41	919.92
IAS 7.45	3 (a) Consolidated Cash			
IAS 1.77	i Cash in Hand (Including Foreign Currency)			
	Mutual Trust Bank Limited (note-3.01)		520,003,549	346,750,709
	MTB Securities Ltd.		-	-
	Off-shore Banking Unit (OBU)		-	-
			520,003,549	346,750,709
IAS 1.77	ii Balance with Bangladesh Bank and its Agent Bank(s) (Including Foreign Currency)			
	Mutual Trust Bank Limited (note-3.02)		2,936,108,671	2,757,203,068
	MTB Securities Ltd.		-	-
	Off-shore Banking Unit (OBU)		-	-
			2,936,108,671	2,757,203,068
IAS 1.77	4.00 Balance with other Banks and Financial Institutions			
	In Bangladesh :			
	Fixed Deposit Receipt (FDR)	Transaction Currency		
	United Commercial Bank (UCB) Limited	BDT	306,706,250	303,802,083
	Brac Bank Limited	BDT	-	101,065,278
	Jamuna Bank Limited	BDT	-	809,410,556
	Eastern Bank Limited	BDT	-	202,600,000
	South East Bank Limited	BDT	-	404,216,667
	Premier Bank Limited	BDT	-	202,202,778
	The City Bank Limited	BDT	-	202,000,000
	Oman Bangla Finance Limited	BDT	-	40,655,556
	Lanka Bangla Finance Limited	BDT	154,974,583	50,754,514
	Phoenix Finance & Investment Limited	BDT	104,360,416	103,666,667
	IDLC Finance Limited	BDT	35,527,653	24,826,492
	Bangladesh Investment and Finance Company Ltd.	BDT	103,378,125	153,770,834
	Industrial & Infrastructure Development Finance Co. Ltd. (IIDFC)	BDT	53,712,500	169,202,500
	International Leasing Limited	BDT	258,090,972	307,673,468
	Uttara Finance and Investment Limited	BDT	-	62,966,667
	Union Capital Limited	BDT	153,965,417	102,306,250
	National Bank Limited	BDT	408,700,000	-
	Reliance Finance Limited	BDT	40,809,444	-
	Premier Leasing & Finance Limited	BDT	52,235,764	-
	Prime Finance & Investment Limited	BDT	206,447,222	-
	Peoples Leasing Limited	BDT	105,257,292	-
	Short Notice Deposit (SND)			
	Dutch Bangla Bank Limited	BDT	57,083,433	65,579,232
	BASIC Bank Limited	BDT	12,620,411	528,116
	Sonali Bank Limited	BDT	30,379,112	4,284,762
	State Bank of India	BDT	100,000	100,000
	Agrani Bank Limited	BDT	-	517,502
	Janata Bank Limited	BDT	-	309,678
	Current Deposit (CD)			
	Standard Chartered Bank	BDT	3,746,625	6,514,855
	Arab Bangladesh Bank Limited	BDT	396,513	200,000
	Dutch Bangla Bank Limited	BDT	60,013	-
	Southeast Bank Limited	BDT	1,125,302	-
	Janata Bank Limited	BDT	11,300,204	451,027
	Pubali Bank Limited	BDT	2,344,765	13,340
	Brac Bank Limited	BDT	694,200	2,069,713
	Agrani Bank Limited	BDT	14,771,816	15,391,096
	Sub Total		2,118,788,032	3,337,079,631

154 4.00 Balance with other Banks and
Financial Institutions
157 5.00 Investments
159 6.00 Loans and Advances

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.78(d)	Outside Bangladesh (NOSTRO Accounts) :		
	In Current Account		
	Citibank N.A.	US\$ 24,998,065	4,069,916
	Mashreqbank, New York	US\$ -	15,781,586
	Standard Chartered Bank, New York	US\$ 56,232,262	42,582,061
	Habib American Bank, New York	US\$ 52,924,228	4,464,724
	WELLS FARGO	US\$ -	2,534,308
	UBAF, Hong Kong	US\$ 7,368,484	16,254,326
	HSBC, New York	US\$ 22,420,890	23,963,786
	Mashreqbank, London	US\$ 15,975,170	5,823,511
	JP Morgan, New York	US\$ 41,821,879	14,175,256
	ICICI, Hong Kong	US\$ -	7,787,859
	National Commercial Bank, Jeddha	US\$ 11,848,277	7,073,755
	Standard Chartered Bank, Singapore	SGD 458,440	11,281
	Mashreqbank, London	GBP 15,779,764	196,619
	Standard Chartered Bank, London	GBP 620,490	16,180,389
	Habib American Bank, Zurich	CHF -	474,432
	Standard Chartered Bank, Tokyo	JPY 112,560	2,555
	UBAF, Tokyo	JPY 327,969	1,400,013
	Mashreqbank, London	EUR 5,471,572	3,810,444
	Standard Chartered Bank, Germany	EUR 4,886,179	4,511
	Standard Chartered Bank, London	EUR -	7,685,866
	ICICI, Mumbai	EUR 6,836,389	346,857
	Hypo Vereins Bank	EUR 20,755,547	1,431,394
	Commerze Bank, Germany	EUR 3,169,158	8,948,434
	Standard Chartered Bank, Kolkata	ACU 2,085,564	2,113,193
	AMEX, Kolkata	ACU -	2,736,726
	Standard Chartered Bank, Pakistan	ACU 2,006,347	2,697,742
	Standard Chartered Bank, Mumbai	ACU 7,729,565	-
	Citibank NA, Mumbai	ACU 962,505	4,493,057
	Arif Habib Bank, Pakistan	ACU 10	10
	Mashreqbank, Mumbai	ACU 398,164	1,422,976
	AB Bank, Mumbai	ACU 2,277,024	17,988,625
	ICICI, Mumbai	ACU 12,266,031	18,052,446
	HSBC, Mumbai	ACU 71,077	2,296,390
	Himalayan Bank Ltd. Kathmandu	ACU 1,395,900	1,370,160
	Nepal Bangladesh Bank Ltd.	ACU 17,625	17,300
	Sub Total	321,217,135	238,192,508
	Term Deposit		
	ICICI, Mumbai	US\$ 31,899,000	31,899,000
	Offshore Banking Unit (OBU)	US\$ 203,933,954	-
	Sub Total	557,050,089	270,091,508
	G. Total	2,675,838,121	3,607,171,139
IAS 1.77	4.01 Net Balance With other Banks and Financial Institutions		
	Balance with other Banks and Financial Institutions (note-4)	2,675,838,121	3,607,171,139
	Less: Borrowing From Other Banks, Financial Institutions and Agents (note-9 & 10.01)	1,719,980,000	4,116,431,597
		955,858,121	(509,260,458)

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.61	4.02 Maturity grouping of Balance with other Banks and Financial Institutions		
	On Demand	355,656,573	262,832,539
	Less than three months	1,418,123,020	2,956,708,913
	More than three months but less than one year	842,383,694	375,928,464
	More than one year but less than five years	59,674,834	11,701,223
	More than five years	-	-
		2,675,838,121	3,607,171,139

IAS 1.77 **4.03 Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local Currency as on December 31, 2010 are as follows :**

Name of the Bank	Currency	Foreign Currency	Exchange Rate	BDT
Citibank N.A.	US\$	354,582.48	70.50	24,998,064.84
Standard Chartered Bank, New York	US\$	797,620.74	70.50	56,232,262.00
Habib American Bank, New York	US\$	750,698.27	70.50	52,924,228.00
UBAF, Hong Kong	US\$	104,517.50	70.50	7,368,483.75
HSBC, New York	US\$	318,026.81	70.50	22,420,890.00
Mashreqbank, London	US\$	226,598.16	70.50	15,975,170.28
JP Morgan, New York	US\$	593,218.14	70.50	41,821,879.00
National Commercial Bank, Jeddha	US\$	168,060.66	70.50	11,848,276.53
Standard Chartered Bank, Singapore	SGD	8,609.20	53.25	458,439.90
Mashreqbank, London	GBP	144,107.43	109.50	15,779,763.59
Standard Chartered Bank, London	GBP	5,666.57	109.50	620,489.42
Standard Chartered Bank, Tokyo	JPY	131,265.00	0.8575	112,559.74
UBAF, Tokyo	JPY	382,471.00	0.8575	327,968.88
Mashreqbank, London	EUR	58,865.76	92.95	5,471,572.39
Standard Chartered Bank, Germany	EUR	52,567.82	92.95	4,886,179.00
ICIC, Mumbai	EUR	73,549.10	92.95	6,836,388.85
Hypo Vereins Bank	EUR	223,297.98	92.95	20,755,547.24
Commerze Bank, Germany	EUR	34,095.30	92.95	3,169,158.14
Standard Chartered Bank, Mumbai	ACU	109,639.22	70.50	7,729,565.01
Standard Chartered Bank, Kolkata	ACU	29,582.47	70.50	2,085,564.14
Standard Chartered Bank, Pakistan	ACU	28,458.83	70.50	2,006,347.52
Citibank N.A. Mumbai	ACU	13,652.55	70.50	962,505.00
Arif Habib Bank, Pakistan	ACU	0.15	70.50	10.58
Mashreqbank, Mumbai	ACU	5,647.72	70.50	398,164.26
AB Bank, Mumbai	ACU	32,298.21	70.50	2,277,023.81
ICICI, Mumbai	ACU	173,986.25	70.50	12,266,030.63
HSBC, Mumbai	ACU	1,008.19	70.50	71,077.40
Himalayan Bank Ltd. Kathmandu	ACU	19,800.00	70.50	1,395,900.00
Nepal Bangladesh Bank Ltd.	ACU	250.00	70.50	17,625.00
Total				321,217,134.85

**4 (a) Consolidated Balance with Other Banks and Financial Institutions
In Bangladesh**

Mutual Trust Bank Limited (note-4)	2,118,788,032	3,337,079,631
MTB Securities Ltd.	716,825,958	-
Off-shore Banking Unit (OBU)	-	-
	2,835,613,990	3,337,079,631
Outside Bangladesh		
Mutual Trust Bank Limited (note-4)	557,050,089	270,091,508
MTB Securities Ltd.	-	-
Off-shore Banking Unit (OBU)	-	-
Less: Deposit with Off-shore Banking Unit (OBU)	(194,915,439)	-
	362,134,650	270,091,508
	3,197,748,640	3,607,171,139

154 4.00 Balance with other Banks and Financial Institutions

157 5.00 Investments

159 6.00 Loans and Advances

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.77	5.00 Investments		
	i) Investment Classified as per Bangladesh Bank Circular		
IFRS 7.8(a)	Held to Maturity (HTM)	2,803,836,148	3,260,000,000
IFRS 7.8(b)	Held for Trading (HFT)	5,065,598,561	2,756,484,061
	Other Investments	1,229,519,677	3,521,489,467
		9,098,954,386	9,537,973,528
	ii) Investment Classified as per Nature		
	a) Government Securities		
	Treasury Bills (at present value)		
	Un-encumbered		
	28 days	-	-
	91 days	418,493,507	222,193,079
	182 days	372,403,068	171,470,220
	364 days	7,366,693	515,155,131
	Sub Total	798,263,268	908,818,430
	Encumbered		
	91 days	-	642,000,000
	182 days	-	300,000,000
	364 days	-	225,000,000
	Sub Total	-	1,167,000,000
	Total Treasury Bill	798,263,268	2,075,818,430
	Treasury Bond		
	Un-encumbered		
	5 Years	1,434,003,744	1,406,860,003
	10 Years	1,721,216,717	3,184,138,735
	15 Years	710,788,487	594,300,408
	20 Years	522,603,353	136,108,279
	Sub Total	4,388,612,301	5,321,407,425
	Encumbered		
	5 Years	1,188,706,488	1,363,500,000
	10 Years	1,335,969,496	200,000,000
	15 Years	357,939,643	-
	Sub Total	2,882,615,627	1,563,500,000
	Total Treasury Bond	7,271,227,928	6,884,907,425
	Prize Bond (at face value)	1,464,400	1,262,900
	Sub Total	8,070,955,596	8,961,988,755
	b) Other Investments		
	Shares in Quoted Companies (Annexure-A)	367,032,710	180,554,926
	Shares in Unquoted Companies (at face value)		
	Industrial & Infrastructure Development Finance Co. Limited	22,770,000	22,770,000
	Summit Power Ltd. Preference Share	138,196,800	-
	Central Depository (BD) Limited	44,166,580	10,000,000
	PHP 1 st Mutual Fund	50,000,000	-
	Mercantile Bank 1 st Mutual Fund	50,000,000	-
	Everest Power Generation Company Limited	-	60,000,000
	Dun & Bradstreet Rating Agency Bangladesh Limited	3,332,700	3,332,700
		308,466,080	96,102,700
	Bonds :		
	7 Years Agrani Bank Industrial Development Bond (note 5.02)	-	-
	Prime Bank Bond (note 5.03)	90,000,000	-
	IDLC Zero Coupon Bond (note 5.04)	62,500,000	87,500,000
	Uttara Finance & Investment Limited -Zero Coupon Bond	200,000,000	203,827,147
		352,500,000	291,327,147
	Share of Dhaka Stock Exchange Limited	-	8,000,000
	Sub Total	1,027,998,790	575,984,773
	Total	9,098,954,386	9,537,973,528

154 4.00 Balance with other Banks and Financial Institutions

157 5.00 Investments

159 6.00 Loans and Advances

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IFRS 7.8(c)	6.00 Loans and Advances		
	Loans (note-6.01.01)	25,418,985,086	20,159,731,918
	Cash Credits	5,758,847,161	5,427,701,979
	Overdrafts	4,774,979,611	5,906,174,074
		35,952,811,858	31,493,607,971
	Bills Purchased and Discounted (note-6.01.02)	1,777,646,832	2,390,315,734
	Total	37,730,458,690	33,883,923,705
IAS 1.77	6.01 Loans and Advances In Bangladesh		
	6.01.01 Loans		
	Term Loan	10,267,967,290	9,369,571,825
	Small and Medium Enterprise Financing	2,646,764,675	549,995,443
	Consumer/Retail Financing	1,378,087,708	1,197,714,345
	General Loan	178,174,390	406,302,143
	Demand Loan	62,477,752	75,138,407
	Payment Against Documents (PAD)	515,174,397	1,052,296,421
	Trust Receipts	6,127,683,703	6,156,533,005
	Lease Finance (note-6.03)	168,998,529	254,555,441
	Export Development Fund	9,652,289	34,042,897
	House Building Loan	1,103,814,046	861,526,151
	Staff/Employee Loan	303,356,184	202,055,840
	Loan to MTB Securities Ltd.*	2,656,834,123	-
		25,418,985,086	20,159,731,918
	Cash Credit	5,758,847,161	5,427,701,979
	Secured Overdraft	4,774,979,611	5,906,174,074
		35,952,811,858	31,493,607,971
	Outside Bangladesh	-	-
		35,952,811,858	31,493,607,971
	* Loan to MTB Securities Ltd. has been disbursed by the Bank. Interest has been charged at the rate of 9.50%		
	6.01.02 Bills Purchased and Discounted		
	Payable in Bangladesh	1,577,976,055	2,078,226,541
	Payable outside Bangladesh	199,670,777	312,089,193
		1,777,646,832	2,390,315,734
	Total Loans and Advances	37,730,458,690	33,883,923,705
IAS 1.77	6.02 Net Loans & Advances		
	Gross Loans & Advances (note- 4)	37,730,458,690	33,883,923,705
	Less:		
	Classified Loans & Advances (note-6.07)	903,969,000	952,762,000
	Interest Suspense (note- 11.04)	142,011,997	140,395,441
	Provision for Loans & Advances (note -11.01)	1,167,612,700	1,051,687,893
	Net Loans & Advances	35,516,864,993	31,739,078,371
IAS 1.77	6.03 Gross Lease Rent Receivable		
	within 1 year	16,400,000	98,723,710
	within 5 years	183,641,140	209,787,883
	after 5 years	-	-
		200,041,140	308,511,593
	Less: Unearned Lease Rent	31,042,611	53,956,152
		168,998,529	254,555,441
IAS 1.61	6.04 Residual Maturity grouping of Loans and Advances		
	On Demand	2,949,167,019	5,750,395,220
	Not more than three months	11,377,036,424	8,144,605,815
	More than three months but less than one year	9,303,512,879	7,297,161,739
	More than one year but less than five years	11,590,386,824	10,335,454,477
	More than five years	2,510,355,544	2,356,306,454
		37,730,458,690	33,883,923,705

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.78(b)	6.05 Concentration of Loans and Advances		
	a) Loans and Advances to Institutions in which the Directors of the Bank have interest	-	-
	b) Advances to Managing Director & other Senior Executives	201,460,923	109,966,759
	c) Advances to Industries		
	Food	2,491,010,000	1,178,900,000
	RMG & Textile	7,230,360,000	696,500,000
	Jute, Cotton and Wearing Apparels	130,800,000	5,318,100,000
	Leather and Leather Products	212,450,000	24,100,000
	Paper, Paper Products & Printing	205,760,000	893,500,000
	Wood and Wood Products	23,600,000	28,400,000
	Pharmaceuticals	61,170,000	71,300,000
	Plastic & Rubber	288,760,000	12,600,000
	Petroleum & Edible Oil	694,480,000	211,000,000
	Chemical & Chemical Products	839,520,000	329,200,000
	Glass & Glass Products	50,180,000	40,050,000
	Assembling Industries	765,060,000	315,600,000
	Engineering, Metal & Metal Products	3,643,510,000	1,436,000,000
	Non-metallic Mineral Products	268,330,000	131,150,000
	Electricity & Gas Industry	468,940,000	583,700,000
	Service Industries	126,650,000	240,100,000
	Small Scale & Cottage Industries	264,120,000	203,700,000
	Others	6,387,690,000	1,266,900,000
		24,152,390,000	12,980,800,000

IAS 1.77 **6.06 Details of Large Loan**
Number of borrowers with sanctioned amount of loan exceeding 10% of total capital of the Bank and classification status thereof.

Total Capital BDT in Crore	622.57	396.93
Number of Clients	27	27
Outstanding Advances (BDT in Crore)	865.93	913.50

Client wise details are given below:

Name of the clients	Outstanding (BDT in Crore)		Total (BDT in Crore)	Classification Status
	Funded	Non - Funded		
A K Corporation Ltd.	27.29	23.51	50.80	UC
Abdul Monem Ltd.	26.04	5.70	31.74	UC
Abdul Monem Sugar Refinery Ltd.	0.00	95.61	95.61	UC
AJI Apparels	0.00	1.95	1.95	UC
Belkuchi Spinning Mills Ltd.	18.17	3.47	21.64	UC
City Seed Crushing Ind. Ltd.	19.63	1.38	21.01	UC
Empire Dyeing Ltd.	38.52	15.50	54.02	UC
FRM Fashion	0.00	8.75	8.75	UC
Hasan Flour Mills Ltd.	0.00	16.36	16.36	UC
Jalal Ahmed Spinning	-	-	-	UC
Jamuna Denims Ltd.	39.46	20.86	60.32	UC
Kabir Steel Re-Rolling Mills Ltd.	30.92	2.93	33.85	UC
KYCR Coil Ind. Ltd.	9.62	6.40	16.02	UC
Modern Fiber Industries Ltd	12.33	10.76	23.09	UC
Modern Poly	-	0.10	0.10	UC
MRS Industries Ltd.	24.77	18.93	43.70	UC
MSA Spinning Mills Ltd.	47.16	6.88	54.04	UC
Nasir Glass Industries Limited	0.53	0.62	1.15	UC
ORASCOM Telecom (BD) Ltd.	35.99	0.00	35.99	UC
PHP Corporation Ltd.	52.88	37.18	90.06	UC
Polo Composite Knit Industry Limited	19.98	26.14	46.12	UC
Rahmat Spinning Mills Ltd.	23.77	3.69	27.46	UC
Rahmat Textiles Ltd.	9.98	9.01	18.99	UC
S. N. Corporation	6.32	0.00	16.32	UC
Super Refinery (Pvt.) Ltd.	13.42	25.22	38.64	UC
T K Chemical Complex Ltd.	11.01	15.77	26.78	UC
Tanveer Dal Mill & Flour Mills Ltd.	2.04	29.38	31.42	UC
Total	479.83	386.10	865.93	

154 4.00 Balance with other Banks and Financial Institutions

157 5.00 Investments

159 6.00 Loans and Advances

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.77	6.07 Classification of Loans and Advances		
	Unclassified (UC):		
	Standard	36,420,829,690	32,324,154,705
	Special Mention Account (SMA)	405,660,000	607,007,000
	Sub Total	36,826,489,690	32,931,161,705
	Classified:		
	Substandard	63,464,000	62,223,000
	Doubtful	22,302,000	47,259,000
	Bad & Loss	818,203,000	843,280,000
	Sub Total	903,969,000	952,762,000
	Total	37,730,458,690	33,883,923,705

IAS 1.77	6.07 (a) Classification of Consolidated Loans and Advances		
	Consolidated Unclassified Loans and Advances (UC)		
	Standard	38,366,492,484	32,324,154,705
	Special Mention Account (SMA)	405,660,000	607,007,000
	Sub Total	38,772,152,484	32,931,161,705
	Consolidated Classified Loans & Advances		
	Substandard	63,464,000	62,223,000
	Doubtful	22,302,000	47,259,000
	Bad & Loss	818,203,000	843,280,000
	Sub Total	903,969,000	952,762,000
	Total	39,676,121,484	33,883,923,705

IAS 37.85 **6.08 Details of Required Provision for Loans and Advances**

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC)				
Standard	38,153,265,000	1%, 2% & 5%	469,360,900	469,360,900
Special Mention Account (SMA)	366,761,000	0% & 5%	20,283,000	20,283,000
Sub Total			489,643,900	489,643,900
Classified				
Substandard	27,537,000	5% & 20%	5,507,400	12,692,800
Doubtful	17,126,000	5% & 50%	8,563,000	11,151,000
Bad loan	654,125,000	100%	654,125,000	654,125,000
Sub Total			668,195,400	677,968,800
Total			1,157,839,300	1,167,612,700
Excess/(short) Provision at December 31, 2010				9,773,400

IAS 37.85 **6.09 Details of Required Provision for Off Balance Sheet Items**

Required Provision for Off- Balance Sheet Exposures	115,538,000	87,100,000
Total Provision maintained (note -11.02)	115,538,000	88,132,000
Excess/(Short) Provision	-	1,032,000

6.10 Suits filed by the Bank (Branch wise details)

Name of the Branch	No. of Suits		
Principal	2	5,210,000	5,213,000
Babu Bazar	17	298,700,000	239,006,000
Uttara Model Town	1	26,440,000	661,000
Dhanmondi	7	11,560,000	3,600,000
Agrabad	6	42,540,000	317,078,000
CDA Avenue	4	356,690,000	188,407,000
Khatungonj	7	200,510,000	4,120,000
Gulshan	7	101,920,000	-
Progati Sharani	2	6,610,000	-
		1,050,180,000	758,085,000

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IFRS 8.20	6.11 Geographical Location wise Consolidated Loans and Advances		
	Inside Bangladesh		
	Urban		
	Dhaka Division	27,518,196,144	24,030,350,650
	Chittagong Division	8,271,761,920	6,956,670,354
	Rajshahi Division	1,241,862,602	320,400,597
	Sylhet Division	416,599,276	588,650,453
	Khulna Division	-	226,340,381
	Rangpur Division	134,898,813	-
	Barishal Division	-	-
		37,583,318,756	32,122,412,435
	Rural		
	Dhaka Division	1,290,635,665	1,076,710,385
	Chittagong Division	762,490,942	587,200,541
	Rajshahi Division	-	-
	Sylhet Division	-	-
	Khulna Division	-	-
	Rangpur Division	-	-
	Barishal Division	39,676,121	97,600,344
		2,092,802,728	1,761,511,270
	Outside Bangladesh	-	-
		39,676,121,484	33,883,923,705
IFRS 8.20	6.12 Sector-wise Loans including Bills Purchased and Discounted		
	Public sector	109,015,658	223,500,000
	Co-Operative sector	60,576,000	54,400,000
	Private sector	37,560,867,032	33,606,023,705
		37,730,458,690	33,883,923,705
IAS 1.77	6.13 Particulars of Loans and Advances:		
	I) Debts considered good in respect of which the bank company is fully secured.	32,758,731,496	31,232,344,577
	II) Debts considered good for which the bank holds no other security than the debtor's personal security.	42,905,811	31,818,325
	III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	4,024,852,383	1,666,998,803
	IV) Debts considered doubtful or bad, provision not provided for.	-	-
	V) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person.	314,568,985	150,250,871
	VI) Debts due by companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as members.	-	-
	VII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the bank or any of them either severally or jointly with any other person.	314,568,985	164,602,236
	VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the bank are interested as partners or managing agents or in case of private companies, as member.	-	-
	IX) Due from banking companies;	-	-
	X) Amount of classified loan on which interest has not been charged	-	-
	a. i) (Decrease)/Increase in provision,	25,997,000	(101,180,000)
	ii) Amount of loan written off	365,506,205	368,367,487
	iii) Amount realized against loan previously written off	1,000,000	-
	b. Amount of provision kept against loan classified as 'bad/loss'	654,125,000	630,200,000
	c. Interest creditable to the interest Suspense A/c	79,774,793	82,219,800
	XI) Cumulative amount of loans written off	733,873,692	368,367,487
	XII) Amount of loans written off during the year	365,506,205	368,367,487
	XIII) The amount of written off loan for which law suit has been filed	733,873,692	368,203,013
IAS 1.61	6.14 Maturity grouping of Bills Purchased and Discounted		
	Payable within one month	906,599,884	1,075,642,080
	More than one month but less than three months	657,729,328	836,610,507
	More than three months but less than six months	186,652,917	430,256,832
	More than or equal to six months	26,664,702	47,806,315
		1,777,646,832	2,390,315,734

163 7.00 Fixed Asset including Premises,

Furniture & Fixture

163 8.00 Other Asset

165 9.00 Borrowing From Other Banks, Financial Institutions & Agents

165 10.00 Deposit and Other Accounts

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IFRS 7.30	6.15 Consolidated List of Asset pledged as Security/Collaterals		
	Nature of Secured Asset		
	Gold & Gold Ornaments	-	3,118,000
	Shares & Securities	377,998,000	2,095,296,000
	Merchandise	3,667,807,000	4,100,048,000
	Machinery with other Fixed Asset and Financial obligation	902,681,000	2,242,189,000
	Real Estate with Financial obligation	14,385,873,000	13,824,565,000
	Financial Obligation only (Insurance policies, Savings certificates, Bank deposit etc)	2,172,217,000	2,180,974,000
	Miscellaneous		
	i) Crops/stock of crops hypothecation	61,029,000	5,093,000
	ii) Guarantee of individuals/ Institutions	14,627,636,000	5,661,126,000
	iii) Others	3,480,880,484	3,771,514,705
	Without any security	-	-
		39,676,121,484	33,883,923,705
IAS 1.77	6 (a) Consolidated Loans & Advances		
	Mutual Trust Bank Limited (note-6.01.01)	35,952,811,858	31,493,607,971
	MTB Securities Ltd.	3,330,816,444	-
	Off-shore Banking Unit (OBU)	1,078,127,172	-
		40,361,755,474	31,493,607,971
	Less: Loan to MTB Securities Ltd. (Subsidiary of MTB)	2,656,834,123	-
		37,704,921,351	31,493,607,971
	Consolidated Bills Purchased and Discounted		
	Mutual Trust Bank Limited (note-6.01.02)	1,777,646,832	2,390,315,734
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	193,553,301	-
		1,971,200,133	2,390,315,734
		39,676,121,484	33,883,923,705
IAS 16.73	7.00 Fixed Asset including Premises, Furniture & Fixture		
	Cost		
	Land	104,253,000	104,253,000
	Immovable Property	42,543,780	42,443,980
	Furniture & Fixture	128,129,780	50,544,587
	Interior Decoration	254,983,513	143,134,464
	Office Equipments	423,474,363	256,665,885
	Motor Vehicles	31,031,110	31,680,487
	Books & Periodicals	423,974	423,619
	Leased Asset	28,855,000	23,755,000
	Total Cost	1,013,694,520	652,901,022
	Less: Accumulated Depreciation	291,641,511	207,324,142
	Book Value at the end of the year	722,053,009	445,576,880
	Details are shown in Annexure-B		
IAS 16.73	7 (a) Consolidated Fixed Assets Including Premises, Furniture and Fixtures		
	Mutual Trust Bank Limited (note-7)	722,053,009	445,576,880
	MTB Securities Ltd.	43,207,611	-
	Off-shore Banking Unit (OBU)	-	-
		765,260,620	445,576,880
	Details are shown in Annexure-B (i)		
IAS 1.77	8.00 Other Asset		
	A) Income generating Other Asset	-	-
	B) Non-Income generating Other Asset		
	i) Investment in Shares of Subsidiary Companies	1,000,000,000	-
	ii) Stationery, Stamps, Printing Materials in Stock etc.	7,263,741	11,428,461
	iii) Advance Rent and Advertisement	484,043,558	105,838,100
	iv) Interest Accrued on Investment but not collected & other Income Receivable	28,549,570	188,763,091
	v) Security Deposit	6,646,135	6,312,060
	vi) Preliminary, Formation and Organization expenses, Renovation/ Development expenses and Prepaid expenses	-	-
	vii) Branch Adjustment (note-8.01)	1,094,954	389,535,456
	viii) Suspense Account (note-8.02)	15,272,217	10,161,302
	ix) Silver	-	-
	x) Due from Off shore Banking Unit (OBU)	378,986	-
	xi) Others (note-8.03)	1,230,776,849	1,484,128,570
		2,774,026,010	2,196,167,040

Notes to the Financial Statements

Ref.			2010 BDT	2009 BDT
IAS 1.78(b)	8.01 Branch Adjustment (net)			
	Entries	No. of Entries Outstanding as on 31-12-2010	BDT	BDT
	Debit entries	1	1,177,794	872,525,056
	Credit entries	1	82,840	482,989,600
		2	1,094,954	389,535,456

Period wise details of Unreconciled Inter Branch Transactions are as follows :

Period of Unreconciliation	Debit Entry		Credit Entry	
	No. of Entry	BDT	No. of Entry	BDT
Less than 3 months	1	1,177,794	-	-
3 months to Less than 6 months	-	-	1	82,840
6 months to Less than 9 months	-	-	-	-
9 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	1	1,177,794	1	82,840

All the above outstanding entries have subsequently been responded and properly reconciled.

IAS 1.78	8.02	Suspense account represents petty expenses for opening of new branch etc, awaiting for adjustment.		
IAS 1.78(b)	8.03 Others			
		Advance Income Tax (note-8.03.01)	857,682,713	1,364,881,935
		Prepaid Expense	8,000	-
		Clearing House Adjustment	89,714,782	13,090,770
		Payment Against Construction of Head Office	91,550,680	48,525,686
		Deferred Tax Assets (note-8.03.02)	11,337,834	13,530,179
		Advance Salary	450,000	450,000
		Advance Against Interior Decoration	141,005,668	41,400,000
		Advance to Employees	7,998,079	1,200,000
		Advance to Suppliers/Parties	31,029,093	1,050,000
		Total	1,230,776,849	1,484,128,570
IAS 1.77	8.03.01 Advance Income Tax			
		Opening Balance	1,364,881,935	1,017,307,466
		Less: Adjustment made during the year	1,102,973,909	-
		Add: Payment during the year	595,774,687	347,574,469
		Closing Balance	857,682,713	1,364,881,935
IAS 1.77	8.03.01 (a) Consolidated Advance Income Tax			
		Mutual Trust Bank Limited (note-8.03.01)	857,682,713	1,364,881,935
		MTB Securities Ltd.	29,888,866	-
		Off-shore Banking Unit (OBU)	-	-
			887,571,579	1,364,881,935
IAS 12.81(g)(i)	8.03.02 Deferred Tax Asset			
		Opening Balance	13,530,179	-
		Add: Deferred Tax Income during the year	-	22,686,747
		Less: Deferred Tax Expense during the year	2,192,345	-
		Less: Adjustment with Deferred Tax Liabilities	-	9,156,568
		Closing Balance	11,337,834	13,530,179
IAS 1.77	8.04 Classification of Other Asset			
		Unclassified	2,774,026,010	2,196,167,040
		Substandard	-	-
		Doubtful	-	-
		Bad/Loss	-	-
			2,774,026,010	2,196,167,040

163 7.00 Fixed Asset including Premises, Furniture & Fixture

163 8.00 Other Asset

165 9.00 Borrowing From Other Banks, Financial Institutions & Agents

165 10.00 Deposit and Other Accounts

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.77	8 (a) Consolidated Other Assets		
	Mutual Trust Bank Limited (note-8)	2,774,026,010	2,196,167,040
	Less: Investment in Subsidiary Companies	(1,000,000,000)	-
		1,774,026,010	2,196,167,040
	MTB Securities Ltd.	159,605,632	-
	Off-shore Banking Unit (OBU)	823,687	-
		160,429,319	-
		1,934,455,329	2,196,167,040
IFRS 7.7	9.00 Borrowing From Other Banks, Financial Institutions & Agents		
	In Bangladesh	1,270,000,000	3,550,000,000
	Outside Bangladesh	-	-
		1,270,000,000	3,550,000,000
	In Bangladesh		
	Borrowing from Bank	1,270,000,000	1,050,000,000
	Trust Bank Limited	-	300,000,000
	United Commercial Bank Limited (UCB)	70,000,000	400,000,000
	Rupali Bank Limited	100,000,000	-
	HSBC	450,000,000	-
	Delta Brac Housing Limited	280,000,000	-
	Premier Bank Limited	200,000,000	-
	Standard Bank Limited	70,000,000	-
	Dutch Bangla Bank Limited	100,000,000	-
	National Bank Limited	-	350,000,000
	Repo of Treasury Bill/Bond	-	2,500,000,000
	Agrani Bank Limited	-	1,000,000,000
	Commercial Bank of Ceylon	-	500,000,000
	Bangladesh Bank	-	1,000,000,000
	Total	1,270,000,000	3,550,000,000
IAS 1.77	9.01 Security against Borrowing From Other Banks, Financial Institutions and Agents		
	Secured	-	2,500,000,000
	Unsecured	1,270,000,000	1,050,000,000
		1,270,000,000	3,550,000,000
IAS 1.61	9.02 Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
	On Demand	1,270,000,000	3,550,000,000
	Repayable within one month	-	-
	More than one month but within six months	-	-
	More than six months but within one year	-	-
	More than one year but within five years	-	-
	More than five years but within ten years	-	-
		1,270,000,000	3,550,000,000
	9 (a) Consolidated Borrowing From Other Banks, Financial Institutions and Agents		
	Mutual Trust Bank Limited (note-9)	1,270,000,000	3,550,000,000
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	1,059,576,556	-
		2,329,576,556	3,550,000,000
IFRS 7.7	10.00 Deposit and Other Accounts		
	From Banks (note 10.01)	449,980,000	566,431,597
	From Customers (note 10.02)	45,396,329,207	41,787,634,310
		45,846,309,207	42,354,065,907

Notes to the Financial Statements

<i>Ref.</i>		2010 BDT	2009 BDT
<i>IAS 1.77</i>	10.01 Deposit From Banks		
	Short Notice Deposit (SND)		
	Name of Banks		
	Pubali Bank Limited	-	203,938,380
	Sub Total	-	203,938,380
	Fixed Deposit Receipts (FDR)		
	Name of Banks		
	Sonali Bank Limited	249,990,000	-
	Standard Chartered Bank	199,990,000	150,000,000
	Bangladesh Shilpa Rin Sangstha	-	112,503,217
	Dhaka Bank Limited	-	99,990,000
	Sub Total	449,980,000	362,493,217
	Total	449,980,000	566,431,597
<i>IAS 1.77</i>	10.02 Customer Deposit and Other Accounts		
	Current Deposit & Other Accounts		
	Current Deposit	3,126,015,335	1,964,233,477
	Short Notice Deposit	3,453,471,365	2,303,709,355
	Foreign Currency Deposit	188,632,525	90,299,130
	Non-Resident taka account	54,787,701	460,961,369
	Sundry Deposit	1,767,595,302	1,488,014,646
		8,590,502,228	6,307,217,977
	Bills Payable		
	Payment Order Issued	463,231,762	474,661,581
	Pay Slip Issued	1,347,620	6,302,084
	Demand Draft Payable	65,158,340	47,990,272
		529,737,722	528,953,937
	Savings Deposit	5,655,577,091	5,104,087,897
	Fixed Deposit	25,126,334,337	25,866,571,939
	Deposit-Products		
	Brick by Brick	2,132,722,969	1,628,174,947
	Save Everyday Deposit	1,001,056	957,043
	Festival Savings Plan	16,917,553	13,441,058
	Children Education Deposit Scheme	6,919,709	6,430,338
	Best Invest Deposit	46,097,540	87,173,857
	Unique Savings Plan	8,460,994	13,342,707
	MTB Senior	118,367,991	-
	MTB Inspire	581,856,728	-
	MTB 1.5 Times Benefit Plan	6,343,648	3,735,071
	MTB Double Saver Plan	1,676,731,386	1,540,603,478
	MTB Triple Saver Plan	188,713,082	173,351,987
	MTB Millionaire Plan	470,229,366	271,957,153
	MTB Education Plan	68,020,553	31,038,771
	MTB Monthly Benefit Plan	169,870,254	209,066,755
	MTB Quarterly Benefit Plan	1,925,000	1,529,395
		5,494,177,829	3,980,802,560
	Total	45,396,329,207	41,787,634,310
<i>IAS 1.61</i>	10.03 Maturity grouping of Deposit and Other Accounts		
	On Demand	16,748,140,066	5,542,660,840
	Repayable within one month	6,329,493,765	12,619,120,889
	More than one month but within six months	13,018,521,628	13,955,431,536
	More than six months but within one year	5,082,900,513	6,120,025,145
	More than one year but within five years	3,268,480,062	2,549,932,907
	More than five years but within ten years	1,307,001,686	1,504,620,174
	More than ten years	91,771,487	62,274,416
		45,846,309,207	42,354,065,907

163 7.00 Fixed Asset including Premises, Furniture & Fixture

163 8.00 Other Asset

165 9.00 Borrowing From Other Banks, Financial Institutions & Agents

165 10.00 Deposit and Other Accounts

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.77	10.04 Demand & Time Deposit		
	a) Demand Deposit	6,175,770,523	4,991,830,470
	Current Deposit	3,126,015,335	1,964,233,477
	Savings Deposit (9%)	509,001,938	459,367,911
	Foreign Currency Deposit non interest bearing	188,632,525	90,299,130
	Non Resident Taka Deposit	54,787,701	460,961,369
	Sundry Deposit	1,767,595,302	1,488,014,646
	Bills Payable	529,737,722	528,953,937
	b) Time Deposit	39,670,538,684	37,362,235,437
	Savings Deposit (91%)	5,146,575,153	4,644,719,986
	Fixed Deposit	25,576,314,337	26,229,065,156
	Short Notice Deposit	3,453,471,365	2,507,647,735
	Deposit Products	5,494,177,829	3,980,802,560
	Total Demand & Time Deposits	45,846,309,207	42,354,065,907
IFRS 8.20	10.05 Sectorwise Deposit		
	Government	211,881,000	84,689,000
	Deposit Money Banks	449,980,000	566,431,597
	Autonomus & Semi-Autonomous Bodies	486,235,000	753,205,000
	Public Non- Financial Organisation	2,219,203,000	1,961,423,000
	Other Public	97,230,000	775,602,000
	Foreign Currency	188,632,525	90,299,130
	Private	42,193,147,682	38,122,416,180
		45,846,309,207	42,354,065,907
IFRS 7.7	10 (a) Consolidated Deposit and Other Accounts		
	Current Deposit and Other Accounts		
	Mutual Trust Bank limited (note-10.02)	8,590,502,228	6,307,217,977
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		8,590,502,228	6,307,217,977
	Bills Payable		
	Mutual Trust Bank limited (note-10.02)	529,737,722	528,953,937
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		529,737,722	528,953,937
	Savings Deposit		
	Mutual Trust Bank limited (note-10.02)	5,655,577,091	5,104,087,897
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		5,655,577,091	5,104,087,897
	Fixed Deposit		
	Mutual Trust Bank limited (note-10.02)	25,576,314,337	26,433,003,536
	Less: Deposit with Off-shore Banking Unit (OBU)	(194,915,439)	-
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	194,915,439	-
		25,576,314,337	26,433,003,536
	Deposit Products		
	Mutual Trust Bank limited (note-10.02)	5,494,177,829	3,980,802,560
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		5,494,177,829	3,980,802,560
		45,846,309,207	42,354,065,907

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.77	11.00 Other Liabilities		
	Provision for Loans and Advances (note-11.01)	1,167,612,700	1,051,687,893
	Provision for Off Balance Sheet Items (note-11.02)	115,538,000	88,132,000
	Provision for Other Asset	-	-
	Provision against Shares in Quoted Companies (note- 11.03)	4,237,037	3,823,324
	Interest Suspense Account (note- 11.04)	142,011,997	140,395,441
	Exchange Equalization Fund	-	33,684
	Short Term Liabilities to Banks Abroad (note-11.05)	15,051,842	-
	Export Development Fund	9,652,289	34,042,897
	Provision for Income Tax (note-11.06)	1,041,386,250	1,707,224,878
	Deferred Tax Liability (note-11.07)	-	-
	Provision for Gratuity (note-2.12.2-b)	21,890,811	63,161,308
	Provision for Audit Fees	500,000	400,000
	Provision for Bonus	59,120,430	62,865,752
	Contribution to MTB Foundation	3,500,000	1,000,000
	Contribution for MTB Employees Death Benefit Scheme	1,500,000	2,000,000
	Contribution to MTB Employees Welfare Fund	-	2,500,000
	Contribution to MTB Employees Medical Assistance Fund	1,500,000	2,500,000
	Provision for Expenses	7,282,576	3,901,353
	Liabilities Under Finance Lease	22,766,399	22,522,519
		2,613,550,331	3,186,191,049
IAS 37.84	11.01 Provision for Loans and Advances For Unclassified		
	Opening Balance	388,592,078	298,610,000
	Add: Provision made during the year	101,051,822	89,982,078
	Less: Provision transferred to Classified Loans and Advances	-	-
	Closing Balance	489,643,900	388,592,078
	For Classified		
	Opening Balance	663,095,815	829,330,772
	Add: Provision made during the year	380,379,190	145,017,922
	Add: Provision transferred from Off Balance Sheet Items	-	20,000,000
	Less: Adjustment during the year	-	432,827
	Less: Loan written off during the year	365,506,205	330,820,052
	Closing Balance	677,968,800	663,095,815
		1,167,612,700	1,051,687,893
IAS 37.84	11.02 Provision for Off Balance Sheet Items		
	Opening Balance	88,132,000	108,132,000
	Add: Provision made during the year	27,406,000	-
	Less: Provision transferred to Classified Loans and Advance	-	20,000,000
	Closing Balance	115,538,000	88,132,000
IAS 37.84	11.03 Provision against Shares in Quoted Companies		
	Opening Balance	3,823,324	3,823,324
	Add: Provision made during the year	413,713	-
	Less: Adjustment made during the year	-	-
	Closing Balance	4,237,037	3,823,324
IAS 37.84	11.04 Interest Suspense Account		
	Opening Balance	140,395,441	195,082,720
	Add: Addition during the year	52,428,287	-
	Less: Adjustment made during the year	50,811,731	54,687,279
	Closing Balance	142,011,997	140,395,441
IAS 37.84	11.05 Short Term Liabilities to Banks Abroad		
	Name of Banks		
	Mashreqbank, New York	US\$ 7,495,677	-
	WELLS FARGO	US\$ 1,781,688	-
	ICICI, Hong Kong	US\$ 3,999,023	-
	Habib American Bank, Zurich	CHF 1,775,454	-
		15,051,842	-

Notes to the Financial Statements

<i>Ref.</i>		2010 BDT	2009 BDT
<i>IAS 37.84</i>	11.06 Provision for Income Tax Opening Balance Less: Adjustment made during the year Add: Provision made during the year	<u>1,707,224,878</u> <u>1,102,973,909</u> <u>437,135,281</u> <u>1,041,386,250</u>	<u>1,113,224,878</u> <u>-</u> <u>594,000,000</u> <u>1,707,224,878</u>
	Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .		
<i>IAS 37.84</i>	11.06 (a) Consolidated Provision for Income Tax Mutual Trust Bank limited (note-11.06) MTB Securities Ltd.	<u>437,135,281</u> <u>62,864,719</u> <u>500,000,000</u>	<u>594,000,000</u> <u>-</u> <u>594,000,000</u>
	Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .		
<i>IAS 12.81(g)(i)</i>	11.07 Deferred Tax Liability Opening Balance Less. Adjustment during the year Closing Balance	<u>-</u> <u>-</u> <u>-</u>	<u>9,156,568</u> <u>9,156,568</u> <u>-</u>
<i>IAS 1.77</i>	11 (a) Consolidated Other Liabilities Mutual Trust Bank limited (note-11.1) MTB Securities Ltd. Off-shore Banking Unit (OBU)	<u>2,613,550,331</u> <u>495,572,350</u> <u>-</u> <u>3,109,122,681</u>	<u>3,186,191,049</u> <u>-</u> <u>-</u> <u>3,186,191,049</u>
	12.00 Subordinated Debt The Bank floated 12% Partially Convertible Subordinated Debt through private placement for BDT 2,500 million. Interest on the 12% Partially Convertible Subordinated Debt is payable half yearly from the date of Issue i.e. March and September of each year. 12% Partially Convertible Subordinated Debt Interest Payable on Subordinated debt	<u>2,500,000,000</u> <u>82,191,780</u> <u>2,582,191,780</u>	<u>-</u> <u>-</u> <u>-</u>
<i>IAS 1.79</i>	13.00 Capital		
<i>IAS 1.79(a)(i)</i>	13.01 Authorized Capital 100,000,000 ordinary shares of BDT 100 each	<u>10,000,000,000</u>	<u>3,800,000,000</u>
<i>IAS 1.79(a)(ii)</i>	13.02 Issued, Subscribed and Paid-up Capital In 2003 the bank has Increased its Paid up Capital by 4,000,000 Ordinary Shares of BDT 100 each amounting to BDT 400,000,000 through Pre-IPO placement arrangements and initial public offerings. The shares have been issued at BDT 125 per share including premium of BDT 25 each. The issued, subscribed and paid-up capital of the Bank as on December 31, 2010 is BDT 2,119,582,000 divided into 21,195,820 Ordinary shares and as on December 31, 2009 was BDT 1,766,318,400 divided into 17,663,184 Ordinary shares of BDT 100 each as follows: 6,000,000 Ordinary shares of BDT 100 each issued for cash 9,168,384 Ordinary shares of BDT 100 each issued as bonus shares up to the year of 2008 2,494,800 Ordinary shares of BDT 100 each issued as Right Shares in the year 2008 3,532,637 Ordinary shares of BDT 100 each issued as bonus shares in the year 2009	<u>600,000,000</u> <u>916,838,400</u> <u>249,480,000</u> <u>353,263,600</u> <u>2,119,582,000</u>	<u>600,000,000</u> <u>916,838,400</u> <u>249,480,000</u> <u>-</u> <u>1,766,318,400</u>

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.79(a)(ii)	13.03 Raising of Share Capital Given below the history of raising of Share Capital of the Bank		
	Accounting Year	Declaration	No. of Share
			Value of Capital
			Cumulative
	Up to 2002	Initial Paid-up Capital	2,000,000
	2003	IPO & Pre-IPO	4,000,000
	2003-Bonus	20%	1,200,000
	2004-Bonus	20%	1,440,000
	2005-Bonus	10%	864,000
	2006-Bonus	5%	475,200
	2007-Bonus	25%	2,494,800
	2008-Right	20%	2,494,800
	2008-Bonus	18%	2,694,384
	2009-Bonus	20%	3,532,636
			21,195,820
			2,119,582,000

IAS 1.79(a)(vi) **13.04 The break up of Issued, Subscribed and Paid-up Capital is as follows:**

	December 31, 2010		
	No. of shares	Value of shares BDT	% of holding
Sponsors	8,355,801	835,580,100	39.42%
Financial Institutions	6,239,382	623,938,200	29.44%
General	6,600,637	660,063,700	31.14%
	21,195,820	2,119,582,000	100%

IAS 1.135(d) **13.05 Capital Adequacy Ratio**

There is a surplus of BDT 1,347.91 million in the capital fund of the Bank as on 31 December 2010 computed in accordance with BRPD Circular No. 10 dated November, 2002 and BRPD Circular No. 03 dated 09 May 2004 and subsequent changes. Details of such surplus capital fund are given below (figures given in BDT millions):

	BDT in Million	BDT in Million
Total risk weighted assets	54,197.57	43,152.60
Required Capital : 9% of total risk weighted asset	4,877.78	3,883.73
Actual Capital Maintained		
Core Capital (Tier-I) :		
Paid up Capital	2,119.58	1,766.32
Statutory Reserve	1,278.44	980.33
General Reserve	361.78	161.78
Minority Interest	0.02	-
Retained Earnings	529.19	392.21
	4,289.01	3,300.64
Supplementary Capital (Tier-II) :		
General Provision including Off Balance Sheet items	605.18	476.73
Revaluation Reserve on Investment in Securities	44.80	191.93
Subordinated debt	1,286.70	-
Exchange Equalization (note-11)	-	0.03
	1,936.68	668.69
Total Capital (Tier-I+Tier-II)	6,225.69	3,969.33
Surplus	1,347.91	85.60
Capital Adequacy Ratio	11.49%	9.20%

13.05.01 Capital Requirement

	2010		2009	
	Required	Held	Required	Held
Tier-I	4.50%	7.92%	4.50%	7.65%
Tier-II		3.57%		1.55%
Tier-III		0.00%		0.00%

169 11.00 Other Liabilities
 169 12.00 Subordinated Debt
169 13.00 Capital

Notes to the Financial Statements

Ref.

13.06 Computation of Risk-Weighted Asset

a. Balance Sheet Exposure

BDT in Million

Sl.	Particulars	2010			
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets
1	2	3	4	5	6=(4x5)
a)	Cash		521.50	0%	-
b)	Claims on Bangladesh Government and Bangladesh Bank		6,674.33	0%	-
c)	Claims on other Sovereigns & Central Banks		-	0%	-
d)	Claims on Bank for International Settlements, International Monetary Fund, European Central Bank		-	0%	-
e)	Claims on Multilateral Development Banks (MDBs)				
	i) IBRD, IFC, ADB, AFDB, EBRD, IABD, EIB, EIF, NIB, CDB, IDB, CEDB		-	0%	-
	ii) Other MDBs	1	-	20%	-
		2,3	-	50%	-
		4,5	-	100%	-
		6	-	150%	-
		Unrated	-	50%	-
f)	Claims on Public Sector Entities in Bangladesh (Other than Government)	1	-	20%	-
		2,3	-	50%	-
		4,5	-	100%	-
		6	-	150%	-
		Unrated	109.00	50%	54.50
g)	Claims on Banks and NBFIs				
	i) Original Maturity Over 3 month	1	328.70	20%	65.74
		2,3	2,689.50	50%	1,344.75
		4,5	1,184.40	100%	1,184.40
		6	-	150%	-
		Unrated	-	100%	-
	ii) Original Maturity less than 3 months		2,194.20	20%	438.84
h)	Claims on Corporates	1	851.50	20%	170.30
		2	910.80	50%	455.40
		3,4	1,075.30	100%	1,075.30
		5,6	-	150%	-
		Unrated	18,369.80	125%	22,962.25
i)	Claims under Credit Risk Mitigation	PSE		N/A	-
		Banks & NBFIs	12.50	N/A	-
		Corporate	1,047.70	N/A	263.62
		Retail & Small	1,008.80	N/A	83.17
		Consumer finance	-	N/A	-
		Residential property	-	N/A	-
		Commercial Real Estate	-	N/A	-
j)	Claims on categorized as Retail Portfolio and Small Enterprise (excluding consumer finance & staff loan)		4,961.20	75%	3,720.90
k)	Consumer Finance	1	1,301.10	100%	1,301.10
l)	Claims fully secured by residential property	0.5	1,063.80	50%	531.90
m)	Claims fully secured by commercial real estate	1	855.00	100%	855.00
n)	1. Past Due Claims (Risk weights are to be assigned net of specific provision): - Where specific provisions are less than 20 percent of the outstanding amount of the past due claim ;		-		-
			416.96	150%	625.44

Notes to the Financial Statements

Ref.

Sl.	Particulars	2010		
		Exposure	Risk weight	Risk weighted assets
	¹ -Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim;	11.20	100%	11.20
	¹ -Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	129.56	50%	64.78
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	4.30	100%	4.30
	3. Loans and claims fully secured against residential property that are past due for more than 90 days and /or impaired and specific provision held there-against is more than 20% of outstanding amount	-	75%	-
0)	Capital Market Exposure	3,330.80	125%	4,163.50
p)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	-	125%	-
q)	Investments in venture capital	-	150%	-
r)	Investments in premises, plant and equipment and all other fixed assets	765.30	100%	765.30
s)	Claims on all fixed assets under operating lease	-	100%	-
t)	All other assets			
	i) Claims on GOB & BB	887.57	0%	-
	ii) Staff Loans /Investment	274.00	20%	54.80
	iii) Cash items in process of collection	-	20%	-
	iv) Claims on OBU	-	100%	-
	v) Other asset (not specified above)[Net of specific provision if any]	1,044.20	100%	1,044.20
	Total:	52,023.02		41,240.69

b. Off-Balance Sheet Exposure

BDT in Million

Sl.	Particulars	2010			
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets
1	2	3	4	5	6=(4x5)
a)	Claims on Bangladesh Government and Bangladesh Bank		-	0%	-
b)	Claims on other Sovereigns & Central Banks		-	0%	-
c)	Claims on Bank for International Settlements, International Monetary Fund, European Central Bank		-	0%	-
d)	Claims on Multilateral Development Banks (MDBs)		-	0%	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IABD, EIB, EIF, NIB, CDB, IDB, CEDB		-	0%	-
	ii) Other MDBs	1	-	20%	-
		2,3	-	50%	-
		4,5	-	100%	-
		6	-	150%	-
		Unrated	-	50%	-
e)	Claims on Public Sector Entities (other than Govt.) in Bangladesh	1	-	20%	-
		2,3	-	50%	-
		4,5	-	100%	-
		6	-	150%	-
		Unrated	-	50%	-

169 11.00 Other Liabilities
 169 12.00 Subordinated Debt
 169 13.00 Capital

Notes to the Financial Statements

Ref.

b. Off-Balance Sheet Exposure

BDT in Million

Sl.	Particulars	2010			
		Bangladesh Bank's Rating Grade	Exposure	Risk weight	Risk weighted assets
1	2	3	4	5	6=(4x5)
f)	Claims on Banks & NBFIs		-		
	i) Maturity Over 3 month	1	-	20%	-
		2,3	-	50%	-
		4,5	-	100%	-
		6	-	150%	-
		Unrated	-	100%	-
	ii) Maturity less than 3 months		-	20%	-
g)	Claims on Corporate	1	-	20%	-
		2	105.76	50%	52.88
		3,4	-	100%	-
		5,6	-	150%	-
		Unrated	5,074.04	125%	6,342.55
h)	Claims against Retail Portfolio and Small Enterprise (excluding consumer loan)		-	75%	-
i)	Consumer Finance		-	100%	-
j)	Claims fully secured by residential property			50%	
k)	Claims fully secured by commercial real estate			100%	
l)	Investment in venture capital			150%	
m)	All other assets		-	100%	-
	Total:		5,179.80		6,395.43

c. Capital Charge for Market Risk

Sl.	Details	Capital Charge for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
	1	2	3	4 = (2+3)
A.	Interest Rate Related instruments	-	55.38	55.38
B.	Equities	43.17	43.17	86.34
C.	Foreign Exchange Position	-	56.10	56.10
	Total (A+B+C)	43.17	154.65	197.82

d. Capital Charge for Operational Risk

Sl.	Year	Gross Income(GI)	Average GI	Alpha	CCFOR
A.	2010	3,400.30	2,618.40	15%	392.77
B.	2009	2,544.00			
C.	2008	1,911.00			

Total Risk Weighted Assets (RWA)

Sl.	Particulars			RWA
A.	Credit Risk on			47,636.12
	Balance Sheet Exposure	41,240.69	1.00	41,240.69
	Off Balance Sheet Exposure	6,395.43	1.00	6,395.43
B.	Market Risk	197.82	11.11	2,197.83
C.	Operational Risk	392.77	11.11	4,363.62
	Total Risk Weighted Assets (A+B+C)			54,197.57

Notes to the Financial Statements

Ref.

13.07 Minimum Capital Requirement Under Basel II as on December 31, 2010

Item no.	Sl.	Particulars	BDT Million
1	A.	Eligible Capital :	
2	1	Tier-1 (Core Capital)	4,289.01
3	2	Tier-2 (Supplementary Capital)	1,936.68
4	3	Tier-3 (eligible for market risk only)	-
5	4	Total Eligible Capital (1+2+3) :	6,225.69
6	B.	Total Risk Weighted Assets (RWA):	54,197.57
7	C.	Capital Adequacy Ratio (CAR) (A4 / B)*100	11.49%
8	D.	Core Capital to RWA (A1 / B)*100	7.92%
9	E.	Supplementary Capital to RWA (A2 / B)*100	3.57%
10	F.	Minimum Capital Requirement (MCR)- as on December 31, 2010	4,877.78

IAS 1.79 13.08 Distribution Schedule of Shareholders by holdings as on December 31, 2010

Holdings	No. of Shareholders	No. of Shares	Value of shares in Taka	Total Holdings %
Less than 500 shares	12,811	1,121,038	112,103,800	5.29%
500 to 5,000 shares	1,602	2,035,676	203,567,600	9.60%
5,001 to 10,000 shares	98	697,663	69,766,300	3.29%
10,001 to 20,000 shares	60	872,135	87,213,500	4.11%
20,001 to 30,000 shares	29	707,158	70,715,800	3.34%
30,001 to 40,000 shares	8	283,936	28,393,600	1.34%
40,001 to 50,000 shares	10	435,934	43,593,400	2.06%
50,001 to 100,000 shares	22	1,622,888	162,288,800	7.66%
100,001 to 1,000,000 shares	43	10,868,086	1,086,808,600	51.27%
Over 1,000,000 shares	2	2,551,306	255,130,600	12.04%
Total	14,685	21,195,820	2,119,582,000	100.00%

	2010 BDT	2009 BDT
IAS 1.77 14.00 Statutory Reserve		
Opening Balance	980,325,611	701,941,901
Add: Transferred during the year (20% of pretax profit)	238,897,005	278,383,710
Closing Balance	1,219,222,616	980,325,611
IAS 1.77 14 (a) Consolidated Statutory Reserve		
Opening Balance	980,325,611	701,941,901
Add: Transferred during the year (20% of Consolidated pretax profit)	298,110,881	278,383,710
Closing Balance	1,278,436,492	980,325,611
IAS 1.77 15.00 General Reserve		
Opening Balance	161,777,324	87,891,054
Add. Transferred from Profit and Loss A/c	200,000,000	150,000,000
Less. Issuance of Bonus Share	-	76,113,730
Closing Balance	361,777,324	161,777,324
BDT 350 million out of 361 million has been kept for unsettled corporate tax liabilities.		
IAS 1.77 16.00 Retained Earnings		
Opening Balance	392,221,588	193,324,670
Less: Bonus Share Issued during the year	353,263,600	193,324,670
Less: Transferred to General Reserve	200,000,000	150,000,000
Add: Profit made during the year	755,157,401	820,605,298
Less: Transferred to Statutory Reserve	238,897,005	278,383,710
Closing Balance	355,218,384	392,221,588
IAS 1.77 16 (a) Consolidated Retained Earnings		
Opening Balance	392,221,588	193,324,670
Less: Bonus Share Issued during the year	353,263,600	193,324,670
Less: Transferred to General Reserve	200,000,000	150,000,000
Add: Consolidated Profit made during the year	988,340,517	820,605,298
Less: Transferred to Statutory Reserve	298,110,881	278,383,710
Closing Balance	529,187,624	392,221,588

175 17.00 Contingent Liabilities & Commitments

176 18.00 Income Statement

176 19.00 Interest Income

177 20.00 Interest Paid on Deposit & Borrowing etc.

177 21.00 Income From Investments

Notes to the Financial Statements

<i>Ref.</i>		2010 BDT	2009 BDT
IAS 37.86	17.00 Contingent Liabilities & Commitments		
	Letter of Guarantee	3,723,340,283	3,243,533,864
	Letter of Credit :		
	Letter of Credit (Cash)	2,962,594,229	2,323,891,412
	Letter of Credit (Back to Back)	697,747,000	544,934,830
	Letter of Credit (EDF)	335,605,000	-
	Letter of Credit (Deferred)	554,614,000	42,384,360
	Letter of Credit (Inland)	133,350,000	78,685,000
		4,683,910,229	2,989,895,602
	Bills for Collection		
	Inland	28,456,324	42,196,746
	Foreign	6,915,000	4,750,533
	LDBC	244,753,366	219,238,267
	FDBC	480,528,900	494,028,762
		760,653,590	760,214,308
	Other Contingent Liabilities		
	IFDBC (Back to Back)	1,428,651,391	1,555,146,600
	IFDBC (Cash)	2,016,949,500	860,173,000
	Accepted Bill (Inland)	-	4,895,000
	Accepted Bill (Foreign)	36,556,000	57,737,000
	Contingent Tax Liability	-	221,080,000
	Loan written off (note-17.01)	365,506,205	368,367,487
		3,847,663,096	3,067,399,087
	Other Commitments		
	Undrawn formal standby facilities, credit lines and other commitments	2,483,300,000	-
		15,498,867,198	10,061,042,861
17.01	Loan written off		
	During the year Loans and Advances of 9 (Nine) clients/ parties have been written off without absolving their liabilities against which legal proceedings is going on for recovery.		
17.02	Letter of Guarantee		
	i) Claims against the Bank not acknowledged as debts	-	-
	ii) Money for which the bank is contingently liable in respect of guarantees given favoring :		
	Directors	-	-
	Government	3,444,229,064	2,803,853,784
	Bank and other Financial Institutions	19,131,983	642,000
	Others	259,979,236	439,038,080
		3,723,340,283	3,243,533,864
	Less: Margin	518,633,383	1,409,059,919
		3,204,706,900	1,834,473,945
	iii) Liability on Account of Bills Re-Discounted	-	-
	iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
		3,204,706,900	1,834,473,945
17.03	Segregation of Commitment by Type		
	Documentary Credit and Short Term Business Related Transaction	4,683,910,229	2,989,895,602
	Forward Asset Purchased and Forward Deposit	-	-
	Endorsed formal standby facilities, Credit facilities and other commitments:		
	Less than one year	7,571,003,379	6,310,932,951
	One year and above	-	-
	Undrawn formal standby facilities, credit lines and other commitments	2,483,300,000	-
	Spot and Forward Foreign Exchange Rate Contract	-	-
	Other Exchange Contract	-	-
	Others	760,653,590	760,214,308
		15,498,867,198	10,061,042,861

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 37.86	17 (a) Consolidated Contingent Liabilities		
	Other Contingent Liabilities		
	Mutual Trust Bank Limited (note-17)	3,847,663,096	3,067,399,087
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		3,847,663,096	3,067,399,087
	Letters of Guarantee		
	Mutual Trust Bank Limited (note-17)	3,723,340,283	3,243,533,864
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		3,723,340,283	3,243,533,864
	Irrevocable Letters of Credit		
	Mutual Trust Bank Limited (note-17)	4,683,910,229	2,989,895,602
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		4,683,910,229	2,989,895,602
	Bills for Collection		
	Mutual Trust Bank Limited (note-17)	760,653,590	760,214,308
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		760,653,590	760,214,308
	Other Commitments		
	Mutual Trust Bank Limited (note-17)	2,483,300,000	-
	MTB Securities Ltd.	-	-
	Off-shore Banking Unit (OBU)	-	-
		2,483,300,000	-
		15,498,867,198	10,061,042,861
IAS 1.97	18.00 Income Statement		
	Income		
	Interest, Discount and Similar Income	5,245,692,773	5,094,130,278
	Dividend income	16,832,850	10,375,248
	Fee, Commission and Brokerage	591,995,672	418,217,312
	Gain less losses arising from dealing securities	-	-
	Gain less losses arising from investment securities	100,581,831	32,460,821
	Gain less losses arising from dealing in Foreign Currencies	204,951,068	245,132,338
	Income from non Banking Asset	-	-
	Other Operating Income	170,405,464	153,054,820
	Profit less losses on Interest Rate Changes	-	-
		6,330,459,658	5,953,370,817
	Expenses		
	Interest, Fee and Commission	3,274,789,176	3,409,350,043
	Losses on Loans and advances	-	-
	Administrative expenses	946,278,158	677,029,248
	Other operating expenses	318,594,215	186,948,837
	Depreciation on Banking Assets	87,062,357	53,124,138
		4,626,723,906	4,326,452,266
	Operating profit	1,703,735,752	1,626,918,551
IFRS 7.20(b)	19.00 Interest Income		
	Loans and Advances (note-19.01)	4,109,372,746	4,117,680,330
	Money at Call and Short Notice	35,132,458	27,292,820
	Balance with Other Banks and Financial Institutions (note-19.02)	207,961,596	134,519,615
	Bangladesh Bank Foreign Currency Clearing Account	-	7,074
		4,352,466,800	4,279,499,839

175	17.00	Contingent Liabilities & Commitments
176	18.00	Income Statement
176	19.00	Interest Income
177	20.00	Interest Paid on Deposit & Borrowing etc.
177	21.00	Income From Investments
178	22.00	Commission, Exchange and Brokerage
178	23.00	Other Operating Income

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
	19.01 Interest on Loans and Advances		
	Term Loan	1,117,647,559	937,414,090
	Small and Medium Enterprise Financing	92,031,247	64,970,495
	Retail/Consumer Financing	112,077,388	53,670,435
	General Loan	38,852,214	59,800,578
	Demand Loan	12,490,491	13,972,848
	Payment Against Documents (PAD)	92,843,356	200,749,710
	Trust Receipts	674,608,389	948,368,734
	Lease Finance	29,945,008	36,254,218
	Export Development Fund	-	4,387
	House Building Loan	246,309,555	212,638,082
	Cash Credit	682,339,210	673,825,324
	Secured Overdraft	723,459,891	578,938,808
	Bills Purchased and Discounted	204,224,294	336,183,975
	Interest on Loans to Subsidiary	80,977,537	-
	Other Loans and Advances	1,566,607	888,646
		4,109,372,746	4,117,680,330
	19.02 Interest on Balance with other Banks and Financial Institutions		
	Interest on Balance with other Banks in Bangladesh	207,961,596	128,119,615
	Interest on Balance held with outside Bangladesh	-	6,400,000
		207,961,596	134,519,615
IFRS 7.20(b)	19 (a) Consolidated Interest Income		
	Mutual Trust Bank Limited (note-19)	4,352,466,800	4,279,499,839
	Less: Inter Group Interest Income	(80,977,537)	-
	MTB Securities Ltd.	151,468,686	-
	Off-shore Banking Unit (OBU)	32,066,460	-
		4,455,024,409	4,279,499,839
IFRS 7.20(b)	20.00 Interest Paid on Deposit & Borrowing etc.		
	Interest on Deposit and Other Accounts (note-20.01)	3,098,466,396	3,401,161,299
	Interest on Borrowing from other Banks and Financial Institutions	176,322,780	8,188,744
		3,274,789,176	3,409,350,043
IFRS 7.20(b)	20.01 Interest on Deposits and Other Accounts		
	Savings Deposit	202,945,200	159,690,543
	Short Notice Deposit	186,054,442	118,043,386
	Fixed Deposit	2,148,779,863	2,765,470,095
	Deposit-Product	478,495,111	357,957,275
	Interest on Subordinated Debt	82,191,780	-
		3,098,466,396	3,401,161,299
IFRS 7.20(b)	20(a) Consolidated Interest Paid on Deposits, Borrowings, etc.		
	Mutual Trust Bank Limited (note-20)	3,274,789,176	3,409,350,043
	Less: Inter Group Interest Expense	(80,977,537)	-
	MTB Securities Ltd.	80,977,537	-
	Off-shore Banking Unit (OBU)	13,562,461	-
		3,288,351,637	3,409,350,043
IAS 18.35	21.00 Income From Investments		
	Interest on Treasury Bill	58,947,089	136,771,502
	Interest on Treasury Bond	799,764,843	671,954,625
	Reverse REPO	-	-
	Gain on Investment in shares of quoted companies	100,581,831	32,460,821
	Investment Income from Subsidiary	-	-
	Dividend on Investment in Shares	16,832,850	10,375,248
	Other Investment	34,514,041	5,904,312
		1,010,640,654	857,466,508

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 18.35	21(a) Consolidated Income From Investments		
	Mutual Trust Bank Limited (note-21)	1,010,640,654	857,466,508
	MTB Securities Ltd.	32,920,886	-
	Off-shore Banking Unit (OBU)	-	-
		1,043,561,540	857,466,508
IFRS 7.20(c)	22.00 Commission, Exchange and Brokerage		
	Commission (note-22.01)	224,413,304	245,125,601
	Exchange	204,951,068	245,132,338
	Brokerage	367,582,368	173,091,711
		796,946,740	663,349,650
IFRS 7.20(c)	22.01 Commission		
	Letter of Guarantee	21,427,143	27,528,529
	Letter of Credit	102,878,214	112,468,680
	Acceptance of Bills	21,102,662	13,606,157
	LC Advising	6,769,372	8,899,216
	Export Bills	12,540,781	17,038,312
	PO, DD & TT	7,083,430	7,688,238
	Exchange Houses	3,326,397	1,036,705
	Foreign Remittance	1,964,701	2,397,218
	On-Line Service	6,719,003	5,003,484
	IBP/FBP/IDBP	936,117	753,715
	FDIBC/IFDIBC/LDIBC	32,499,629	45,778,307
	OBC/IBC	2,555,694	2,927,040
	Sales and Purchase of Shares	850,036	-
	Underwriting Comm. On Treasury Bill/Bond	3,760,125	-
		224,413,304	245,125,601
IFRS 7.20(c)	22(a) Consolidated Commission, Exchange and Brokerage		
	Mutual Trust Bank Limited (note-22)	796,946,740	663,349,650
	MTB Securities Ltd.	210,647,469	-
	Off-shore Banking Unit (OBU)	-	-
		1,007,594,209	663,349,650
IAS 1.97	23.00 Other Operating Income		
	Postage Charge Recoveries	7,879,817	11,840,008
	Telephone & Telegram Charge Recoveries	1,151	1,331
	Handling Charges	7,787,380	11,332,582
	VISA ATM	1,188,899	669,340
	VISA POS	939,952	580,316
	Service Charges	73,318,221	75,021,826
	Margin A/c Maintenance Income	2,220,594	1,470,980
	SWIFT Charge Recoveries	10,672,663	12,440,679
	Management Fees	12,880,402	4,408,631
	Charges against Credit Card	3,425,338	4,169,598
	Extra Ordinary Gain	33,864	-
	Recovery from Written-off Loans	1,000,000	-
	DP Income	6,698,304	546,926
	Locker Rent	1,401,334	630,031
	Miscellaneous Earnings	40,957,545	29,942,572
		170,405,464	153,054,820
IAS 1.97	23 (a) Consolidated other Operating Income		
	Mutual Trust Bank Limited (note-23)	170,405,464	153,054,820
	MTB Securities Ltd.	10,413,170	-
	Off-shore Banking Unit (OBU)	-	-
		180,818,634	153,054,820

179 24.00 Salary & Allowances
 179 25.00 Rent, Tax, Insurance, Electricity, etc.
 179 26.00 Postage, Stamp, Telephone, etc.
 179 27.00 Printing, Stationery, Advertisement, etc.
 180 28.00 Directors' Fees
 180 29.00 Depreciation on & Repair to Bank's Property

Notes to the Financial Statements

<i>Ref.</i>		2010	2009
		BDT	BDT
<i>IAS 1.104</i>	24.00		
	Salary & Allowances		
	Basic	211,917,371	163,539,024
	Allowances	171,952,498	142,085,253
	Bonus	85,395,500	87,538,725
	Gratuity	26,890,811	63,161,308
	Daily Wages	1,107,150	484,690
	Leave Fare Assistance	22,850,643	17,860,118
	Provident Fund	18,543,844	15,136,097
		538,657,817	489,805,215
<i>IAS 1.104</i>	24 (a)		
	Consolidated Salaries and Allowances		
	Mutual Trust Bank Limited (note-24)	538,657,817	489,805,215
	MTB Securities Ltd.	7,183,577	-
	Off-shore Banking Unit (OBU)	378,986	-
		546,220,380	489,805,215
<i>IAS 1.97</i>	24.01		
	Managing Director's Remuneration		
	Basic	4,800,000	4,088,333
	House Rent	1,200,000	1,078,333
	House Maintenance	900,000	640,000
	Entertainment	120,000	160,333
	Festival Bonus	1,200,000	1,200,000
	Utility	-	75,000
	Security and Personal Wages	420,000	298,667
	Provident Fund	480,000	341,333
		9,120,000	7,881,999
<i>IAS 1.97</i>	25.00		
	Rent, Tax, Insurance, Electricity, etc.		
	Rent	219,556,225	79,778,510
	Rates & Taxes	961,693	765,305
	Insurance	26,739,691	19,206,061
	Power and Electricity	27,521,939	15,513,484
	Lease Rent	3,015,213	969,329
		277,794,761	116,232,689
<i>IAS 1.97</i>	25 (a)		
	Consolidated Rent, Taxes, Insurance, Electricity, etc.		
	Mutual Trust Bank Limited (note-25)	277,794,761	116,232,689
	MTB Securities Ltd.	6,978,760	-
	Off-shore Banking Unit (OBU)	-	-
		284,773,521	116,232,689
<i>IAS 1.97</i>	26.00		
	Postage, Stamp, Telephone, etc.		
	Postage/Courier Service	6,066,643	5,357,110
	Fax & e-mail	1,210,759	1,090,904
	On-line charges	32,877,708	15,743,416
	Telephone	7,184,006	5,283,276
		47,339,116	27,474,706
<i>IAS 1.97</i>	26 (a)		
	Consolidated Postage, Stamp, Telephone, etc.		
	Mutual Trust Bank Limited (note-26)	47,339,116	27,474,706
	MTB Securities Ltd.	1,731,081	-
	Off-shore Banking Unit (OBU)	-	-
		49,070,197	27,474,706
<i>IAS 1.97</i>	27.00		
	Printing, Stationery, Advertisement, etc.		
	Printing & Security Stationery	21,766,743	9,572,857
	Computer Stationery	6,263,519	5,214,646
	Petty & Table Stationery	6,125,460	4,992,689
	Publicity & Advertisement	36,262,513	13,766,240
		70,418,235	33,546,432

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.97	27 (a) Consolidated Printing, Stationery, Advertisement, etc. Mutual Trust Bank Limited (note-27) MTB Securities Ltd. Off-shore Banking Unit (OBU)	70,418,235 5,095,610 -	33,546,432 - -
		75,513,845	33,546,432
IAS 1.97	28.00 Directors' Fees Meeting Fee Other Benefit	654,000 -	632,000 -
		654,000	632,000
IAS 1.104	29.00 Depreciation on & Repair to Bank's Property Depreciation Immovable Property Furniture & Fixture Interior Decoration Office Equipments Motor Vehicles Books & Periodicals Leasehold Property Repairs to Bank's Property	1,040,272 6,471,293 18,557,010 51,022,376 3,486,617 287,976 6,196,813 87,062,357 7,622,819 94,685,176	1,039,718 3,690,398 10,376,711 32,011,362 4,408,001 35,975 1,561,973 53,124,138 5,847,067 58,971,205
IAS 1.104	29 (a) Consolidated Depreciation on & Repair to Property Mutual Trust Bank Limited (note-29) MTB Securities Ltd. Off-shore Banking Unit (OBU)	94,685,176 1,859,715 -	58,971,205 - -
	29 (a.1) Consolidated Depreciation on Property Mutual Trust Bank Limited (note-29) MTB Securities Ltd. Off-shore Banking Unit (OBU)	87,062,357 1,751,014 -	53,124,138 - -
	29 (a.2) Consolidated Repair to Property Mutual Trust Bank Limited (note-29) MTB Securities Ltd. Off-shore Banking Unit (OBU)	7,622,819 108,701 -	5,847,067 - -
		7,731,520	5,847,067
IAS 1.97	30.00 Other Expenditure Security & Auxiliary Service Office Cleaning & Maintenance Car Expense Entertainment Newspaper & Periodicals Clearing House Expense Traveling & Conveyance Foreign Bank Charge Training/ Seminar Participation Professional Fee AGM Expense Utility Subscription & Donation VISA Expense Reuters Charge CDBL Charges Fees & Registration Business Development Expense Expense for Issuance of Subordinated debt Promotional & Development Expense Corporate Social Responsibility (CSR) Activities Branch Opening Expenses Contribution to MTB Foundation MTB Employees Death Benefit Fund Employees Welfare Fund Employees Medical Assistance Fund Honorarium Cash Carrying Expense Site Maintenance & Support Service Miscellaneous Expense	44,685,193 18,845,462 50,891,335 11,553,294 629,917 1,072,493 18,684,941 1,428,950 9,846,981 3,998,237 3,240,865 892,904 1,840,441 9,510,517 1,736,895 30,467,439 14,349,790 21,544,834 23,300,000 13,429,665 7,869,409 3,720,304 3,500,000 1,500,000 - 1,500,000 90,500 5,256,954 872,982 4,711,094 310,971,396	27,067,293 9,881,343 32,831,167 6,487,640 559,902 265,490 10,077,045 1,259,765 4,152,739 739,254 1,920,445 662,622 12,015,772 5,747,880 1,168,044 12,443,555 5,334,830 7,680,450 - 20,508,960 - 3,365,621 1,000,000 2,000,000 2,500,000 2,500,000 35,500 5,123,864 51,414 3,721,175 181,101,770

180	30.00	Other Expenditure
181	31.00	Provision Against Loans and Advances
181	32.00	Provision for Tax
181	33.00	Earnings Per Share (EPS)
181	34.00	Received from Other Operational Income
182	35.00	Payment for Other Operational Expenses
182	36.00	Number of Employees

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.97	30 (a) Consolidated other Expenditure Mutual Trust Bank Limited (note-30) MTB Securities Ltd. Off-shore Banking Unit (OBU)	310,971,396 21,380,304 -	181,101,770 - -
		332,351,700	181,101,770
IAS 37.84	31.00 Provision Against Loans and Advances Provision for Classified Loans & Advances Provision for Unclassified Loans and Advances Provision for Off Balance Sheet Items Total amount of provision made during the year	380,379,190 101,051,822 27,406,000 508,837,012	145,017,922 89,982,078 - 235,000,000
IAS 37.84	32.00 Provision for Tax Current tax Deferred tax Total	437,135,281 2,192,345 439,327,626	594,000,000 (22,686,747) 571,313,253
IAS 37.84	32 (a) Consolidated Provision for Tax Mutual Trust Bank Limited (note-32) MTB Securities Ltd. Off-shore Banking Unit (OBU)	439,327,626 62,864,719 -	571,313,253 - -
		502,192,345	571,313,253
IAS 33.70	33.00 Earnings Per Share (EPS) Net Profit After Tax Number of Ordinary Shares outstanding (2009: Adjusted for bonus share) Earnings Per Share (EPS)	755,157,401 21,195,820 35.63	820,605,298 21,195,820 38.72
	Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS). Previous year's figures have been adjusted for issue of 20% Bonus Shares (for 2009) during the year.		
IAS 33.70	33 (a) Consolidated Earnings Per Share (EPS) Consolidated Net Profit After Tax Number of Ordinary Shares outstanding (2009: Adjusted for bonus share) Earnings Per Share (EPS)	988,362,060 21,195,820 46.63	820,605,298 21,195,820 38.72
	Earnings per share has been calculated in accordance with BAS-33: Earnings Per Share (EPS). Previous year's figures have been adjusted for issue of 20% Bonus Shares (for 2009) during the year.		
IAS 7.14(b)	34.00 Received from Other Operational Income Exchange Postage Charge Recoveries Telephone and Telegram Charge Recovery Handling Charge Service Charge SWIFT Charge Recovery DP Income Locker Rent VISA ATM Margin A/c Maintenance Income Management Fees Charges against Credit Card Extra Ordinary Gain VISA POS Miscellaneous Income	204,951,068 7,879,817 1,151 7,787,380 73,318,221 10,672,663 6,698,304 1,401,334 1,188,899 2,220,594 12,880,402 3,425,338 33,864 939,952 40,957,545 374,356,532	245,132,338 11,840,008 1,331 11,332,582 75,021,826 12,440,679 546,926 630,031 669,340 1,470,980 4,408,631 4,169,598 - 580,316 29,942,572 398,187,158
IAS 7.14(b)	34 (a) Consolidated Received from Other Operational Income Mutual Trust Bank Limited (note-34) MTB Securities Ltd. Off-shore Banking Unit (OBU)	374,356,532 10,413,170 -	398,187,158 - -
		384,769,702	398,187,158

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 7.14(c)	35.00 Payment for Other Operational Expenses Rent, Tax, Insurance, Electricity, etc. Legal Expense Postage, Stamp, Telephone, etc. Audit fee Printing, Stationery, Advertisement, etc. Directors' Fee Repair & Maintenance Other Expenditure	277,794,761 1,671,229 47,339,116 623,000 70,418,235 654,000 7,622,819 310,971,396 717,094,556	116,232,689 1,056,207 27,474,706 400,000 33,546,432 632,000 5,847,067 173,101,770 358,290,871
IAS 7.14(c)	35 (a) Consolidated Payment for Other Operational Expenses Rent, Tax, Insurance, Electricity, etc. Legal Expense Postage, Stamp, Telephone, etc. Audit fee Printing, Stationery, Advertisement, etc. Directors' Fee Repair & Maintenance Other Expenditure	284,773,521 2,029,129 49,070,197 653,000 75,513,845 654,000 7,731,520 332,351,700 752,776,912	116,232,689 1,056,207 27,474,706 400,000 33,546,432 632,000 5,847,067 173,101,770 358,290,871
	36.00 Number of Employees The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 1,050.		
	37.00 Number of Branch	67	44
	38.00 Number of Meeting Board Meeting Executive Committee Meeting	12 1	14 1
	39.00 No asset has been sold during the year 2010, except motor vehicles provided to the executive after receiving book value as per Bank's Car Facility Scheme.		
	40.00 Auditors' Work Hour The external Auditors of the Bank, M/S Hoda Vasi Chowdhury & Co. Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 3,120 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).		

IAS 1.77 **41.00 Related Party Disclosure**

IAS 24.12 **41.01 Name of Directors and their shareholdings as on December 31, 2010**

Name	Designation	December 2010		
		No. of Shares held	BDT	Holding %
Astras Ltd. Represented by Mr. Samson H Chowdhury	Chairman	529,894	52,989,400	2.50%
Advanced Chemical Industries Ltd represented by Dr. Arif Dowla	Vice Chairman	706,526	70,652,600	3.33%
Mr. Syed Manzur Elahi	Founder Chairman	724,190	72,419,000	3.42%
Mr. Hedayetullah	Director	118,826	11,882,600	0.56%
East West Properties Development Ltd represented by Mr. Mahaboob Morshed Hassan	Director	100,526	10,052,600	0.47%
Mr. M. A. Rouf	Director	339,243	33,924,300	1.60%
Mr. Md. Abdul Malek	Director	264,364	26,436,400	1.25%
Associated Builders Corporation Ltd represented by Mr. Rashed Ahmed Chowdhury	Director	1,059,790	105,979,000	5.00%
Mrs. Yasmeen Haque	Director	115,639	11,563,900	0.55%
Mr. Md. Wakiluddin	Director	318,387	31,838,700	1.50%
Mrs. Khwaja Nargis Hossain	Director	340,263	34,026,300	1.61%
Md. Nasirullah	Director	20,000	2,000,000	0.09%
		4,637,648	463,764,800	21.88%

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

Notes to the Financial Statements

Ref.		2010 BDT	2009 BDT
IAS 1.97	41.02 Related Party Transactions		

Name of party	Related with	Transactions nature	Outstanding amount in BDT	Remarks
Apex Tannery Limited	Mr. Syed Manzur Elahi, Director & Mr. Hedayetullah, Director	Bank Guarantee	371,934	FDR
Mrs. Rozin Afroz	Mr. Md. Wakiluddin	GHBL	7,777,867	Land & Building
Mrs. Banasa Khatun	Mr. Md. Wakiluddin	GHBL	3,063,000	Land & Building

41.03 Significant Contracts where Bank is a Party and wherein Directors have Interest

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement with Square Pharmaceuticals Limited	Pabna Branch	Mr. Samson H Chowdhury, Chairman	Approved by Bangladesh Bank
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin and Mr. Md. Saidur Rahman Ratan (Late)	

41.04 Shares issued to Directors and Executives without consideration or exercisable at a discount Nil

41.05 Lending Policies to Related Parties

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act 1991.

42.00 Consolidated Financial Highlights as of 31 December 2010 are shown in Annexure- D


Samson H. Chowdhury
 Chairman


Dr. Arif Dowla
 Vice Chairman


Syed Manzur Elahi
 Director


Anis A. Khan
 Managing Director & CEO

Annexure- A

Annexure- A

Mutual Trust Bank Limited
Investment in Quoted Shares

As at December 31, 2010

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per Share as at December 31, 2010	Total Market Value of Share as at December 31, 2010	Unrealised Gain/(Loss)
1	Al-Arafah Islami Bank Ltd.	20000	10	13,375,411.00	66.88	66.80	13,360,000.00	(15,411.00)
2	Apex Adelchi Footwear Ltd.	5530	100	17,763,320.00	3,212.17	4,111.75	22,737,977.50	4,974,657.50
3	Bank Asia Ltd.	25000	100	21,276,580.00	851.06	857.50	21,437,500.00	160,920.00
4	Bay Leasing & Investment Ltd.	5000	100	14,655,315.00	2,931.06	2,926.25	14,631,250.00	(24,065.00)
5	Brac Bank Ltd.	4000	100	3,078,236.00	769.56	856.25	3,425,000.00	346,764.00
6	British American Tobacco	15300	10	10,987,383.00	718.13	716.50	10,962,450.00	(24,933.00)
7	Dhaka Bank Ltd.	3000	10	250,896.00	83.63	76.30	228,900.00	(21,996.00)
8	Dhaka Electric Supply Co	5400	100	11,929,748.00	2,209.21	2,031.50	10,970,100.00	(959,648.00)
9	Glaxosmithkline Bangladesh	3550	10	4,769,495.00	1,343.52	1,129.60	4,010,080.00	(759,415.00)
10	Green Delta Insurance	23600	10	8,048,542.00	341.04	326.50	7,705,400.00	(343,142.00)
11	Heidelberg Cement Bangla	2000	100	7,241,450.00	3,620.73	3,659.25	7,318,500.00	77,050.00
12	Malek Spinning Mills Ltd.	70000	10	7,435,920.00	106.23	100.40	7,028,000.00	(407,920.00)
13	Mercantile Bank Limited	15000	100	8,810,002.00	587.33	580.50	8,707,500.00	(102,502.00)
14	Peoples Leasing & Finance Ltd.	10000	10	2,990,081.00	299.01	291.10	2,911,000.00	(79,081.00)
15	Prime Finance & Investment Ltd.	35400	10	16,714,185.00	472.15	465.90	16,492,860.00	(221,325.00)
16	Progressive Life Insurance	400	100	1,216,156.00	3,040.39	3,298.00	1,319,200.00	103,044.00
17	Shahjalal Islami Bank Ltd.	248000	10	19,426,313.00	78.33	79.30	19,666,400.00	240,087.00
18	Square Pharmaceuticals Ltd.	5495	100	19,975,574.00	3,635.23	3,522.00	19,353,390.00	(622,184.00)
19	Summit Power Ltd.	4000	10	581,168.00	145.29	140.10	560,400.00	(20,768.00)
20	The City Bank Ltd.	13000	100	13,027,954.00	1,002.15	1,000.25	13,003,250.00	(24,704.00)
21	Titas Gas Transmission	3850	100	4,332,731.00	1,125.38	999.00	3,846,150.00	(486,581.00)
22	Trust Bank Limited	17000	100	12,836,122.00	755.07	753.25	12,805,250.00	(30,872.00)
23	Union Capital Limited	60000	10	14,611,007.00	243.52	246.80	14,808,000.00	196,993.00
24	Uttara Bank Ltd.	4000	10	6,735,492.00	1,683.87	1,660.75	6,643,000.00	(92,490.00)
25	Summit Power Ltd. Fund available in IDLC	735,604	10	86,999,886.00			86,999,886.00	-
	Total			367,032,710.00			368,895,186.50	1,862,478.50

* Required provision against investment in those quoted shares is increased as at December 31, 2010 to BDT 4,237,037 whereas provision has already been maintained BDT 3,823,323. So, further provision BDT 413,713 is required which has been provided during the year.

Annexure-B (i)

Annexure- B (i)

Mutual Trust Bank Limited Consolidated Fixed Asset Schedule As at December 31, 2010

Ref.
IAS 16.73

Particulars	Cost			Rate	Depreciation			Written down value as on 31.12.2010	
	Balance as on 01.01.2010	Addition during the year	Disposal during the year		Balance as on 31.12.2010	Charged for the year	Adjustment made during the year		Balance as on 31.12.2010
	BDT	BDT	BDT		BDT	BDT	BDT		BDT
Land	104,253,000	-	-	104,253,000	-	-	-	104,253,000	
Immovable Property	42,443,980	99,800	-	42,543,780	1,040,272	-	3,681,822	38,861,958	
Furniture & Fixture	50,544,587	78,859,129	-	129,403,716	6,503,700	-	23,116,262	106,287,454	
Interior Decoration	143,134,464	136,330,371	-	279,464,835	19,139,738	-	58,132,130	221,332,705	
Office Equipments	256,665,885	186,011,845	-	442,677,730	52,158,255	-	174,338,180	268,339,550	
Motor Vehicles	31,680,487	2,694,793	3,344,170	31,031,110	3,486,617	2,744,988	25,941,371	5,089,739	
Books & Periodicals	423,619	355	-	423,974	287,976	-	423,974	-	
Leasehold Asset	23,755,000	7,300,000	2,200,000	28,855,000	6,196,813	-	7,758,786	21,096,214	
Total 2010	652,901,022	411,296,293	5,544,170	1,058,653,145	88,813,371	2,744,988	293,392,525	765,260,620	
Total 2009	524,049,344	134,626,678	5,775,000	652,901,022	53,124,138	2,658,571	207,324,142	445,576,880	

Annexure-B

Annexure- B

Mutual Trust Bank Limited
Fixed Asset Schedule
As at December 31, 2010

Ref:
IAS.16.73

Particulars	Cost				Rate	Depreciation			Written down value as on 31.12.2010
	Balance as on 01.01.2010	Addition during the year	Disposal during the year	Balance as on 31.12.2010		Charged for the year	Adjustment made during the year	Balance as on 31.12.2010	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	
Land	104,253,000	-	-	104,253,000	-	-	-	-	104,253,000
Immovable Property	42,443,980	99,800	-	42,543,780	2.50%	1,040,272	-	3,681,822	38,861,958
Furniture & Fixture	50,544,587	77,585,193	-	128,129,780	10%	6,471,293	-	23,083,855	105,045,925
Interior Decoration	143,134,464	111,849,049	-	254,983,513	10%	18,557,010	-	57,549,402	197,434,111
Office Equipments	256,665,885	166,808,478	-	423,474,363	20%	51,022,376	-	173,202,301	250,272,062
Motor Vehicles	31,680,487	2,694,793	3,344,170	31,031,110	20%	3,486,617	2,744,988	25,941,371	5,089,739
Books & Periodicals	423,619	355	-	423,974	10%	287,976	-	423,974	-
Leasehold Asset	23,755,000	7,300,000	2,200,000	28,855,000	20%	6,196,813	-	7,758,786	21,096,214
Total 2010	652,901,022	366,337,668	5,544,170	1,013,694,520		87,062,357	2,744,988	291,641,511	722,053,009
Total 2009	524,049,344	134,626,678	5,775,000	652,901,022		53,124,138	2,658,571	207,324,142	445,576,880

Annexure- C

Ref.

Annexure- C

IAS 24.16

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

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
01.	Mr. Samson H Chowdhury Chairman Representing ASTRAS Ltd.	<ul style="list-style-type: none"> - Square Pharmaceuticals Ltd. - Square Textiles Ltd. - Square Securities Management Ltd. - Square Yarns Ltd. - Mediacom Ltd. - Square Toiletries Ltd. - Square Knit Fabrics Ltd. - Square Fashions Ltd. - Square Agro Dev. & Processing Ltd. - Square Holdings Ltd. - Square Consumer Products Ltd. - Square Herbal & Nutraceuticals Ltd. - ASTRAS Ltd. - Sabazpur Tea Company Ltd.
02.	Dr. Arif Dowla Vice Chairman Representing Advanced Chemical Industries Ltd.	<ul style="list-style-type: none"> - Advanced Chemical Industries Ltd. - ACI Formulations Ltd. - ACI Salt Ltd. - Stochastic Logic Ltd. - ACI Foods Ltd. - ACI Pure Flour Ltd. - Apex Leather Crafts Ltd. - ACI Edible Oils Ltd. - ACI Agrochemicals Ltd. - Consolidated Chemicals Ltd. - Tetley ACI (Bangladesh) Ltd. - ACI Godrej Agro vet (Pvt.) Ltd. - Premia-flex Plastics Ltd. - Intesa Communication Ltd. - ACI Logistics Ltd. - ACI Motors Ltd. - Creative Communication Ltd.
03.	Mr. Syed Manzur Elahi Director	<ul style="list-style-type: none"> - Apex Tannery Ltd. - Apex Adelchi Footwear Ltd. - Apex Pharma Ltd. - Apex Enterprise Ltd. - Grey Advertising (BD) Ltd. - Pioneer Insurance Co. Ltd. - Blue Ocean Footwear Ltd. - Apex Investments Ltd. - Quantum Market Research Ltd.
04.	Mr. Hedayetullah Director	<ul style="list-style-type: none"> - Hedayetullah Securities Ltd. - BW International Ltd. - RYT Joint Industries Ltd. - Apex Tannery Ltd. - FB Footwear Ltd. - R & R Hides & Skin Agency

Annexure- C

SL #	Name of Directors of the Bank	Name of Companies in which the directors have interest
05.	Khwaja Nargis Hossain Director	- SAHCO International Ltd.
06.	Mr. M.A. Rouf Director	- Britannia Properties Ltd. - Britannia Management & Holdings Ltd. - Diamond Properties Bangladesh - Diamond Properties, UK - Britannia Media Communications Ltd. - Balaka Group, UK
07.	Mr. Md. Abdul Malek Director	- Sheltech Consultants (Pvt.) Limited
08.	Mr. Rashed Ahmed Chowdhury Director Representing Associated Builders Corp. Ltd.	- ABC Building Products Ltd. - Banga Garments Ltd. - SAC Agency Ltd. - ABC Real Estate Ltd. - Shamsuddin Towels Ltd.
09.	Yasmeen Haque Director	None
10	Mohammad Nasirullah Director	- Lira International Ltd. - Alif Lam International - Pioneer Insurance Co. Ltd. - Mutual Packaging Industries Ltd. - Mutual Foam & Tableware Industries Ltd. - Softech Computer & Networks Ltd. - Dinkum Travels & Tours Ltd.
11.	Mr. Md. Wakiluddin Director	- Swadesh Properties Ltd. - Baridhara Enterprise - Baridhara Corporation Ltd. - HARDCO International School - Pioneer Insurance Co. Ltd.
12.	Mahaboob Morshed Hassan Director	- Bashundhara Paper Mills Ltd. - Meghna Cement Mills Ltd. - Bashundhara Services Ltd. - Bashundhara Steel Complex Ltd.

Annexure - D

Ref.
 IAS 1.51(a)
 IAS 1.13
 IAS 1.51(c)

Annexure- D

Mutual Trust Bank Limited Consolidated Financial Highlights As at December 31, 2010

SL No.	Items	BDT in Million	
		2010	2009
1	Paid up Capital	2,119.58	1,766.32
2	Total Capital	6,225.69	3,969.33
3	Surplus in Capital Fund	1,347.91	85.60
4	Total Asset	58,246.03	52,774.77
5	Total Deposit	45,846.31	42,354.07
6	Total Loans and Advances	39,676.12	33,883.92
7	Total Contingent Liabilities	15,498.87	10,061.04
8	Lending-Deposit Ratio	86.54%	80.00%
9	Classified Loans as % of Total Loans and Advances	2.28%	2.81%
10	Profit After Provision and Tax	988.36	820.61
11	Total Classified loans and advances	903.97	952.76
12	Total Provision Maintained against Classified Loans	677.97	663.09
13	Surplus/(deficit) in Provision against Classified Loans	9.77	2.26
14	Cost of Fund	10.62%	10.21%
15	Earning Asset	51,184.77	46,075.04
16	Non-Interest Earning Asset	7,061.26	6,699.72
17	Return on Investments (ROI)	11.13%	8.99%
18	Return on Asset (ROA)	1.78%	1.79%
19	Income from Investment	1,043.56	857.47
20	Earnings per Share (BDT)	46.63	38.72
21	Profit per Share (BDT)	46.63	38.72
22	Price-Earning Ratio (Times)	15.18	10.64

Balance Sheet

Annexure- E

Mutual Trust Bank Limited Off-shore Banking Unit (OBU)

Balance Sheet

As at December 31, 2010

Property and Assets	Note	2010		2009
		USD	BDT	BDT
Cash		-	-	-
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-
Balance with other banks and financial institutions	3	-	-	-
In Bangladesh		-	-	-
Outside Bangladesh		-	-	-
Loans and advances		18,038,021	1,271,680,473	-
Loans, cash credits, overdrafts etc.	4	15,292,584	1,078,127,172	-
Bills purchased and discounted	5	2,745,437	193,553,301	-
Fixed assets including premises, furniture and fixture		-	-	-
Other assets	6	11,683	823,687	-
Non - banking assets		-	-	-
Total assets		18,049,704	1,272,504,160	
Liabilities and Capital				
Borrowing from other banks, financial institutions and agents	7	15,029,455	1,059,576,556	
Deposit and other accounts	8	2,764,758	194,915,439	-
Current deposit		-	-	-
Bills payable		-	-	-
Savings deposit		-	-	-
Term deposit		2,764,758	194,915,439	-
Other liabilities		-	-	-
Total liabilities		17,794,213	1,254,491,995	-
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Foreign currency translation gain		-	235,052	-
Other reserve		-	-	-
Retained earnings	9	255,491	17,777,113	-
Total Shareholders' equity		255,491	18,012,165	-
Total Liabilities and Shareholders' equity		18,049,704	1,272,504,160	
Off-Balance Sheet Items				
Contingent liabilities				
Acceptances and endorsements		-	-	-
Letters of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
Other commitments		-	-	-
Total Off-Balance Sheet exposures including contingent liabilities		-	-	-

Profit and Loss Account

Annexure- E

Mutual Trust Bank Limited
Off-shore Banking Unit (OBU)
Profit and Loss Account
 For the year ended December 31, 2010

Particulars	Note	2010		2009
		USD	BDT	BDT
Interest income	10	460,857	32,066,460	-
Less: Interest on deposits, borrowings, etc.	11	194,919	13,562,461	-
Net Interest Income		265,938	18,503,999	-
Total Operating Income (A)		265,938	18,503,999	-
Total operating expenses (B)		10,447	726,886	-
Profit / (loss) before provision (C=A-B)		255,491	17,777,113	-
Provision for loans and advances / investments		-	-	-
Specific provision		-	-	-
General provision		-	-	-
Provision for diminution in value of investments		-	-	-
Other provision		-	-	-
Total provision (D)		-	-	-
Profit / (loss) before taxes (C-D)		255,491	17,777,113	-
Provision for taxation				
Current tax		-	-	-
Deferred tax		-	-	-
		-	-	-
Net profit / (loss) after taxation		255,491	17,777,113	-

The annexed notes form an integral part of these accounts



Samson H. Chowdhury
Chairman



Dr. Arif Dowla
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO

Statement of Cash Flow

Annexure- E

Mutual Trust Bank Limited Off-shore Banking Unit (OBU)

Statement of Cash Flow
For the year ended December 31, 2010

	Note	2010		2009
		USD	BDT	BDT
A) Cash flows from operating activities				
Interest received		460,857	32,066,460	-
Interest payment		(194,919)	(13,562,461)	-
Fees and commission received		-	-	-
Cash payments to employees		-	-	-
Cash payments to suppliers		-	-	-
Received from other operating activities		-	-	-
Payments for other operating activities		(10,447)	(726,886)	-
Cash generated from operating activities before changes in operating assets and liabilities		255,491	17,777,113	-
Increase / (decrease) in operating assets and liabilities				
Loans and advances to banks		-	-	-
Loans and advances to customers		(18,038,021)	(1,271,680,473)	-
Other assets		(11,683)	(823,687)	-
Deposit from banks/borrowings		17,794,213	1,254,491,995	-
Deposit from customers		-	-	-
Other liabilities		-	-	-
		(255,491)	(18,012,165)	-
Net cash from operating activities		-	(235,052)	-
B) Cash flows from investing activities				
Purchase / sale of property, plant and equipment		-	-	-
Proceeds from sale of property, plant and equipment		-	-	-
Net cash used in investing activities		-	-	-
C) Cash flows from financing activities				
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)		-	(235,052)	-
E) Effects of exchange rate changes on cash and cash equivalents		-	235,052	-
F) Cash and cash equivalents at beginning of the year		-	-	-
G) Cash and cash equivalents at end of the year (D+E+F)		-	-	-
Cash and cash equivalents at end of the year				
Cash in hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-
Balance with other banks and financial institutions		-	-	-
		-	-	-

The annexed notes form an integral part of these accounts


Samson H. Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO

Liquidity Statement

Annexure- E

Mutual Trust Bank Limited Off-shore Banking Unit (OBU) Liquidity Statement As at December 31, 2010

Ref.
IAS 1.51(a)
IAS 1.65
IAS 1.51(c)

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
ASSET :						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	-	-	-	-	-	-
Money at Call & Short Notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	-	-	193,553,301	1,078,127,172	-	1,271,680,473
Premises and Fixed Asset	-	823,687	-	-	-	823,687
Other Asset	-	-	-	-	-	-
Non-Banking Asset	-	-	-	-	-	-
Total Asset	-	823,687	193,553,301	1,078,127,172	-	1,272,504,160
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,076,556	211,500,000	846,000,000	-	-	1,059,576,556
Deposit and Other Account	-	-	194,915,439	-	-	194,915,439
Provision & Other Liabilities	-	-	-	-	-	-
Total Liability	2,076,556	211,500,000	1,040,915,439	-	-	1,254,491,995
Net Liquidity	(2,076,556)	(210,676,313)	(847,362,138)	1,078,127,172	-	18,012,165

The annexed notes form an integral part of these accounts



Dr. Arif Dowla
Vice Chairman



Syed Manzur Elahi
Director



Anis A. Khan
Managing Director & CEO



Samson H. Chowdhury
Chairman

Notes to the Financial Statements

Mutual Trust Bank Limited Off-shore Banking Unit (OBU)

Notes to the Financial Statements

For the year ended December 31, 2010

1 Status of the unit

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

1.1 Principal activities

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

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

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

2.2 Use of estimates and 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 Foreign currency transaction

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

2.4 Reporting period

These financial statements cover from January 01 to December 31, 2010

2.5 Loans and advances / investments

- a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 19 and 20 dated December 2005.

2.6 Provision for liabilities

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

194	MTB OBU Notes to the Financial Statements
197	Auditors' Report of MTBSL
198	MTBSL Balance Sheet
199	MTBSL Income Statement
200	MTBSL Statement of Cash Flow

Notes to the Financial Statements

2.7 Interest income

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

2.8 Interest paid and other expenses

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

2.9 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationery, etc. are allocated as common expense rather separately accounted for in the financial statements.

2.10 General

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

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 70.50 (closing rate as at 31st December 2010) and Taka 69.58 (average rate which represents at the year end)

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

	2010		2009
	USD	BDT	BDT
3 Balance with other banks and financial institutions			
The unit maintains a NOSTRO Account with Habib American Bank, New York, where exists no balance as on December 31, 2010			
4 Loans and advances			
i) Loans, cash credits, overdrafts etc.			
Term Loan Industrial	15,292,584	1,078,127,172	-
	15,292,584	1,078,127,172	-
ii) Bills purchased and discounted			
Payable Outside Bangladesh			
Foreign bills purchased and discounted	2,745,437	193,553,301	-
	2,745,437	193,553,301	-
	18,038,021	1,271,680,473	-
4.01 Loans and Advances to Industries			
Food	-	-	-
Electricity & Gas Industry	3,156,649	222,543,743	-
Service Industries	12,135,935	855,583,418	-
Others	-	-	-
	15,292,584	1,078,127,161	-
4.02 Classification of Loans and Advances including bill discounted			
Unclassified (UC):			
Standard	18,038,021	1,271,680,473	-
Special Mention Account (SMA)	-	-	-
Sub Total	18,038,021	1,271,680,473	-
Classified:			
Substandard	-	-	-
Doubtful	-	-	-
Bad & Loss	-	-	-
Sub Total	-	-	-
Total	18,038,021	1,271,680,473	-

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

Name of the clients	Outstanding in USD		Outstanding in BDT		Classification Status
	Funded	Non-Funded	Funded	Non-Funded	
Biman Bangladesh Airlines	12,135,935	-	855,583,418	-	UC
RZ Power Limited	3,156,649	-	222,543,743	-	UC
Total	15,292,584	-	1,078,127,161	-	

Notes to the Financial Statements

	2010		2009
	USD	BDT	BDT
4.04 Geographical Location wise Loans and Advances			
Inside Bangladesh			
Urban			
Dhaka Division	12,135,935	855,583,418	-
	12,135,935	855,583,418	-
Rural			
Rajshahi Division	3,156,649	222,543,755	-
	3,156,649	222,543,755	-
Outside Bangladesh	-	-	-
	15,292,584	1,078,127,172	-
5 Bills purchased and discounted			
Payable in Bangladesh	-	-	-
Payable outside Bangladesh	2,745,437	193,553,301	-
	2,745,437	193,553,301	-
6 Other assets			
Due from MTB	11,683	823,687	-
	11,683	823,687	-
7 Borrowing from other banks, financial institutions and agents			
In Bangladesh	15,029,455	1,059,576,556	-
Outside Bangladesh	-	-	-
	15,029,455	1,059,576,556	-
In Bangladesh			
Bangladesh Bank	15,000,000	1,057,500,000	-
Interest payable on Borrowing from Bangladesh Bank	29,455	2,076,556	-
Other Bank	-	-	-
	15,029,455	1,059,576,55	-
8 Deposit and other accounts			
Bank deposit (note 8.1)	2,764,758	194,915,439	-
Customer deposit and other accounts	-	-	-
	2,764,758	194,915,439	-
8.1 Bank deposit			
Fixed deposit from MTB	2,727,400	192,281,700	-
Interest on fixed deposit from MTB	37,358	2,633,739	-
	2,764,758	194,915,439	-
9 Retained earnings			
Opening Balance	-	-	-
Less: Foreign currency translation gain for last year	-	-	-
Net Profit for the year	255,491	17,777,113	-
	255,491	17,777,113	-
10 Interest income			
Interest on term loan	439,637	30,589,915	-
Foreign Documentary bills purchased	18,037	1,255,005	-
Interest on loans and advances	457,673	31,844,919	-
Interest on balance with MTB	3,184	221,541	-
Interest received from foreign banks	-	-	-
	3,184	221,541	-
Total Interest income	460,857	32,066,460	-
11 Interest on deposit, borrowing, etc.			
a) Interest paid on deposit	37,358	2,599,370	-
b) Interest paid on Bangladesh Bank borrowing	157,561	10,963,091	-
	194,919	13,562,461	-

194	MTB OBU Notes to the Financial Statements
197	Auditors' Report of MTBSL
198	MTBSL Balance Sheet
199	MTBSL Income Statement
200	MTBSL Statement of Cash Flow

AUDITOR'S REPORT

AUDITOR'S REPORT TO THE SHAREHOLDERS OF MTB Securities Limited

We have audited the accompanying Balance Sheet of the MTB Securities Limited as of December 31, 2010 and Income Statement for the period from 23rd September, 2010 to 31st December, 2010 along with Cash Flow Statement, Changes in Equity and Notes to the accounts for the period from 23rd September, 2010 to 31st December, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing as adopted by the Institute of Chartered Accountants of Bangladesh. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statement prepared in the accordance with International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh represent a true and fair view of the state of the Company's affairs as of December 31, 2010 and of the results of its operation for the year then ended and comply with the Companies Act, 1994, 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 purposes of our audit and made due verification thereof;
- B) In our opinion, the Company has kept proper books of accounts as required by law so far as it appeared from our examination of those books;
- C) The Company's Balance Sheet and Income Statement dealt with by the report is in agreement with the books of account;

Dated: Dhaka
January 19, 2011



Malek Siddiqui Wali
Chartered Accountants

Balance Sheet

MTB Securities Limited Balance Sheet

As at December 31, 2010
(The company was incorporated on March 01, 2010)

	Note	2010 BDT
SOURCES OF FUNDS		
Shareholders' Equity		
Share capital	3	1,000,000,000
Retained earnings	4	215,427,544
Total sources of funds		1,215,427,544
APPLICATION OF FUNDS		
Investment and advances		
Membership at cost	5	8,000,000
Investment in securities	6	109,378,374
Other advances	7	923,872
Current assets		4,206,324,162
Advance and prepayment	8	13,191,945
Margin loan to clients	9	3,330,816,444
Accounts receivable	10	115,600,949
Advance income tax (AIT)	11	29,888,866
Cash & cash equivalents	12	716,825,958
Current liabilities		3,152,406,475
Accounts payable	13	423,894,834
Short term borrowing	14	2,656,834,123
Provision for expenses	15	6,901,437
Provision for income tax	16	62,864,719
Provision for investment in securities		1,911,362
Net current asset		1,053,917,687
Property plant & equipment	17	43,207,611
Total application of funds		1,215,427,544



Anis A. Khan
Vice Chairman



Meer Sajed-Ul-Basher
Director/Group CFO



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka
January 19, 2011.



Malek Siddiqui Wali
Chartered Accountants

194	MTB OBU Notes to the Financial Statements
197	Auditors' Report of MTBSL
198	MTBSL Balance Sheet
199	MTBSL Income Statement
200	MTBSL Statement of Cash Flow

Income Statement

MTB Securities Limited Income Statement

For the period from September 23, 2010 to December 31, 2010

	Note	2010 BDT
Operating income		382,499,161
Brokerage commission	18	210,647,469
Capital gain on sale of securities	19	32,920,885
Interest on margin loan	20	128,517,637
Margin account maintenance	21	45,000
Depository participant	22	10,368,170
Less: Operating expenses	23	18,174,533
Net income from operation		364,324,628
Other income	24	22,951,049
Total income		387,275,677
Office & administrative expenses	25	26,094,515
Provision for investment in securities	26	1,911,362
Profit before financial expenses		359,269,800
Less: Financial expenses		80,977,537
Net profit/(loss) before income tax		278,292,263
Income tax expenses	27	62,864,719
Net profit/(loss) after tax		215,427,544



Anis A. Khan
Vice Chairman



Meer Sajed-Ul-Basher
Director/Group CFO



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka
January 19, 2011.



Malek Siddiqui Wali
Chartered Accountants

Statement of Cash Flow

MTB Securities Limited
Statement of Cash Flow
 For the period ended December 31, 2010

	2010
	BDT
A) Cash flow from operating activities:	
Net profit before tax	278,292,263
Add: Non cash transaction	10,563,813
Provision for expenses	6,901,437
Provision for investment in securities	1,911,362
Depreciation	1,751,014
Add: Increase in accounts payable	423,894,834
Less: Increase in accounts receivable	(115,600,949)
Less: Advance income tax	(29,888,866)
Net cash flow from operating activities	567,261,095
B) Cash Flow From Investing Activities:	
Investments in Securities	(118,302,246)
Purchase of premises & fixed asset	(44,958,625)
Loan to client	(3,330,816,444)
Advance to others	(13,191,945)
Net Cash Flow From Investing Activities	(3,507,269,260)
C) Cash Flow From Financing Activities:	
Issue of share capital	1,000,000,000
Loan from MTBL	2,656,834,123
Net cash flow from financing activities	3,656,834,123
D) Net increase in cash and cash equivalents	716,825,958
E) Opening cash and cash equivalents	-
Closing cash and cash equivalents (D+E)	716,825,958



Anis A. Khan
Vice Chairman



Meer Sajed-UI-Basher
Director/Group CFO



Nazrul Islam Mazumder
Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka
January 19, 2011.



Malek Siddiqui Wali
Chartered Accountants

- 201 MTBSL Statement of Changes in Equity
 202 MTBSL Notes to the Financial Statements
 207 MTBSL Statement of Investment in Securities
 208 MTBSL Property Plant & Equipment
 Schedule : Annexure - B

Statement of Changes in Equity

MTB Securities Limited Statement of Changes in Equity For the period ended December 31, 2010

Particulars	Paid up capital	Retained earnings	Total
	BDT	BDT	BDT
Opening balance	1,000,000,000	-	1,000,000,000
Net profit for the year after tax	-	215,427,544	215,427,544
Balance as on 31 December 2010	1,000,000,000	215,427,544	1,215,427,544



Anis A. Khan
 Vice Chairman



Meer Sajed-Ul-Basher
 Director/Group CFO



Nazrul Islam Mazumder
 Chief Executive Officer

Signed as per annexed report on even date.

Dated: Dhaka
 January 19, 2011.



Malek Siddiqui Wali
 Chartered Accountants

Notes to the Financial Statements

MTB Securities Limited Notes to the Financial Statements For the period ended December 31, 2010

1. Company and its Activities

1.1 Legal Status of the Company

MTB Securities Limited was incorporated in Bangladesh as a Private Limited Company on March 01, 2010 vide registration No. 82868/10 under The Companies Act 1994. The Company has started its commercial operation on September 23, 2010 after getting the approval from the Securities and Exchange Commission (SEC) as a separate entity. The Brokerage Registration is REG 3.1/DSE-197/2010/427 and Dealer Registration is REG 3.1/DSE-197/2010/428

1.2 Nature of Business

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

2. Significant Accounting Policies

2.1 Basis of preparation of Financial Statements

The financial statements of MTB Securities Limited include the Balance Sheet, Income Statement, Statement of Change in Equity, Statement of Cash Flow and Notes to the accounts and disclosures. These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with Generally Accepted Accounting Principles (GAAP) and the Bangladesh Accounting Standard (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act, 1994, Securities and Exchange Rules, 1987 and other laws and rules applicable to a securities company.

2.2 Statement of Cash Flow

Statement of cash flow is prepared in accordance with the Bangladesh Accounting Standard (BAS) 7: "Cash Flow Statement" and the cash flows from operating activities have been presented under indirect method.

2.3 Property Plant & Equipment

Depreciation is charged using reducing balance method as per Bangladesh Accounting Standard (BAS) 16: "Property Plant & Equipment". The rates of depreciation used to write-off the amount of assets are as follows:

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Furniture & fixture	10%
Office equipment	20%
Office decoration	10%

2.4 Revenue Recognition

Revenue which comprises of brokerage commission, service rendered and capital gain is recognized in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue".

2.5 Provision for Expenses

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

Notes to the Financial Statements

2.6 Cash and Cash Equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company without any restriction.

2.7 Currency

The amount in the financial statements has been rounded off to the nearest integer in Bangladesh Taka.

2.8 Reporting Period

This financial statement covers from September 23, 2010 to December 31, 2010.

3. Share Capital

3.1 Authorized Capital	Amount in BDT
20,000,000 Ordinary Shares of Taka 100 each	2,000,000,000
3.2 Issued, Subscribed and Paid-up Capital	
10,000,000 Ordinary Shares of Taka 100 each fully paid	1,000,000,000
3.3 Shareholding position of the company	

Shareholders

	Number of share	Amount in BDT
Mutual Trust Bank Limited	9,999,900	999,990,000
Samson H Chowdhury	100	10,000
	10,000,000	1,000,000,000

4. Retained Earnings

Opening balance	-
Add: Net profit during the year	215,427,544
Closing retained earnings	215,427,544

5. Membership at Cost

This represents the amount paid by Mutual Trust Bank Limited (MTB) for purchasing membership of Dhaka Stock Exchange Limited (DSE).

6. Investment in Securities

Investment in securities represents the lower between cost and market price of securities.

Details are shown in Annexure-A

7. Other Advances

Loan to employees	513,872
Advance to suppliers	410,000
	923,872

8. Advances and Prepayments

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

9. Margin Loan to Clients

This balance represents the margin loan to clients provided by the company on December 31, 2010.

10. Accounts Receivable

Receivable form DSE -spot (Note 10.1)	11,064,799
Receivable form DSE (Note 10.1)	48,333,625
Receivable form DSE -dealer (Note 10.1)	5,738,683
Other receivable (Note10.2)	50,463,842
	115,600,949

10.1 Receivable from DSE

This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE).

Notes to the Financial Statements

10.2 Other receivable

This amount represents cheques have been collected from clients but not yet cleared.

11. Advance Income Tax

	<u>Amount in BDT</u>
Brokerage commission	27,587,467
Interest on Bank Balance	2,301,399
	<u><u>29,888,866</u></u>

12. Cash & Cash Equivalents

Cash at bank

Name of Bank	Account No	
Mutual Trust Bank Ltd	0002-0320000724	5,125,178
Mutual Trust Bank Ltd	0002-0320001438	4,056,113
Mutual Trust Bank Ltd	0002-0320001081	600,732,548
Mutual Trust Bank Ltd	0002-0320002080	78,678,026
Mutual Trust Bank Ltd	0002-0320001634	28,234,093
		<u><u>716,825,958</u></u>

13. Accounts Payable

Payable to clients (Note 13.1)	398,941,810
Payable to DSE (Note 13.2)	14,815,830
Payable to DSE -Spot (Note 13.2)	10,130,287
Payable to DSE -Dealer (Note 13.2)	6,907
	<u><u>423,894,834</u></u>

13.1 Payable to Clients

This balance represents the clients' sale proceeds of securities and deposits against securities purchase which is currently lying with the company's bank account.

13.2 Payable to DSE

This balance has been resulted from purchase of securities through Dhaka Stock Exchange Limited (DSE).

14. Short term Borrowing

This represents amount received from Mutual Trust Bank Ltd (MTB) for margin loan paid to customers and other operating purpose for MTB Securities Limited.

15. Provision for Expenses

Postage telephone & telegraph	30,000
Utility bill	200,000
CDS charge	5,000,000
Advertisement expenses	1,000,000
Rental expenses	500,000
Audit fee	25,000
Other expenses	146,437
	<u><u>6,901,437</u></u>

16. Provision for Income Tax

Brokerage commission (Note 16.1)	27,587,467
Other income (Note 16.2)	35,277,252
	<u><u>62,864,719</u></u>

16.1 Brokerage Commission

The amount has been deducted by DSE from the transaction amount as per section 53 BBB of the Income Tax Ordinance, 1984.

16.2 Other Income

Tax rate has been considered at the rate of 37.5% as per existing law.

201	MTBSL Statement of Changes in Equity
202	MTBSL Notes to the Financial Statements
207	MTBSL Statement of Investment in Securities
208	MTBSL Property Plant & Equipment Schedule : Annexure - B

Notes to the Financial Statements

17. Property Plant & Equipment

Cost of property plant & equipment measured at carrying amount of the asset that exist at the time of transfer the membership from Mutual Trust Bank Ltd (MTB) to MTB Securities Limited.
Details are shown in Annexure-B

18. Brokerage Commission

Brokerage Commission is recognized on net basis (after deducting howla & laga charge).

19. Capital Gain on Sale of Securities

Capital gain on sale of securities has been generated from own portfolio of MTB Securities Limited during the year 2010.

20. Interest on Margin Loan

Margin loan was paid at the rate of 14% during the year. Total number of marginable clients is 1,783 (one thousand seven hundred eighty three) at the end of 2010.

21. Margin Account Maintenance

It represents service charges of margin accounts which were received from the customers during the year.

22. Depository Participant

	Amount in BDT
Opening of BO account	1,264,000
Income from Central Depository of Bangladesh Limited	1,292,097
Demate charges	33,573
Renewal of BO accounts	7,778,500
	10,368,170

23. Operating Expenses

CDBL charges	789,200
CDS charges	17,385,333
	18,174,533

24. Other Income

Other income represents interest income from various bank accounts maintained at Mutual Trust Bank Limited.

25. Office & Administrative Expenses

Office rent	7,303,513
Salary and remuneration	7,183,577
Rates & taxes	62,425
Lighting & utility services	1,172,121
Legal fees	10,000
Postage, telegraph & telephone	246,617
Depreciation	1,751,014
Repair	108,701
Stationery	464,294
Advertisement & publicity	4,631,316
Car expenses	147,216
Audit fees	30,000
Traveling expenses	5,458
Branch opening expenses	105,850
Promotional expenses	137,500
Training expenses	300,700
Entertainment	579,986
Newspaper and periodicals	8,766
Conveyance	37,785
Business development expenses	762,489
Miscellaneous expenses	82,618
Fees & registration	87,625
Security auxiliary Service	352,152
Clearing charges	442,560
Maintenance of premises	80,232
	26,094,515

Notes to the Financial Statements

26. Provision for Investment in Securities

This represents the amount made for provision of the investment in securities for the year 2010.

27. Income Tax Expenses

			<u>Rate</u>	<u>Amount in BDT</u>
Brokerage commission		210,647,469	AIT	27,587,467
Other income	128,517,637			
Less: Interest expenses	<u>80,977,537</u>			
		47,540,100	37.50%	17,827,537
Margin account maintenance		45,000	37.50%	16,875
Depository participant		10,368,170	37.50%	3,888,064
Other income		22,951,049	37.50%	8,606,643
Capital gain		32,920,885	15%	4,938,133
Total Tax				<u>62,864,719</u>

28. Related Party Disclosure

28.1 Name of Directors and their shareholdings as on December 31, 2010

Mutual Trust Bank Limited	99.99%
Samson H Chowdhury	<u>0.01%</u>
	<u>100%</u>

28.2 Related Party Transactions

MTB Securities Limited (MTBSL) is a fully owned subsidiary company of Mutual Trust Bank Limited (MTB). MTBSL was separated from Mutual Trust Bank Limited (MTB) on September 23, 2010. MTBSL has availed BDT 2,656,834,123 (Taka two hundred sixty five crore sixty eight lac thirty four thousand one hundred twenty three) from MTB as short term loan for its operating activities.

29. Proposed Dividend

After the reporting period the company has decided to distribute full of its income to its shareholders.

30. Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 or above was 81 employees.

Statement of Investment in Securities

Annexure- A

MTB Securities Limited Statement of Investment in Securities As at December 31, 2010

<u>Name of the Company</u>	<u>Quantity</u>	<u>Cost</u> <u>BDT</u>	<u>Market Value</u> <u>BDT</u>
ACI Formulation Limited	20,300	3,174,311	2,837,940
Al Arafah Islami Bank Limited	97,500	5,708,625	6,513,000
Beximco Limited	17,000	5,340,720	5,295,500
Dhaka Bank Limited	21,900	1,590,597	1,670,970
Eastern cables	11,440	8,256,934	8,236,800
EXIM Bank Limited	118,900	6,877,236	7,217,230
First Security Bank Limited	71,000	2,761,470	2,882,600
Islami Bank Bangladesh Limited	2,000	1,597,380	1,601,000
Jamuna Bank Limited	70,000	3,423,000	3,850,000
Khulna Power Company Ltd	7,866	1,191,935	885,712
Lafarge Surma Cement	5,700	2,867,442	3,213,375
Mercantile Bank Limited	4,000	2,172,840	2,322,000
Navana CNG Limited	10,900	2,257,281	2,212,700
Ntional Credit & Commerce Bank Limited	5,000	327,000	344,000
Peoples Leasing Limited	2,000	582,880	582,200
Pubali Bank Limited	35,050	3,677,096	3,764,370
Social Inv. Bank Limited	52,000	2,633,800	2,745,600
Southeast Bank Limited	9,900	5,364,909	5,942,475
Square Pharma Limited	4,558	16,800,834	16,053,276
Square Textile Limited	9,000	1,918,710	1,888,200
Summit Power Limited	21,500	3,112,555	3,012,150
The Premier Bank Limited	5,000	278,700	322,000
Titas Gas T&D Co. Limited	11,500	11,768,180	11,488,500
United Commercial Bank Limited	41,500	9,403,900	9,408,050
Union Capital Bangladesh Limited	26,500	6,290,040	6,540,200
Total		109,378,374	110,829,848

Property Plant & Equipment Schedule

Annexure-B

MTB Securities Limited Property Plant & Equipment Schedule As at December 31, 2010

Particulars	Amount in BDT						
	Cost			Rate	Depreciation		Written down value as on 31.12.2010
	Opening Balance	Addition during the year	Balance as on 31.12.2010		Opening Balance	Charged for the year	
Furniture & Fixture	-	1,273,936	1,273,936	10%	-	32,407	1,241,529
Interior Decoration	-	24,481,322	24,481,322	10%	-	582,728	23,898,594
Office Equipment	-	19,203,367	19,203,367	20%	-	1,135,879	18,067,488
Total	-	44,958,625	44,958,625			1,751,014	43,207,611