



A decorative border of green and blue floral and vine motifs surrounds the central text. The border includes various leaves, swirls, and circular accents in shades of green and blue.

Financial Information

Financial Calendar

Financial Calendar 2009

Half yearly financial statements published as per
Securities and Exchange Commission (SEC) Guideline on

July 30, 2009

3rd Quarter Results published on

November 3, 2009

11th Annual General Meeting to be held on

March 30, 2010

Tk. 20 per share Final Dividend for 2009 payable on

April, 2010

Proposed Financial Calendar 2010

1st Quarter Results to be published on

April, 2010

Half yearly financial statements to be published as per
Securities and Exchange Commission (SEC) Guideline on

July, 2010

3rd Quarter Results to be published on

October, 2010

Audited Financial Statements for 2010 to be signed on

February, 2011

12th Annual General Meeting to be held on

March, 2011



Director's Responsibilities for Financial Reporting

The Directors are required to present a report along with financial statements and placed them before a general meeting as per Companies Act, 1994. The financial statements of the Bank give a true and fair view of:

- a) the state of affairs as at balance sheet date; and
- b) the profit and loss of the bank for the financial year ended on the balance sheet date.

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

- a) the appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- b) estimates and judgments have been made which are reasonable and prudent; and
- c) all applicable accounting standards, as relevant, have been followed

The Directors are also required to declare following matters in their report as per SEC's notification dated February 20th 2006:

- ♦ The financial statements prepared by the management of the issuer company present fairly, its state of affairs, the result of its operations, cash flows and changes in equity
- ♦ Proper books of accounts of the issuer company have been maintained
- ♦ Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment
- ♦ International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed
- ♦ The system of internal control is sound in design and has been effectively implemented and monitored
- ♦ There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed
- ♦ Significant deviations from last year in operating results of the issuer company should be highlighted and reasons thereof should be explained
- ♦ Key operating and financial data of at least preceding three years should be summarized
- ♦ If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof should be given
- ♦ The number of Board meetings held during the year and attendance by each director should be disclosed

The Directors confirm that the Annual Report together with the Directors' Report and Financial Statements have been prepared in compliance with the laws, rules and regulatory guidelines and SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

By order of the Board.



Samson H. Chowdhury
Chairman

Report on CEO's and CFO's Responsibilities

The financial statements of the Bank are prepared in compliance with Bangladesh Accounting Standards issued by the Institute of Chartered Accountant of Bangladesh, the Companies Act, 1994, the Bank Companies Act, 1991 and the Securities and Exchange Rules, 1987. The Accounting policies used in the preparation of financial statements are appropriate and are consistently used by the Bank. All material departures, if any, have been disclosed and explained in the notes to the financial statements. There are no departures from the prescribed accounting standards. Comparative information has been reclassified wherever necessary to comply with the current year presentation.

The audit committee of the Banks meets periodically with the internal audit team to review their audit plans, assess the process of their responsibilities and discuss internal controls and financial reporting issues. The Audit Committee pre-approves the audited and non-audited services provided by our external auditors, Hoda Vasi Chowdhury & Co., in order to ensure that the provision of such services does not impair the auditor's independence.

The financial statements of the Bank were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, and their report is given on page 83 of the Annual Report.

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

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



Anis. A. Khan
Managing Director & CEO



Meer Sajed-UI-Basher
Chief Financial Officer



Auditor's Report

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

We have audited the accompanying financial statements of Mutual Trust Bank Limited (MTB), which comprises the balance sheet as on December 31, 2009, the profit and loss account, statement of changes in equity, liquidity statement and cash flow statement 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 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 financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the bank's affairs as at December 31, 2009 and of the results of its operations and its 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 regulations.

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;



Auditor's Report

- (iii) the MTB's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 43 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 December 31, 2009 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; and
- (xii) 80% of the risk- weighted assets have been reviewed.

Hodawas Chowdhury & Co

Chartered Accountants

Dhaka, February 17, 2010



Financial Statements

Balance Sheet

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

Mutual Trust Bank Limited Balance Sheet As on December 31, 2009

IAS 1(38 & 39)

			2009	2008
Ref.	Property and Asset	Note	BDT	BDT
IAS 1.54 (j), IAS 7.7	Cash	3.00	3,103,953,777	2,002,306,380
	In Hand (Including Foreign Currency)		346,750,709	278,725,815
	With Bangladesh Bank and its agent Banks (including Foreign Currency)		2,757,203,068	1,723,580,565
IAS 1.54 (d)	Balance with Other Banks & Financial Institutions	4.00	3,607,171,139	703,052,945
	In Bangladesh		3,337,079,631	452,574,171
	Outside Bangladesh		270,091,508	250,478,774
IAS 1.54 (i)	Money at Call and Short Notice	5.00	-	510,000,000
IAS 1.54 (b)	Investments	6.00	9,537,973,528	5,606,491,938
	Government		8,961,988,755	5,366,331,230
	Others		575,984,773	240,160,708
IAS 1.54(h)	Loans and Advances	7.00	33,883,923,705	28,529,345,619
	Loans, Cash Credit, Overdrafts, etc.		31,493,607,971	25,502,004,876
	Bills Purchased and Discounted		2,390,315,734	3,027,340,743
IAS 1.54 (a)	Fixed Asset including Premises, Furniture & Fixture	8.00	445,576,880	367,190,769
IAS 1.55, IAS 1.57 (a)	Other Assets	9.00	2,196,167,040	1,246,586,472
IAS 1.55, IAS 1.57 (a)	Non-Banking Assets		-	-
	Total Property and Assets		52,774,766,068	38,964,974,123
	Liabilities and Capital			
IAS 1.54 (k)	Borrowing from other Banks, Financial Institutions & Agents	10.00	3,550,000,000	-
IAS 1.54 (m)	Deposits and Other Accounts	11.00	42,354,065,907	33,820,407,506
	Current Deposits & Other Accounts		6,511,156,357	5,419,895,459
	Bills Payable		528,953,937	447,472,338
	Savings Deposits		5,104,087,897	2,943,076,237
	Fixed Deposits		26,229,065,156	22,360,677,789
	Deposit-Products		3,980,802,560	2,649,285,683
IAS 1.55, 1.57 (a)	Other Liabilities	12.00	3,186,191,049	2,661,471,919
	Total Liabilities		49,090,256,956	36,481,879,425
	Capital/Shareholders' Equity:			
IAS 1.54 (r), IAS 1.78 (e)	Paid up Capital	13.00	1,766,318,400	1,496,880,000
IAS 1.54 (r), IAS 1.78 (e)	Statutory Reserve	14.00	980,325,611	701,941,901
IAS 1.54 (r), IAS 1.78 (e)	Revaluation Reserve on Investment in Securities		383,866,189	3,057,073
IAS 1.54 (r), IAS 1.78 (e)	General Reserve	15.00	161,777,324	87,891,054
IAS 1.54 (r), IAS 1.78 (e)	Retained Earnings	16.00	392,221,588	193,324,670
	Total Shareholders' Equity		3,684,509,112	2,483,094,698
	Total Liabilities and Shareholders' Equity		52,774,766,068	38,964,974,123
	Net Asset Value (NAV)		3,684,509,112	2,483,094,698



Balance Sheet

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

Mutual Trust Bank Limited Balance Sheet As on December 31, 2009

IAS 1(38 & 39)

			2009	2008
Ref.	Property and Asset	Note	BDT	BDT
IAS 1.55	Off-Balance Sheet Items			
IAS 37.28	Contingent Liabilities:	17.00		
37.86	Letters of Guarantee		3,243,533,864	3,176,517,832
	Irrevocable Letters of Credit		2,989,895,602	3,669,672,223
	Bills for Collection		760,214,308	654,554,759
	Other Contingent Liabilities		3,067,399,087	3,966,966,200
			10,061,042,861	11,467,711,014
	Other Commitments		-	-
	Documentary credits and short term trade related transactions		-	-
	Forward assets purchased and forward deposits placed		-	-
	Undrawn notes issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		-	-
	Claim against the Bank not acknowledged as debt		-	-
	Litigation pending against the Bank		-	-
	Other Memorandum Items		-	-
	Value of Travellers' Cheques on Hand		-	-
	Value of Bangladesh Sanchay Patras on Hand		-	-
	Total Off Balance Sheet Items including Contingent Liabilities		10,061,042,861	11,467,711,014

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

Dated: Dhaka
February 17, 2010

Chartered Accountants



Profit and Loss Account

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

Mutual Trust Bank Limited Profit and Loss Account For the year ended December 31, 2009

IAS 1(38 & 39)

			2009	2008
Ref.	Particulars	Note	BDT	BDT
IFRS 7.20(b)	Interest Income	19.00	4,279,499,839	3,529,718,692
IFRS 7.20(b)	Less: Interest Paid on Deposit and Borrowing, etc.	20.00	3,409,350,043	2,792,584,222
IAS 1.85	Net Interest Income		870,149,796	737,134,470
IFRS 7.20(b)	Income from Investments	21.00	857,466,508	454,838,339
IFRS 7.20(c)	Commission, Exchange and Brokerage	22.00	663,349,650	517,512,796
IAS 1.85	Other operating Income	23.00	153,054,820	130,089,123
			1,673,870,978	1,102,440,258
IAS 1.85	Total Operating Income		2,544,020,774	1,839,574,728
	Less: Operating Expenditure:			
IAS 1.104	Salary and Allowances	24.00	491,005,215	303,004,065
IAS 1.97	Rent, Tax, Insurance and Electricity	25.00	116,232,689	87,840,969
IAS 1.97	Legal Expense		1,056,207	754,317
IAS 1.97	Postage, Stamps and Telephone	26.00	27,474,706	28,288,179
IAS 1.97	Printing, Stationery and Advertisement	27.00	33,546,432	27,475,722
IAS 1.97	Managing Director's Remuneration	24.01	6,681,999	4,200,000
IAS 1.97	Directors' Fee	28.00	632,000	596,000
IAS 1.97	Audit Fee		400,000	200,000
IAS 1.104	Depreciation on and Repair to Bank's Property	29.00	58,971,205	47,872,953
IAS 1.97	Other Expenditure	30.00	181,101,770	144,254,125
IAS 1.85	Total Operating Expenses		917,102,223	644,486,330
IAS 1.85	Profit Before Provision		1,626,918,551	1,195,088,398
IAS 1.97	Less: Provision against Loans & Advances including Off Balance Sheet Items	31.00	235,000,000	632,732,000
IAS 1.97	Less: Provision against Investment in Quoted Shares		-	3,823,323
IAS 1.97	Less: Provision against Other Asset		-	-
	Total Provision		235,000,000	636,555,323
IAS 1.85	Profit Before Tax		1,391,918,551	558,533,075
IAS 1.82(d)	Less: Provision for Tax	32.00	571,313,253	253,501,790
	Current Tax		594,000,000	251,339,884
	Deferred Tax		(22,686,747)	2,161,906
IAS 1.82 (f)	Net Profit After Tax		820,605,298	305,031,285
IAS 1.85	Retained Surplus Brought Forward		193,324,670	131,691,609
			1,013,929,968	436,722,894



Profit and Loss Account

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

Mutual Trust Bank Limited Profit and Loss Account For the year ended December 31, 2009

IAS 1(38 & 39)

			2009	2008
Ref.	Particulars	Note	BDT	BDT
IAS 1.85	Appropriation:			
	Bonus Share Issued during the year		193,324,670	131,691,609
	Transferred to Statutory Reserve		278,383,710	111,706,615
	Transferred to General Reserve		150,000,000	-
			621,708,380	243,398,224
IAS 1.85	Retained Surplus, Carried Forward		392,221,588	193,324,670
IAS 33.66	Earnings Per Shares	33	46.46	17.27

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



Dated: Dhaka
February 17, 2010

Chartered Accountants



Cash Flow Statement

IAS 1.51(a)

IAS 1.10(d)

IAS 1.51(c)

Mutual Trust Bank Limited Cash Flow Statement For the year ended December 31, 2009

IAS 1(38 & 39)

IAS 1(38 & 39)		2009	2008
Ref.	Notes	BDT	BDT
IAS 7.10	A) Cash Flow From Operating Activities:		
IAS 7.31	Interest Received	5,017,608,780	3,963,669,570
IAS 7.31	Interest Paid on Deposits & Borrowings, etc.	(3,259,016,332)	(2,559,087,241)
IAS 7.31	Dividend Income	10,375,248	1,102,000
IAS 7.14 (b)	Fees & Commission Income	418,217,312	301,687,762
IAS 7.14 (d)	Cash Paid to Employees as Salaries and Allowances	(374,525,906)	(272,204,065)
IAS 7.35	Advance Income Tax Paid	(347,574,469)	(166,908,055)
IAS 7.14 (b)	Cash Received From Other Operational Income	34.00 386,539,429	331,609,094
IAS 7.14 (c)	Cash Paid for Other Operational Expenses	35.00 (358,290,871)	(293,130,891)
	Cash Flow From Operating Activities Before Changes in Net Current Asset	1,493,333,191	1,306,738,174
IAS 7.19 (b)	Changes in Net Current Assets:		
	Investment in Treasury Bond	(2,490,190,686)	(2,671,738,747)
	Loans & Advances	(5,245,595,767)	(5,830,886,502)
	Other Assets	9.00 (588,475,920)	98,622,346
	Bank Deposits	(773,567,194)	850,000,000
	Customers' Deposits	9,156,891,884	7,959,985,557
	Borrowings From Other Banks, Financial Institutions & Agents	10.00 3,550,000,000	(3,100,000,000)
	Other Liabilities	12.00 (426,285,610)	(640,973,033)
		3,182,776,707	(3,334,990,379)
	Cash Flow From Operating Activities	4,676,109,898	(2,028,252,205)
IAS 7.10	B) Cash Flow From Investing Activities:		
IAS 7.16 (c)	Investments in Shares & Bonds	(335,824,065)	(175,930,386)
IAS 7.23	Purchase of Premises & Fixed Asset (net)	(131,510,249)	(108,470,823)
	Net Cash Flow From Investing Activities	(467,334,314)	(284,401,209)
IAS 7.10	C) Cash Flow From Financing Activities:		
IAS 7.17 (a)	Receipts from Issue of Rights Shares	-	249,480,000
IAS 7.31	Dividend Paid	-	-
	Net Cash Flow From Financing Activities	-	249,480,000
	D) Net Increase in Cash and Cash Equivalents	4,208,775,584	(2,063,173,414)
IAS 7.28	E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	11,647,729	14,305,065
	F) Opening Cash and Cash Equivalents	4,567,782,932	6,616,651,281
	Closing Cash and Cash Equivalents (D+E+F)	8,788,206,245	4,567,782,932
IAS 7.45	The above Closing Cash and Cash Equivalents Include:		
	Cash in Hand	346,750,709	278,725,815
	Balance with Bangladesh Bank and its agent banks	2,757,203,068	1,723,580,565
	Balance with Other Banks & Financial Institutions	3,607,171,139	703,052,945
	Money at Call and Short Notice	-	510,000,000
	Treasury Bills	2,075,818,430	1,350,997,607
	Prize Bonds	1,262,900	1,426,000
		8,788,206,245	4,567,782,932
	Net Operating Cash Flow Per Share	264.74	(135.50)

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



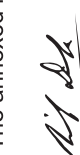
Statement of Changes in Equity

Mutual Trust Bank Limited Statement of Changes in Equity For the year ended December 31, 2009

IAS 1.51 (a)
IAS 1.10 (c)
IAS 1.51 (c)

Ref.	Particulars	Paid up Capital		Statutory Reserve		General Reserve		Revaluation Reserve on Investment in Securities		Retained Earnings		Total	
		BDT		BDT		BDT		BDT		BDT		BDT	
	Balance as on January 1, 2009	1,496,880,000		701,941,901		87,891,054		3,057,073		193,324,670		2,483,094,698	
IAS 1.106 (d)	Bonus Shares Issued during the year	269,438,400		-		(76,113,730)		-		(193,324,670)		-	
IAS 1.106 (d)	Rights Shares 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	-		-		-		380,809,116		-		380,809,116	
IAS 1.106 (a)	Net Profit for the year After Tax	-		-		-		-		820,605,298		820,605,298	
IAS 1.106 (d)	Appropriation made during the year	-		278,383,710		150,000,000		-		(428,383,710)		-	
	Balance as on 31 December 2009	1,766,318,400		980,325,611		161,777,324		383,866,189		392,221,588		3,684,509,112	

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



Liquidity Statement

Mutual Trust Bank Limited Liquidity Statement As on December 31, 2009

Ref. IAS 1.51(a)
Ref. IAS 1.65
Ref. 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
ASSETS:						
Cash	3,103,953,777	-	-	-	-	3,103,953,777
Balance with other Banks and Financial Institutions	262,832,539	2,956,708,913	375,928,464	11,701,223	-	3,607,171,139
Money at Call & Short Notice	-	-	-	-	-	-
Investments	1,262,900	1,180,329,870	1,101,043,486	3,875,344,053	3,379,993,219	9,537,973,528
Loans and Advances	10,023,631,675	3,871,369,360	7,297,161,739	10,335,454,477	2,356,306,454	33,883,923,705
Fixed Assets inc. Premises, Furniture and Fixtures	4,415,472	8,830,944	39,739,248	211,942,656	180,648,560	445,576,880
Other Assets	1,364,881,934	654,949,419	23,369,490	146,654,136	6,312,060	2,196,167,039
Non-Banking Assets	-	-	-	-	-	-
Total Asset	14,760,978,297	8,672,188,506	8,837,242,427	14,581,096,545	5,923,260,293	52,774,766,068
LIABILITIES :						
Borrowings From Other Banks, Financial Institutions & Agents	3,550,000,000	-	-	-	-	3,550,000,000
Deposits and Other Accounts	18,161,781,729	8,463,864,747	11,611,591,934	2,549,932,907	1,566,894,590	42,354,065,907
Provision & Other Liabilities	1,202,896,257	110,129,720	143,325,229	589,986,265	1,139,853,578	3,186,191,049
Total Liability	22,914,677,986	8,573,994,467	11,754,917,163	3,139,919,172	2,706,748,168	49,090,256,956
Net Liquidity	(8,153,699,689)	98,194,039	(2,917,674,736)	11,441,177,373	3,216,512,125	3,684,509,112

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



Notes to the Financial Statements

Mutual Trust Bank Limited Notes to the Financial Statements For the year ended December 31, 2009

IAS 1.51 (a)

IAS 1.10 (e)

IAS 1.51 (c)

IAS 1.138 (a) 1.0 Legal Status and Nature of the Bank

Mutual Trust Bank Limited 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 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. The Bank has 44 (forty four) Branches, 10 (ten) SME Service Centers and 8 (eight) Brokerage Houses with no overseas branch as on December 31, 2009.

IAS 1.138 (b) 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 Brokerage House Activities

The Bank is engaged in buying and selling of securities for its customer through brokerage house 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 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 the Bangladesh Bank. Separate Financial Statements of Off-shore Banking Unit has not been drawn up due to insignificant activities.

IAS 1.112 (a) 2.0 Significant accounting policies and basis of preparation of financial statements

Reference has been made according to International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and its interpretation as approved on January 1, 2008.

IAS 1.117 2.1 Basis of accounting

The financial statements of the Bank are made up to December 31, 2009 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 25 June, 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 branches have been taken into account.

IAS 1.119 2.2 Basis of Consolidation

A separate set of records for consolidating the statement of Affairs and Income and Expenditure Statements of the Branches are maintained at Corporate Head Office of the Bank from which these financial statements have been prepared.

IAS 1.122 2.3 Use of Estimates & Judgment

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.

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 Statements" 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 Statements

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, 2009



Notes to the Financial Statements

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 accredited, 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 at 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 reserve account and 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, 2009, and have been shown in the equity. Value of investments has been enumerated as follows:

Items	Applicable Accounting Value
Government Treasury Bills	Present value
Government Treasury Bonds	Present value
Prize Bonds	At cost

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

- Loans and advances have been stated at gross value as per Bank Companies Act, 1991.
- Interest is calculated in a daily product basis but charged quarterly.
- Interest 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%
Special Mentioned Account	5%
Provision on substandard loans and advances	20%
Provision on doubtful loans and advances	50%
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.,

- Payable in Bangladesh and
- 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

- 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.
- The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part 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



Notes to the Financial Statements

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:

Name of Assets	Rate 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".

IAS 17.47 (f) The Bank as Lessor

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

IAS 17.31(e) 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 9.01)

IAS 21.23 2.7.10 Foreign Currency

a) Foreign Currency

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 BDT which in the Bank's functional and presentation currency.

b) Foreign Currency Transaction

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 of the previous day and converted into BDT equivalent.

c) 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.

d) Transaction 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 they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2009 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.

Notes to the Financial Statements

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, 2009 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".

IAS 12 b. Deferred Tax

(47, 15 & 24) 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 as 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 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 receive gratuity benefit as per the following policy that involves rendering their service without break:

Particulars	Equivalent Basic
8 years	2 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, 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) lac.

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 six members.



Notes to the Financial Statements

g) Incentive Bonus

Mutual Trust Bank Limited started an incentive bonus scheme for its employees. This bonus amount is being 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.

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.

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.

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 as per 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) in addition to the existing provisioning arrangement in the following manner:

- i) @ 0.50% provision effective by December 2007
- ii) @ 1.00% provision effective by December 2008

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 provisions regarding the un-reconciled debit balance of nostro account as on the reporting date in these financials as there is 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

In terms of the provisions of 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

IAS 1.119 2.15 Risk Management

Risk is an integral part of banking business and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. 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 this 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 that a borrower is unable 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 the 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.



Notes to the Financial Statements

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 put, 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 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.

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, managing 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 held. 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 compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the bank. ICC Division reports serious non-compliance 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 ITS systems. Actions taken include the updating of software and analyzing new software, enhancing ITS 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 banks and non-bank financial



Notes to the Financial Statements

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 include, 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 (CAMCO) and Branch Anti-Money Laundering Compliance Officers (BAMCO) have been designated.

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 2009 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.

Name of the Director	Status With the Bank	Status With the Committee	Educational Qualification
Mr. Syed Manzur Elahi	Director	Chairman	MA in Economics from DU
Mr. Rashed Ahmed Chowdhury	Director	Member	Post Graduate in Business Management from Kingston University, England
Mr. Md. Abdul Malek	Director	Member	B.SC Engineering from BUET

During the year 4 (four) meetings of the audit committee were held.

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.

IAS 1.114(a) 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
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	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 for Investments	25	Applied

Notes to the Financial Statements

Name of the BAS	BAS No.	Status
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interest in Joint Ventures	31	N/A
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

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

IAS 1.121 2.20 General

- 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.
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank.
- Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.
- No Asset has been set off against any Liability except for MTB General Account.

IAS 10.17 2.19 Approval of financial statements

The financial statements were approved by the Board of Directors on February 17, 2010.



Notes to the Financial Statements

Ref.			2009 BDT	2008 BDT
IAS 7.45	3.00	Cash		
IAS 1.77	3.01	In hand(Including foreign currency)		
		Local Currency	336,765,771	274,347,155
		Foreign Currency	9,984,938	4,378,660
			346,750,709	278,725,815
IAS 1.77	3.02	Balance with Bangladesh Bank and its agent banks		
		With Bangladesh Bank		
		Local Currency	2,522,029,651	1,573,823,897
		Foreign Currency	49,350,754	64,347,657
		With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	185,822,663	85,409,011
			2,757,203,068	1,723,580,565

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 31.12.2009 is given below:

Period of Unreconciliation	Number of Unresponded Entry		Unresponded Amount (Amount Taka)	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	1	2	2,000,000	1,365,940
3 months to Less than 6 months	-	-	-	-
6 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	1	2	2,000,000	1,365,940

All unadjusted entries are subsequently adjusted on regulatory 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.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5% has been calculated and maintained with Bangladesh Bank in Current Account and 18% Statutory Liquidity Ratio, including CRR, on the same liabilities and 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)

	%	BDT in Crore	BDT in Crore
Cash Reserve Requirement (CRR)			
Required	5%	208.32	157.73
Maintained	5.15%	214.41	161.02
Surplus/(Deficit)	0.15%	6.09	3.29
Statutory Liquidity Ratio (SLR) (including CRR)			
Required	18%	749.95	567.84
Maintained	22.08%	919.92	729.91
Surplus/(Deficit)	4.08%	169.97	162.07

3.05 Components of Statutory Liquidity Ratio (SLR) (BDT in Crore)

	BDT in Crore	BDT in Crore
Cash in hand	34.67	27.87
Balance with Bangladesh Bank (as per bank statement)	252.26	157.45
Balance with Sonali Bank	17.52	8.34
HTM Securities	326.00	337.52
HFT Securities	275.65	197.89
Other eligible securities	13.82	0.84
	919.92	729.91

Notes to the Financial Statements

Ref.			2009 BDT	2008 BDT
IAS 1.77, 4.00 1.78 (d)	Balance with other Banks & Financial Institutions: In Bangladesh:	Transaction Currency		
	Fixed Deposits Receipt (FDR)			
	United Commercial Bank Ltd.	BDT	303,802,083	-
	BRAC Bank Ltd.	BDT	101,065,278	-
	Jamuna Bank Ltd.	BDT	809,410,556	-
	Eastern Bank Ltd.	BDT	202,600,000	-
	South East Bank Ltd.	BDT	404,216,667	-
	Premier Bank Ltd.	BDT	202,202,778	-
	The City Bank Ltd.	BDT	202,000,000	-
	Oman Bangla Finance Ltd.	BDT	40,655,556	-
	Lanka Bangla Finance Ltd.	BDT	50,754,514	-
	Phoenix Finance & Investment Ltd.	BDT	103,666,667	-
	IDLC Finance Ltd.	BDT	24,826,492	-
	AB Bank Ltd.	BDT	-	359,664,444
	Bangladesh Investment and Finance Company Ltd.	BDT	153,770,834	-
	IIDFC	BDT	169,202,500	51,555,556
	International Leasing and Financial Services Ltd.	BDT	307,673,468	-
	Uttara Finance and Investment Ltd	BDT	62,966,667	-
	Union Capital Ltd.	BDT	102,306,250	-
	Short Term Deposits (STD)			
	Dutch Bangla Bank Ltd.	BDT	65,579,232	14,664,009
	BASIC Bank Ltd.	BDT	528,116	477,299
	Sonali Bank Ltd.	BDT	4,284,762	15,131,592
	State Bank of India	BDT	100,000	100,000
	Agrani Bank Ltd.	BDT	517,502	416,058
	Janata Bank Ltd.	BDT	309,678	300,396
	Current Deposits (CD)			
	Standard Chartered Bank	BDT	6,514,855	1,746,317
	AB Bank Ltd.	BDT	200,000	200,000
	Janata Bank Ltd.	BDT	451,027	-
	Pubali Bank Ltd.	BDT	13,340	-
	BRAC Bank Ltd.	BDT	2,069,713	-
	Agrani Bank Ltd.	BDT	15,391,096	8,318,500
	Sub Total		3,337,079,631	452,574,171
IAS 1.78 (d)	Outside Bangladesh (NOSTRO Accounts): in current account	Transaction Currency		
	Citibank N.A.	US\$	4,069,916	40,299,338
	Mashreqbank, New York	US\$	15,781,586	39,720,242
	Standard Chartered Bank, New York	US\$	42,582,061	-
	AMEX, New York	US\$	-	7,467,577
	Habib American Bank, New York	US\$	4,464,724	2,020,283
	WACHOVIA	US\$	2,534,308	-
	UBAF, Hong Kong	US\$	16,254,326	-
	HSBC, New York	US\$	23,963,786	2,790,182
	Mashreqbank, London	US\$	5,823,511	56,699,983
	JP Morgan, New York	US\$	14,175,256	7,952,203
	ICICI, Hong Kong	US\$	7,787,859	1,846,080
	National Commercial Bank, Jeddah	US\$	7,073,755	3,430,843
	Standard Chartered Bank, Singapore	SGD	11,281	118,219
	Mashreqbank, London	GBP	196,619	2,112,402
	Standard Chartered Bank, London	GBP	16,180,389	444,386
	Habib American Bank, Zurich	CHF	474,432	-
	Standard Chartered Bank, Tokyo	JPY	2,555	2,567
	UBAF, Tokyo	JPY	1,400,013	485,956
	Mashreqbank, London	EUR	3,810,444	746,388
	Standard Chartered Bank, Germany	EUR	4,511	34,427
	Standard Chartered Bank, London	EUR	7,685,866	235,864
	ICICI, Mumbai	EUR	346,857	-
	Hypo Vereins Bank	EUR	1,431,394	633,919
	Commerze Bank, Germany	EUR	8,948,434	-
	AMEX, Kolkata	ACU	2,113,193	2,106,780
	Standard Chartered Bank, Kolkata	ACU	2,736,726	7,869,516
	Standard Chartered Bank, Pakistan	ACU	2,697,742	3,395,828
	Citibank N.A., Mumbai	ACU	4,493,057	10,394,146
	Rupali Bank Ltd., Pakistan	ACU	10	10
	Mashreqbank, Mumbai	ACU	1,422,976	7,798,483
	AB Bank, Mumbai	ACU	17,988,625	7,600,389
	ICICI, Mumbai	ACU	18,052,446	9,063,680
	HSBC, Mumbai	ACU	2,296,390	3,189,693
	Himalayan Bank Ltd., Kathmandu	ACU	1,370,160	-
	Nepal Bangladesh Bank Ltd.	ACU	17,300	4,139
	Term Deposits		238,192,508	218,463,524
	Sub total		31,899,000	32,015,250
	Total		270,091,508	250,478,774
			3,607,171,139	703,052,945



Notes to the Financial Statements

Ref.			2009 BDT	2008 BDT		
IAS 1.77	4.01	Net balance with other Banks and Financial Institutions				
		Balance with other Banks and Financial Institutions (Note 4 & 5)	3,607,171,139	1,213,052,945		
		Less. Borrowing from other banks,financial institutions and agents (Note 10 & 11)	4,116,431,597 (509,260,458)	1,339,998,791 (126,945,846)		
IAS 1.61	4.02	Maturity grouping of Balance with other Banks and Financial Institutions				
		On Demand	262,832,539	260,743,591		
		Less than three months	2,956,708,913	442,309,354		
		More than three months but less than one year	375,928,464	-		
		More than one year but less than five years	11,701,223	-		
		More than five years	-	-		
			3,607,171,139	703,052,945		
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, 2009 are as follows:				
		Name of the Bank	Currency	Foreign Currency	Exchange Rate	BDT
		Citibank N.A.	US\$	58,813.81	69.20	4,069,915.65
		Mashreqbank, New York	US\$	228,057.61	69.20	15,781,586.61
		Standard Chartered Bank, New York	US\$	615,347.70	69.20	42,582,060.84
		Habib American Bank, New York	US\$	64,519.14	69.20	4,464,724.49
		WACHOVIA	US\$	36,622.95	69.20	2,534,308.14
		UBAF, Hong Kong	US\$	234,889.10	69.20	16,254,325.72
		HSBC, New York	US\$	346,297.48	69.20	23,963,785.62
		Mashreqbank, London	US\$	84,154.78	69.20	5,823,510.78
		JP Morgan, New York	US\$	204,844.74	69.20	14,175,256.01
		ICICI, Hong Kong	US\$	112,541.31	69.20	7,787,858.65
		National Commercial Bank, Jeddah	US\$	102,221.89	69.20	7,073,754.79
		Standard Chartered Bank, Singapore	SGD	229.05	49.25	11,280.71
		Mashreqbank, London	GBP	1,789.89	109.85	196,619.42
		Standard Chartered Bank, London	GBP	147,295.30	109.85	16,180,388.71
		Habib American Bank, Zurich	CHF	7,123.61	66.60	474,432.43
		Standard Chartered Bank, Tokyo	JPY	3,400.00	0.7515	2,555.10
		UBAF, Tokyo	JPY	1,862,958.00	0.7515	1,400,012.94
		Mashreqbank, London	EUR	38,423.35	99.17	3,810,443.62
		Standard Chartered Bank, Germany	EUR	45.49	99.17	4,511.24
		Standard Chartered Bank, London	EUR	77,501.93	99.17	7,685,866.40
		ICICI, Mumbai	EUR	3,497.60	99.17	346,856.99
		Hypo Vereins Bank	EUR	14,433.74	99.17	1,431,394.00
		Commerze Bank, Germany	EUR	90,233.28	99.17	8,948,434.38
		AMEX, Kolkata	ACU	30,537.47	69.20	2,113,192.92
		Standard Chartered Bank, Kolkata	ACU	39,548.06	69.20	2,736,725.75
		Standard Chartered Bank, Pakistan	ACU	38,984.71	69.20	2,697,741.93
		Citibank N.A., Mumbai	ACU	64,928.57	69.20	4,493,057.04
		Rupali Bank Ltd., Pakistan	ACU	0.15	69.20	10.38
		Mashreqbank, Mumbai	ACU	20,563.23	69.20	1,422,975.52
		AB Bank, Mumbai	ACU	259,951.23	69.20	17,988,625.12
		ICICI, Mumbai	ACU	260,873.50	69.20	18,052,446.20
		HSBC, Mumbai	ACU	33,184.83	69.20	2,296,390.24
		Himalayan Bank Ltd. Kathmandu	ACU	19,800.00	69.20	1,370,160.00
		Nepal Bangladesh Bank Ltd.	ACU	250.00	69.20	17,300.00
						238,192,508.32
IAS 1.77	5.00	Money at Call and Short Notice:	-			100,000,000
		BRAC Bank Ltd	-			150,000,000
		Mercantile Bank Ltd.	-			170,000,000
		Bank Asia Ltd.	-			70,000,000
		National Credit and Commerce Bank Ltd.	-			20,000,000
		Dhaka Bank Ltd.	-			510,000,000

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.77 6.00	Investments:		
	i) Investment Classified as per Bangladesh Bank Circular:		
IFRS 7.8(a)	Held to Maturity (HTM)	3,260,000,000	3,375,213,933
IFRS 7.8(b)	Held for Trading (HFT)	2,756,484,061	1,978,982,949
	Other Investments	3,521,489,467	252,295,056
		9,537,973,528	5,606,491,938
	ii) Investment Classified as per Nature		
	a) Government Securities		
	Treasury Bills (at present value):		
	Un-encumbered		
	28 days	-	-
	91 days	222,193,079	596,263,823
	182 days	171,470,220	435,265,780
	364 days	515,155,131	319,468,004
	Sub-total	908,818,430	1,350,997,607
	Encumbered		
	91 days	642,000,000	-
	182 days	300,000,000	-
	364 days	225,000,000	-
	Sub-total	1,167,000,000	-
	Total Treasury Bills	2,075,818,430	1,350,997,607
	Treasury Bonds		
	Un-encumbered		
	5 Years	1,406,860,003	1,356,529,789
	10 Years	3,184,138,735	2,207,377,834
	15 Years	594,300,408	450,000,000
	20 Years	136,108,279	-
	Sub-total	5,321,407,425	4,013,907,623
	Encumbered		
	5 Years	1,363,500,000	-
	10 Years	200,000,000	-
	Sub-total	1,563,500,000	-
	Total Treasury Bonds	6,884,907,425	4,013,907,623
	Prize Bonds (at face value)	1,262,900	1,426,000
	Sub Total	8,961,988,755	5,366,331,230
	b) Other Investments:		
	Shares in quoted companies (Annexure-A)	180,554,926	32,193,526
	Shares in unquoted companies (at face value):		
	Industrial & Infrastructure Dev. Finance Co. Ltd.	22,770,000	22,770,000
	Central Depository (BD) Ltd.	10,000,000	10,000,000
	Everest Power Generation Company Ltd.	60,000,000	60,000,000
	Dun & Bradstreet Rating Agency Bangladesh Limited	3,332,700	-
		96,102,700	92,770,000
	Bonds:		
	7 Years Agrani Bank Industrial Development Bond (Note 6.01)	-	7,000,000
	1 Year - 5 years IPDC Zero Coupon Bond (Note 6.02)	-	197,182
	IDLC Zero Coupon Bonds(Note 6.03)	87,500,000	100,000,000
	Uttara Finance & Investment Limited -Zero Coupon Bond	203,827,147	-
		291,327,147	107,197,182
	Share of Dhaka Stock Exchange Ltd	8,000,000	8,000,000
	Sub Total	575,984,773	240,160,708
	Total	9,537,973,528	5,606,491,938
IAS 1.77 6.01	7 Years Agrani Bank Industrial Development Bond		
	Opening Balance	7,000,000	7,000,000
	Add: Accrued Interest	-	-
	Less: Redeemed upto 31.12.09	7,000,000	-
	Closing Balance	-	7,000,000
IAS 1.77 6.02	1 Year - 5 years IPDC Zero Coupon Bond		
	Opening Balance	197,182	355,000
	Less: Unearned Interest	-	157,818
	Less: Redeemed	197,182	-
	Closing Balance	-	197,182



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.77	6.03 IDLC Zero Coupon Bonds		
	Principal	100,000,000	100,000,000
	Add: Accrued Interest	-	-
	Less: Redeemed upto 31.12.09	12,500,000	-
	Redeemable Value	<u>87,500,000</u>	<u>100,000,000</u>
IAS 1.61	6.04 Maturity grouping of Investments as follows:		
	On Demand	1,262,900	1,426,000
	Less than three months	1,180,329,870	1,065,524,989
	More than three months but less than one year	1,101,043,486	447,633,316
	More than one year but less than five years	3,875,344,053	1,356,529,789
	More than five years	3,379,993,219	2,735,377,844
		<u>9,537,973,528</u>	<u>5,606,491,938</u>
IFRS 7.8(c)	7.00 Loans and Advances		
	Loans (Note-7.01.01)	20,159,731,918	17,220,565,738
	Cash Credits	5,427,701,979	4,656,655,032
	Overdrafts	5,906,174,074	3,624,784,106
		<u>31,493,607,971</u>	<u>25,502,004,876</u>
	Bills Purchased and discounted (Note-7.01.02)	2,390,315,734	3,027,340,743
	Total Loans and Advances	<u>33,883,923,705</u>	<u>28,529,345,619</u>
IAS 1.77	7.01 Loans and Advances		
	In Bangladesh:		
	7.01.01 Loans:		
	Term Loans	9,353,367,004	6,072,422,042
	Small and Medium Enterprise Financing	549,995,443	301,471,858
	Consumer Financing	1,260,633,546	668,397,182
	General Loans	406,302,143	565,967,315
	Demand Loans	75,138,407	144,630,577
	Payment Against Documents (PAD)	1,052,296,421	751,977,756
	Trust Receipts	6,156,533,005	7,610,924,541
	Best investment Loans	16,204,821	25,538,636
	Lease Finance (Note-7.03)	254,555,441	257,247,331
	Export Development Fund	34,042,897	7,900,833
	House Building Loans	989,994,378	805,399,950
	Other Loans and Advances	10,668,412	8,687,717
		<u>20,159,731,918</u>	<u>17,220,565,738</u>
	Cash Credits	5,427,701,979	4,656,655,032
	Secured Overdraft	5,906,174,074	3,624,784,106
		<u>31,493,607,971</u>	<u>25,502,004,876</u>
	Outside Bangladesh	-	-
		<u>31,493,607,971</u>	<u>25,502,004,876</u>
	7.01.02 Bills Purchased and Discounted:		
	Payable in Bangladesh	2,078,226,541	2,505,900,852
	Payable outside Bangladesh	312,089,193	521,439,891
		<u>2,390,315,734</u>	<u>3,027,340,743</u>
	Total Loans and Advances	<u>33,883,923,705</u>	<u>28,529,345,619</u>
IAS 1.77	7.02 Net Loans & Advances		
	Gross Loans & Advances (Note 7)	33,883,923,705	28,529,345,619
	Less:		
	Classified Loans & Advances (Note 7.07)	952,762,000	1,402,847,000
	Interest Suspense (Note 12.04)	140,395,441	195,082,720
	Provision for Loans & Advances (Note 12.01)	1,051,687,893	1,127,940,772
	Net Loans & Advances	<u>31,739,078,371</u>	<u>25,803,475,127</u>

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.77	7.03 Gross Lease Rental Receivable:		
	Within 1 year	98,723,710	100,294,819
	Within 5 years	209,787,883	194,675,731
	After 5 years	-	-
		308,511,593	294,970,550
	Less: Unearned Lease Rental	53,956,152	37,723,219
		254,555,441	257,247,331
IAS 1.61	7.04 Residual Maturity grouping of Loans and Advances		
	On Demand	5,750,395,220	5,578,869,007
	Not more than three months	8,144,605,815	6,550,034,843
	More than three months but less than one year	7,297,161,739	7,734,281,382
	More than one year but less than five years	10,335,454,477	7,759,465,629
	More than five years	2,356,306,454	906,694,758
		33,883,923,705	28,529,345,619
IAS 1.78(b)	7.05 Concentration of Loans and Advances:		
a)	Loans and Advances to Institutions in which the Directors of the Bank have interest	-	4,848,204
b)	Advances to Managing Director & other Senior Executives	109,966,759	68,057,289
c)	Advances to Industries		
	Food	1,178,900,000	620,255,000
	RMG & Textile	696,500,000	791,812,000
	Jute, cotton and wearing apparels	5,318,100,000	3,796,578,000
	Leather and Leather products	24,100,000	21,544,000
	Paper, paper products & printing	893,500,000	896,411,000
	Wood and wood products	28,400,000	19,704,000
	Pharmaceuticals	71,300,000	63,812,000
	Plastic & Rubber	12,600,000	194,353,000
	Petroleum & Edible Oil	211,000,000	264,241,000
	Chemical & Chemical Products	329,200,000	230,433,000
	Glass & Glass products	40,050,000	132,832,000
	Assembling Industries	315,600,000	313,721,000
	Engineering, Metal & Metal products	1,436,000,000	989,977,000
	Non-metallic mineral products	131,150,000	5,291,000
	Electricity & Gas Industry	583,700,000	324,039,000
	Service Industries	240,100,000	331,025,000
	Small Scale & Cottage Industries	203,700,000	27,833,000
	Others	1,266,900,000	1,549,874,000
		12,980,800,000	10,573,735,000
IAS 1.77	7.06 Details of Large Loan		
	Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 3,969.33 million as at December 31, 2009 (BDT 2,888.33 million in 2008)		
	Number of Clients	27	23
	Amount of outstanding advances	913.50	1,040.84



Notes to the Financial Statements

Client wise details are given below

Name of the Clients	Outstanding (BDT in Crore)		Total (BDT in Crore)	Classification Status
	Funded	Non-Funded		
Jamuna Denims Ltd.	39.81	10.48	50.29	UC
City Seed Crushing Ind. Ltd.	40.77	0.84	41.61	UC
MSA Spinning Mills Ltd.	32.77	7.46	40.23	UC
Polo Composite Knit Industry Ltd.	16.08	27.54	43.62	UC
Tanveer Dal Mill & Flour Mills Ltd.	22.50	37.10	59.60	UC
PHP Corporation Ltd.	24.10	57.87	81.97	UC
Kabir Steel Re-Rolling Mills Ltd.	10.55	34.39	44.94	UC
Western Marine Shipyard Ltd.	37.17	5.96	43.13	UC
Apollo Ispat Complex Ltd.	33.00	3.52	36.52	UC
Hasan Flour Mills Ltd.	33.79	4.85	38.64	UC
Mannan & Brothers Ltd.	15.49	2.43	17.92	UC
Comet CNG Ltd.	27.16	3.73	30.89	UC
Lanka Bangla Finance Ltd.	25.23	0.71	25.94	UC
Ctg. Denim Mills Ltd.	14.14	5.47	19.61	UC
Dynasty Sweaters (BD) Ltd.	3.17	6.91	10.08	UC
R K Spinning Mills Ltd.	34.65	3.82	38.47	UC
Nasir Glass Industries Ltd.	17.66	2.38	20.04	UC
Roseburg Industries Ltd.	23.72	2.76	26.48	UC
A K Corporaton Ltd.	5.66	15.59	21.25	UC
TK Chemical Complex Ltd.	5.10	26.25	31.35	UC
MM Ispahani Ltd.	18.68	0.63	19.31	UC
MM Steel Galvanizing Plant Ltd.	36.84	2.03	38.87	UC
Modern Fiber Industries Ltd.	18.04	7.43	25.47	UC
MAF Newsprint Mills Ltd.	30.61	0.63	31.24	UC
Sanwara Dairy & Ind. Ltd.	14.56	-	14.56	UC
BRAC	22.37	-	22.37	UC
Tursa Trading Ltd.	39.10	-	39.10	UC
Total	642.72	270.78	913.50	

Ref.		2009 BDT	2008 BDT
IAS 1.77 7.07	Classification of Loans and Advances:		
	Unclassified (UC):		
	Standard	32,324,154,705	26,935,355,619
	Special Mention Account (SMA)	607,007,000	191,143,000
	Sub total	32,931,161,705	27,126,498,619
	Classified:		
	Substandard	62,223,000	249,453,000
	Doubtful	47,259,000	141,697,000
	Bad & Loss	843,280,000	1,011,697,000
	Sub total	952,762,000	1,402,847,000
	Total	33,883,923,705	28,529,345,619

IAS 37.85 7.08 **Details of Required Provision for Loans and Advances**

Particulars	Base for Provision	Rate	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	32,324,155,000	1%, 2% & 5%	355,700,000	358,200,000
Special Mention Account (SMA)	543,024,000	0% & 5%	30,400,000	30,400,000
Sub total			386,100,000	388,600,000
Classified:				
Substandard	54,864,000	5% & 20%	12,800,000	13,000,000
Doubtful	33,479,000	5% & 50%	19,900,000	20,000,000
Bad & Loss	635,956,000	100%	628,128,000	630,087,893
Sub total			660,828,000	663,087,893
Total			1,046,928,000	1,051,687,893
Excess/(short) provision at December 31, 2009				4,759,893



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 37.85	7.09	Details of required provision for Off Balance Sheet Items	
	Required provision on Off- Balance Sheet Exposures	87,100,000	108,132,000
	Total provision maintained (Note -12.02)	88,132,000	108,132,000
	Excess/(Short) Provision	1,032,000	-
7.10	Suits filed by the Bank (Branch wise details)		
	Name of the Branch	No. of Suits	
	Principal Branch	2	5,213,000
	Babu Bazar Branch	8	239,006,000
	Uttara Model Town Branch	1	661,000
	Dhanmondi Branch	2	3,600,000
	Agrabad Branch	5	317,078,000
	CDA Avenue Branch	1	188,407,000
	Khatungonj Branch	3	4,120,000
		758,085,000	688,623,000
IFRS 8.20	7.11	Geographical Location wise Loans and Advances Inside Bangladesh	
	Urban		
	Dhaka Division	24,030,350,650	19,655,226,075
	Chittagong Division	6,956,670,354	7,429,043,112
	Rajshahi Division	320,400,597	128,154,184
	Sylhet Division	588,650,453	292,366,000
	Khulna Division	226,340,381	-
	Barisal Division	-	-
		32,122,412,435	27,504,789,371
	Rural		
	Dhaka Division	1,076,710,385	673,350,135
	Chittagong Division	587,200,541	351,206,113
	Rajshahi Division	-	-
	Sylhet Division	-	-
	Khulna Division	-	-
	Barisal Division	97,600,344	-
		1,761,511,270	1,024,556,248
	Outside Bangladesh	-	-
		33,883,923,705	28,529,345,619
IFRS 8.20	7.12	Sector-wise Loans including Bills Purchased and Discounted	
	Public sector	223,500,000	178,456,218
	Co-Operative sector	54,400,000	36,012,367
	Private sector	33,606,023,705	28,314,877,034
		33,883,923,705	28,529,345,619
IAS 1.77	7.13	Particulars of Loans and Advances:	
	I) Debts considered good in respect of which the Bank is fully secured.	31,232,344,577	26,232,074,243
	II) Debts considered good for which the Bank holds no other security than the debtor's personal security.	31,818,325	14,192,305
	III) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.	1,666,998,803	880,232,071
	IV) Debts considered doubtful or bad, not provided for.	-	-



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
	V) Debts due by directors or officers of the Bank or any of them either severally or jointly with any other person.	150,250,871	77,869,635
	VI) Debts due by companies or firms in which the Directors of the Bank have interest as partners or managing agents or in case of private companies, as members.	-	4,848,204
	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.	164,602,236	82,627,627
	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.	-	8,137,772
	IX) Due from banking companies;	-	-
	X) Amount of classified loan on which interest has not been charged:		
	a. i)(Decrease)/ increase in provision,	(101,180,000)	569,844,000
	ii) amount of loan written off	368,367,487	-
	iii) amount realised against loan previously written off;	-	-
	b. Amount of provision kept against loan classified as 'bad & loss'	630,200,000	729,280,000
	c. Interest creditable to the interest Suspense A/C;	82,219,800	106,228,185
	XI) Cumulative amount of loans written off	368,367,487	-
	XII) Amount of loans written off during the year	368,367,487	-
	XIII) The amount of written off loan for which law suit has been filed	368,203,013	-
IAS 1.61	7.14 Maturity grouping of Bills Purchased and Discounted		
	Payable within one month	1,075,642,080	1,300,029,015
	More than one month but less than three months	836,610,507	1,101,951,173
	More than three months but less than six months	430,256,832	593,887,044
	More than or equal to six months	47,806,315	31,473,511
		2,390,315,734	3,027,340,743
IFRS 7.30	7.15 Listing of assets pledged as Security/Collaterals		
	Nature of Secured assets:		
	Gold & Gold Ornaments	3,118,000	-
	Shares & Securities	2,095,296,000	341,531,000
	Merchandise	4,100,048,000	5,708,722,000
	Machinery with other fixed assets and financial obligations	2,242,189,000	2,002,226,000
	Real estate with financial obligations	13,824,565,000	11,607,933,000
	Financial obligations only(Insurance policies, Savings certificates,Bank deposits etc)	2,180,974,000	1,780,294,000
	Miscellaneous:		
	i) Crops/stock of crops hypothecation	5,093,000	-
	ii) Guarantee of individuals/ Institutions	5,661,126,000	3,224,460,000
	iii) Others	3,771,514,705	3,864,179,619
	Without any security	-	-
		33,883,923,705	28,529,345,619

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 16.73 8.00	Fixed Assets including Premises, Furniture & Fixtures		
	Cost		
	Land	104,253,000	104,253,000
	Immovable Property	42,443,980	42,443,980
	Furniture & fixtures	50,544,587	43,137,806
	Interior decoration	143,134,464	92,459,289
	Office equipments	256,665,885	203,927,993
	Motor vehicles	31,680,487	37,455,487
	Books & Periodicals	423,619	371,789
	Leased Assets	23,755,000	-
	Total Cost Value	652,901,022	524,049,344
	Less Accumulated Depreciation	207,324,142	156,858,575
	Book Value at the end of the year 2009	445,576,880	367,190,769

Details are shown in Annexure-B

IAS 1.77 9.00	Other Assets		
	Classification of Other Assets		
	A) Income generating Other Assets		
	B) Non-Income generating Other Assets :	-	-
	i) Investments in Shares of Subsidiary Companies	-	-
	ii) Stationery, Stamps, Printing materials in stock etc.	11,428,461	7,393,354
	iii) Advance rent and advertisement	105,838,100	90,429,032
	iv) Interest accrued on Investment but not collected, commission and brokerage receivable on Shares and Debentures and other income receivable	-	-
	v) Security deposit	6,312,060	2,157,635
	vi) Preliminary, formation and organization expenses renovation/development expenses and prepaid expenses		
	vii) Branch Adjustment (Note-9.01)	389,535,456	31,341,849
	viii) Suspense Account (Note-9.02)	10,161,302	39,624,944
	ix) Silver	-	-
	x) Others (Note-9.03)	1,672,891,661	1,075,639,658
		2,196,167,040	1,246,586,472

IAS 1.78(b) 9.01 Branch Adjustment (net)

Entries	No. of entries outstanding as on 31-12-2009	BDT	BDT
Debit entries	1947	872,525,056	98,748,849
Credit entries	229	482,989,600	67,407,000
	2176	389,535,456	31,341,849

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

Period of Unreconciliation	Debit Entry		Credit Entry	
	No. of Entry	BDT	No. of Entry	BDT
Less than 3 months	1900	860,926,056	222	478,624,600
3 months to Less than 6 months	47	11,599,000	7	4,365,000
6 months to Less than 9 months	-	-	-	-
9 months to Less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	1,947	872,525,056	229	482,989,600



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.78	9.02	Suspense account represents expenses for advertisement, opening of new branch traveling expenses etc, awaiting for adjustment	
IAS 1.78(b)	9.03	Others	
		Advance Income Tax (Note-9.03.01)	1,364,881,935
		Adjusting A/C-Debit	1,017,307,466
		Clearing House Adjustment	45,553,232
		Payment Against Construction of Head Office	-
		Deferred Tax Assets (Note-9.03.02)	12,778,960
		Advance Salary	-
		Advances against Interior Decoration	-
		Advances to Employees	-
		Advances to Suppliers/Parties	-
		Total	1,075,639,658
IAS 1.77	9.03.01	Advance Income Tax	
		Opening Balance	1,017,307,466
		Add: Payment during the year	347,574,469
		Closing Balance	1,364,881,935
IAS 12.81(g) (i)	9.03.02	Deferred Tax Asset	
		Opening Balance	-
		Deferred Tax Income during the year	22,686,747
		Adjustment with Deferred Tax Liabilities	9,156,568
		Closing Balance	13,530,179
IAS 1.77	9.04	Classification of Other Asset	
		Unclassified	2,196,167,040
		Substandard	-
		Doubtful	-
		Bad & loss	-
		Total	1,246,586,472
IFRS 7.7	10.00	Borrowings From Other Banks, Financial Institutions & Agents:	
		In Bangladesh	3,550,000,000
		Outside Bangladesh	-
		Total	3,550,000,000
		In Bangladesh:	
		Borrowing from Bank:	
		The Trust Bank Ltd.	1,050,000,000
		United Commercial Bank Ltd.	300,000,000
		National Bank Ltd.	400,000,000
			350,000,000
		Repo of Treasury Bill/Bond	2,500,000,000
		Agrani Bank Ltd.	1,000,000,000
		Commercial Bank of Ceylon	500,000,000
		Bangladesh Bank	1,000,000,000
		Total	3,550,000,000
IAS 1.77	10.01	Security against Borrowings From Other Banks, Financial Institutions and Agents	
		Secured	2,500,000,000
		Unsecured	1,050,000,000
		Total	3,550,000,000

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.61	10.02 Maturity Grouping of Borrowings From Other Banks, Financial Institutions & Agents:		
	On Demand	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 year but within ten years	-	-
		3,550,000,000	-
IFRS 7.7	11.00 Deposits and Other Accounts		
	From Banks (Note 11.01)	566,431,597	1,339,998,791
	From Customers (Note 11.02)	41,787,634,310	32,480,408,715
		42,354,065,907	33,820,407,506
IAS 1.77	11.01 Deposits From Banks		
	Short Term Deposits (STD)		
	Name of the Banks		
	Pubali Bank Ltd.	203,938,380	1,291
		203,938,380	1,291
	Sub-total		
	Fixed Deposits Receipts (FDR)		
	Name of the Banks:		
	Sonali Bank Ltd.	-	200,000,000
	Basic Bank Ltd.	-	400,000,000
	United Commercial Bank Ltd.	-	350,000,000
	Janata Bank Ltd.	-	200,000,000
	Standard Chartered Bank	150,000,000	150,000,000
	Bangladesh Shilpa Rin Sangstha	112,503,217	39,997,500
	Dhaka Bank Ltd.	99,990,000	-
	Sub-total	362,493,217	1,339,997,500
	Total	566,431,597	1,339,998,791
IAS 1.77	11.02 Customer Deposits and Other Accounts:		
	Current Deposits & Other Accounts :		
	Current Deposits	1,964,233,477	1,808,653,222
	Short Term Deposits	2,303,709,355	2,058,601,118
	Foreign Currency Deposits	90,299,130	99,825,321
	Non-Resident Taka account	460,961,369	68,339,430
	Sundry Deposit	1,488,014,646	1,384,475,077
		6,307,217,977	5,419,894,168
	Bills Payable:		
	Payment Order Issued	474,661,581	396,002,965
	Pay Slip Issued	6,302,084	16,059,458
	Demand Draft Payable	47,990,272	35,409,915
		528,953,937	447,472,338
	Savings Deposits	5,104,087,897	2,943,076,237
	Fixed Deposits	25,866,571,939	21,020,680,289
	Deposit-Products:		
	Brick by Brick	1,628,174,947	1,147,307,656
	Save Everyday Deposit	957,043	965,243
	Festival Savings Plan	13,441,058	11,324,631
	Children Education Deposit Scheme	6,430,338	9,028,069
	Best invest Deposit	87,173,857	86,240,110
	Unique Savings Plan	13,342,707	8,985,388
	MTB 1.5 Times Benefit Plan	3,735,071	-
	MTB Double Saver Plan	1,540,603,478	958,519,690
	MTB Triple Saver Plan	173,351,987	77,989,740
	MTB Millionaire Plan	271,957,153	130,151,897
	MTB Education Plan	31,038,771	5,985,568
	MTB Monthly Benefit Plan	209,066,755	212,787,691
	MTB Quarterly Benefit Plan	1,529,395	-
		3,980,802,560	2,649,285,683
	Total	41,787,634,310	32,480,408,715



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.61 11.03	Maturity Grouping of Deposits and Other Accounts:		
	On Demand	5,542,660,840	5,867,432,516
	Repayable within one month	12,619,120,889	5,269,605,339
	More than one month but within six months	13,955,431,536	10,656,349,384
	More than six months but within one year	6,120,025,145	8,791,066,030
	More than one year but within five years	2,549,932,907	1,138,638,979
	More than five year but within ten years	1,504,620,174	2,097,315,258
	More than ten years	62,274,416	-
		42,354,065,907	33,820,407,506
IAS 1.77 11.04	Demand & Time Deposit		
	a) Demand Deposits	4,991,830,470	4,073,642,249
	Current Deposits	1,964,233,477	1,808,653,222
	Savings Deposits (9%)	459,367,911	264,876,861
	Foreign Currency Deposit non interest bearing	90,299,130	99,825,321
	Non Resident Taka Deposits	460,961,369	68,339,430
	Sundry Deposits	1,488,014,646	1,384,475,077
	Bills Payable	528,953,937	447,472,338
	b) Time Deposits	37,362,235,437	29,746,765,257
	Saving Deposit (91%)	4,644,719,986	2,678,199,376
	Fixed Deposit	26,229,065,156	22,360,677,789
	Short Term Deposit	2,507,647,735	2,058,602,409
	Deposit Under Scheme	3,980,802,560	2,649,285,683
	Total Demand & Time Deposits	42,354,065,907	33,820,407,506
IFRS 8.20 11.05	Sectorwise Deposits		
	Governments	84,689,000	116,174,000
	Deposit Money Banks	566,431,597	1,339,998,791
	Autonomus & Semi-Autonomous Bodies	753,205,000	234,794,000
	Public Non-Financial Organisation	1,961,423,000	1,451,900,000
	Other Public	775,602,000	471,520,000
	Foreign Currency	90,299,130	99,825,321
	Private	38,122,416,180	30,106,195,394
		42,354,065,907	33,820,407,506
IAS 1.77 12.00	Other Liabilities		
	Provision for Loans and Advances (Note 12.01)	1,051,687,893	1,127,940,772
	Provision for Off Balance Sheet Items (Note 12.02)	88,132,000	108,132,000
	Provision for Other Assets	-	-
	Provision against shares in quoted companies (Note 12.03)	3,823,324	3,823,324
	Interest Suspense (Note 12.04)	140,395,441	195,082,720
	Exchange Equalization Fund	33,684	33,684
	Short term liabilities to Banks Abroad (Note 12.05)	-	28,180,851
	Export Development Fund	34,042,897	7,900,833
	Provision for Tax (Note 12.06)	1,707,224,878	1,113,224,878
	Deferred Tax Liability (Note 12.07)	-	9,156,568
	Provision for Gratuity (2.12.2-b)	63,161,308	5,000,000
	Provision for Audit Fees	400,000	200,000
	Provision for Bonus	62,865,752	32,008,000
	Contribution to MTB Foundation	1,000,000	1,000,000
	Contribution to MTB Employees Death Benefit Scheme	2,000,000	-
	Contribution to MTB Employees Welfare Fund	2,500,000	-
	Contribution to MTB Employees Medical Assistance Fund	2,500,000	-
	Adjusting A/C Credit	3,901,353	1,150,032
	Revaluation Gain on HFT Securities	-	28,638,257
	Liabilities under Finance Lease	22,522,519	-
		3,186,191,049	2,661,471,919

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 37.84 12.01	Provision for Loans and Advances For Unclassified		
	Opening balance	298,610,000	331,000,000
	Add: Provision made during the year	89,982,078	-
	Less: Provision transferred to Classified Loans and advances	-	32,390,000
	Closing Balance	388,592,078	298,610,000
	For Classified		
	Opening balance	829,330,772	217,429,923
	Add: Provision made during the year	145,017,922	579,600,000
	Add: Provision transferred from Off Balance Sheet Items	20,000,000	32,390,000
	Less: Adjustment during the year	432,827	89,151
	Less: Loan written off during the year	330,820,052	-
	Closing Balance	663,095,815	829,330,772
		1,051,687,893	1,127,940,772
IAS 37.84 12.02	Provision for Off Balance Sheet Items		
	Opening balance	108,132,000	55,000,000
	Add: Provision made during the year	-	53,132,000
	Less: Provision transferred to Classified loans and Advances	20,000,000	-
	Closing Balance	88,132,000	108,132,000
IAS 37.84 12.03	Provision against Shares in quoted companies		
	Opening balance	3,823,324	-
	Add: Provision made during the year	-	3,823,324
	Less: Adjustment made during the year	-	-
	Closing Balance	3,823,324	3,823,324
IAS 37.84 12.04	Interest Suspense Account		
	Opening balance	195,082,720	123,641,438
	Add: Addition during the year	-	71,441,282
	Less: Adjustment made during the year	54,687,279	-
	Closing Balance	140,395,441	195,082,720
IAS 37.84 12.05	Short Term Liabilities to Banks Abroad		
	Name of the Bank	Transaction Currency	
	Standard Chartered Bank	USD	25,231,500
	WACHOVIA	USD	1,864,009
	Commerze Bank	EUR	1,085,342
			28,180,851
IAS 37.84 12.06	Provision for Tax		
	Opening Balance	1,113,224,878	861,884,994
	Add: Provision made during the year	594,000,000	251,339,884
		1,707,224,878	1,113,224,878
Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .			
IAS 12.81 (g) (i) 12.07	Deferred Tax Liability		
	Opening Balance	9,156,568	6,994,662
	Less: Adjustment during the year	9,156,568	2,161,906
	Closing Balance	-	9,156,568
IAS 1.79 13.00	Capital		
IAS 1.79(a)(i) 13.01	Authorised Capital:	3,800,000,000	3,800,000,000
	38,000,000 ordinary shares of Tk.100 each		
IAS 1.79 (a)(ii) 13.02	Issued, Subscribed and Paid-up Capital:		
	The issued, subscribed and paid-up capital of the Bank as on December 31, 2009 is BDT 1,766,318,400 divided into 17,663,184 Ordinary shares and as on December 31, 2008 was BDT 1,496,880,000 divided into 14,968,800 Ordinary shares of BDT 100.00 each as follows:		
	6,000,000 Ordinary shares (2008: 6,000,000 Ordinary shares) of BDT 100.00 each issued.	600,000,000	600,000,000
	9,168,384 Ordinary shares (2008: 9,168,384 Ordinary shares) of BDT 100.00 each issued as bonus shares	916,838,400	647,400,000
	2,494,800 Ordinary shares of BDT 100.00 each issued as Rights Shares	249,480,000	249,480,000
		1,766,318,400	1,496,880,000



Notes to the Financial Statements

Ref.			2009 BDT	2008 BDT	
IAS 1.79(a)(iii) 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 in capital	Cumulative
	Up to 2002	Initial Paid-up capital	2,000,000	200,000,000	200,000,000
	2003	IPO & Pre-IPO	4,000,000	400,000,000	600,000,000
	2003-Bonus	20%	1,200,000	120,000,000	720,000,000
	2004-Bonus	20%	1,440,000	144,000,000	864,000,000
	2005-Bonus	10%	864,000	86,400,000	950,400,000
	2006-Bonus	5%	475,200	47,520,000	997,920,000
	2007-Bonus	25%	2,494,800	249,480,000	1,247,400,000
	2008-Right	20%	2,494,800	249,480,000	1,496,880,000
	2008-Bonus	18%	2,694,384	269,438,400	1,766,318,400
			17,663,184	1,766,318,400	

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

	December 31, 2009		
	No. of shares	Value of shares BDT	% of holding
Sponsors	7,345,382	734,538,200	41.59%
Financial Institutions	5,452,387	545,238,700	30.86%
General	4,865,415	486,541,500	27.55%
	17,663,184	1,766,318,400	100%

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

There is a surplus of BDT 952.56 million in the capital fund of the Bank as on 31 December 2009 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	30,167.74	27,810.94
Required Capital: 10% of total risk weighted assets	3,016.77	2,781.09
Actual capital maintained		
Core Capital (Tier-I):		
Paid up Capital	1,766.32	1,496.88
Statutory Reserve	980.33	701.94
General Reserve	161.78	87.89
Retained Earnings	392.22	193.32
	3,300.64	2,480.03
Supplementary Capital (Tier-II):		
General Provision including Off Balance Sheet items	476.72	406.74
Revaluation Reserves on Investments in Securities	191.93	1.53
Exchange Equalization (Note 12)	0.03	0.03
	668.69	408.30
Total Capital(Tier-I+Tier-II)	3,969.33	2,888.33
Surplus	952.56	107.24
Capital Adequacy Ratio	13.16%	10.39%

13.05.01 **Capital Requirement**

	2009		2008	
	Required	Held	Required	Held
Tier-I	5.00%	10.94%	5.00%	8.92%
Tier-II	-	2.22%	-	1.47%

Notes to the Financial Statements

13.06 Computation of Risk- Weighted Assets

	2009		
	Balance of assets as on 31.12.2009 (net) (figure in '000)	Risk weighted factor	Risk weighted balance as at 31.12.2009 (figure in '000')
Cash in Hand & Balance with banks (except banks abroad)	5,372,647	0%	-
Balance with Other Financial Institution-Private	1,009,051	20%	201,810
Money at call and short notice (Deposit money bank)	-	0%	-
Foreign Currency Balance Held	9,985	0%	-
Balance with banks abroad	270,091	0%	-
Foreign currency clearing A/C balances with Bangladesh Bank	49,351	0%	-
Export and other Foreign Bills	313,081	50%	156,541
Import and Inland bills-Private sector	3,043,400	100%	3,043,400
Advances:			-
Other Financial Institutions-Private	2,497,937	50%	1,248,969
Private sector	22,770,607	100%	22,770,607
Investments:			-
Governments	8,961,988	0%	-
Other Financial Institutions-Private	291,327	50%	145,664
Other non financial Public enterprises	185,951	50%	92,976
Private sector	78,000	100%	78,000
Deposit money Bank	20,708	20%	4,142
Head office and Inter Branches Adjustments	389,535	0%	-
Contingent assets as per contra	3,557,670	50%	1,778,835
Fixed Assets	445,577	50%	222,789
Other	424,009	100%	424,009
	49,690,915		30,167,739

13.07 Minimum Capital Requirement Under Basel II

Minimum Capital Requirement (MCR) Under Risk Based Capital Adequacy			
Item no.	Sl.	Particulars	BDT in Million
1	A	Eligible Capital:	
2	1	Tier-1 (Core Capital)	3,300.64
3	2	Tier-2 (Supplementary Capital)	668.69
4	3	Tier-3 (Eligible for Market Risk only)	0.00
5	4	Total Eligible Capital (1+2+3):	3,969.33
6	B	Total Risk Weighted Assets (RWA):	43,152.60
7	C	Capital Adequacy Ratio (CAR) (A4 / B)*100	9.20%
8	D	Core Capital to RWA (A1 / B)*100	7.65%
9	E	Supplementary Capital to RWA (A2 / B)*100	1.55%
10	F	Minimum Capital Requirement (MCR) as on December 31, 2009	43,15.26

IAS 1.79 13.08 Distribution Schedule of Shareholders by holdings as on December 31, 2009

	December 31, 2009		
	No. of Shareholders	Value of shares in Taka	Total Holdings %
Holdings			
Less than 500 shares	10,115	913,207	5.17%
500 to 5,000 shares	1,295	1,662,249	9.41%
5,001 to 10,000 shares	70	498,137	2.82%
10,001 to 20,000 shares	39	572,526	3.24%
20,001 to 30,000 shares	22	521,528	2.95%
30,001 to 40,000 shares	8	258,793	1.47%
40,001 to 50,000 shares	6	275,202	1.56%
50,001 to 100,000 shares	28	1,960,917	11.10%
100,001 to 1,000,000 shares	31	8,480,611	48.01%
Over 1,000,000 shares	2	2,520,014	14.27%
Total	11,616	17,663,184	100%



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.77	14.00 Statutory Reserve		
	Opening Balance	701,941,901	590,235,286
	Add: Transferred during the year (20% of pretax profit)	278,383,710	111,706,615
	Closing Balance	<u>980,325,611</u>	<u>701,941,901</u>
IAS 1.77	15.00 General Reserve		
	Opening Balance	87,891,054	105,679,443
	Add: Transferred from Profit and Loss A/C	150,000,000	-
	Less: Issued bonus share	76,113,730	17,788,389
	Closing Balance	<u>161,777,324</u>	<u>87,891,054</u>
IAS 1.77	16.00 Retained Earnings:		
	Opening Balance	193,324,670	131,691,609
	Less: Bonus Shares Issued during the year	193,324,670	131,691,609
	Less: Transferred to General Reserve	150,000,000	-
	Add: Profit made during the year	820,605,298	305,031,285
	Less: Transferred to Statutory Reserve	278,383,710	111,706,615
	Closing Balance	<u>392,221,588</u>	<u>193,324,670</u>
IAS 37.86	17.00 Contingent Liabilities & Commitments		
	Letters of Guarantee (Note 17.03)	3,243,533,864	3,176,517,832
	Letters of Credit:		
	Letters of Credit (Cash)	2,323,891,412	2,846,126,123
	Letters of Credit (Back to Back)	544,934,830	685,343,000
	Letters of Credit (EDF)	-	-
	Letters of Credit (Deferred)	42,384,360	30,401,100
	Letters of Credit (Inland)	78,685,000	107,802,000
		2,989,895,602	3,669,672,223
	Bills for collection:		
	Inland	42,196,746	31,290,319
	Foreign	4,750,533	4,960,533
	LDBC	219,238,267	297,100,050
	FDDB	494,028,762	321,203,857
		760,214,308	654,554,759
	Other Contingent Liabilities :		
	IIFDBC (Back to Back)	1,555,146,600	2,132,546,700
	IFDBC (Cash)	860,173,000	1,764,868,500
	Accepted Bill (Inland)	4,895,000	-
	Accepted Bill (Foreign)	57,737,000	69,551,000
	Contingent Tax Liability (Note 17.01)	221,080,000	-
	Loan written off (Note 17.02)	368,367,487	-
		3,067,399,087	3,966,966,200
		10,061,042,861	11,467,711,014
IAS 37.86	17.01 Contingent Tax Liability		
	This contingent liability includes tax liability arises for the following years'tax file reopened by the tax authority for which Bank has appealed to the appropriate authority for relieving the liability on the basis of logical ground.		
	Income year	Assessment year	Tax(BDT in Million)
	2003	2004-05	11.25
	2004	2005-06	25.88
	2005	2006-07	12.38
	2006	2007-08	42.75
	2007	2008-09	128.82
			<u>221.08</u>
17.02	Loan written off		
	During the year, Loans and Advances of 7 (Seven) clients/ parties have been written off without absolving their liabilities against which legal proceedings is going on for recovery.		
17.03	Letters 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	2,803,853,784	2,709,954,890
	Bank and other Financial Institutions	642,000	1,546,258
	Others	439,038,080	465,016,684
		3,243,533,864	3,176,517,832
	Less: Margin	1,409,059,919	1,552,277,376
		1,834,473,945	1,624,240,456
	iii) Liability on Account of Bills Re-Discounted	-	-
	iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
		1,834,473,945	1,624,240,456

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
17.04	Segregation of Commitment by Type		
	Documentary Credit and Short Term Business Related Transaction	2,989,895,602	3,669,672,223
	Forward Asset Purchase and Forward Deposit	-	-
	Endorsed formal standby facilities, Credit facilities and other commitments:		
	Less than one year	6,310,932,951	7,143,484,032
	One year and above	-	-
	Spot and Forward Foreign Exchange Rate Contract	-	-
	Other Exchange Contract	-	-
	Others	760,214,308	654,554,759
		10,061,042,861	11,467,711,014
IAS 1.97	18.00 Income Statement		
	Income:		
	Interest, Discount and Similar Income	5,094,130,278	3,977,473,697
	Dividend income	10,375,248	5,656,000
	Fee, Commission and Brokerage	418,217,312	301,687,762
	Gain less losses arising from dealing securities	-	-
	Gain less losses arising from investment securities	32,460,821	1,427,334
	Gain less losses arising from dealing in Foreign Currencies	245,132,338	215,825,034
	Income from Non-Banking Assets	-	-
	Other Operating Income	153,054,820	134,414,800
	Profit less losses on interest Rate Changes	-	-
		5,953,370,817	4,636,484,627
	Expenses		
	Interest, Fee and Commission	3,409,350,043	2,792,584,222
	Losses on Loans and advances	-	-
	Administrative expenses	677,029,248	457,080,830
	Other operating expenses	186,948,837	148,579,803
	Depreciation on Banking Assets	53,124,138	43,151,375
		4,326,452,266	3,441,396,230
	Operating profit	1,626,918,551	1,195,088,397
IFRS 7.20(b)	19.00 Interest Income		
	Loans and Advances (Note-19.01)	4,117,680,330	3,437,320,583
	Money at call and short notice	27,292,820	4,664,639
	Balance with Other Banks and Financial institutions (Note-19.02)	134,519,615	77,083,470
	Bangladesh Bank Foreign Currency Clearing Accounts	7,074	10,650,000
		4,279,499,839	3,529,718,692
	19.01 Interest on Loans and Advances		
	Term Loans	934,855,655	645,495,889
	Small and Medium Enterprise Financing	64,970,495	28,948,464
	Consumer Financing	53,670,435	53,128,352
	General Loans	59,800,578	52,802,086
	Demand Loans	13,972,848	10,983,322
	Payment Against Documents(PAD)	200,749,710	256,613,558
	Trust Receipts	948,368,734	935,227,707
	Best investment Loans	2,558,435	3,783,001
	Lease Finance (Note-7.03)	36,254,218	32,230,847
	Export Development Fund	4,387	6,307
	House Building Loans	212,638,082	100,363,864
	Cash Credit	673,825,324	582,709,221
	Secured Overdraft	578,938,808	404,605,892
	Bills Purchased and Discounted	336,183,975	329,630,816
	Other Loans and Advances	888,646	791,258
		4,117,680,330	3,437,320,583
	19.02 Interest on Balance with other Banks and Financial Institutions		
	Interest on Balance with other banks in Bangladesh	128,119,615	57,253,471
	Interest on Balance held with banks outside Bangladesh	6,400,000	19,830,000
		134,519,615	77,083,471
IFRS 7.20(b)	20.00 Interest paid on Deposit & Borrowing etc.		
	Interest on Deposits and other accounts (20.01)	3,401,161,299	2,695,254,716
	Interest on Borrowings from other banks and Financial Institutions	8,188,744	97,329,506
		3,409,350,043	2,792,584,222



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
20.01	Interest on Deposits and other accounts		
	Savings Deposits	159,690,543	116,407,776
	Short Term Deposits	118,043,386	93,189,295
	Fixed Deposits	2,765,470,095	2,247,620,332
	Deposit-Products	357,957,275	238,037,313
		3,401,161,299	2,695,254,716
IAS 18.35	21.00 Income from Investments		
	Interest on Treasury Bills	136,771,502	201,868,964
	Interest on Treasury Bonds	671,954,625	244,372,452
	Reverse REPO	-	525,412
	Gain on Investment in shares of quoted companies	32,460,821	1,427,334
	Dividend on Investment in Shares	10,375,248	5,656,000
	Other Investment	5,904,312	988,177
		857,466,508	454,838,339
IFRS 7.20(c)	22.00 Commission, Exchange & Brokerage		
	Commission (Note-22.01)	245,125,601	260,965,328
	Exchange	245,132,338	215,825,034
	Brokerage	173,091,711	40,722,434
		663,349,650	517,512,796
IFRS 7.20 (c)	22.01 Commission		
	Letters of Guarantee	27,528,529	34,349,280
	Letters of Credit	112,468,680	121,431,821
	Acceptance of Bills	13,606,157	20,804,811
	LC Advising	8,899,216	7,655,135
	Export Bills	17,038,312	15,290,516
	PO, DD & TT	7,688,238	8,007,899
	Exchange Houses	1,036,705	1,758,770
	Foreign Remittance	2,397,218	1,950,627
	On-line Service	5,003,484	4,177,277
	IBP/FBP/IDBP	753,715	433,447
	FDBC/IFDBC/LDBC	45,778,307	42,575,404
	OBC/IBC	2,927,040	2,312,544
	Sales and Purchases of Shares	-	162,563
	Underwriting	-	53,847
	Others	-	1,388
		245,125,601	260,965,328
IAS 1.97	23.00 Other Operating Income		
	Postage charge recoveries	11,840,008	15,493,823
	Telephone & Telegram charge recoveries	1,331	9,891
	Handling charges	11,332,582	12,649,236
	VISA ATM	669,340	399,378
	VISA POS	580,316	182,088
	Service Charges	75,021,826	57,786,993
	SWIFT Charge recoveries	12,440,679	10,915,238
	DP Income	546,926	2,861,007
	Locker Rent	630,031	684,675
	Miscellaneous Earnings	39,991,781	29,106,794
		153,054,820	130,089,123
IAS 1.104	24.00 Salary & Allowances		
	Basic Pay	163,539,024	121,438,013
	Allowances	142,085,253	100,448,527
	Bonus	88,738,725	51,999,308
	Gratuity	63,161,308	5,000,000
	Daily Wages	484,690	286,851
	Leave Fare Assistance	17,860,118	13,223,079
	Provident Fund	15,136,097	10,608,287
		491,005,215	303,004,065
IAS 1.97	24.01 Managing Director's Remuneration		
	Basic	4,088,333	2,700,000
	House Rent	1,078,333	900,000
	House Maintenance	640,000	-
	Entertainment	160,333	300,000
	Utility	75,000	300,000
	Security and personal wages	298,667	-
	Provident Fund	341,333	-
		6,681,999	4,200,000
IAS 1.97	25.00 Rent, Tax, Insurance, Electricity etc.		
	Rent	79,778,510	61,417,641
	Rates & taxes	765,305	557,959
	Insurance	19,206,061	14,662,249
	Power and electricity	15,513,484	11,203,120
	Lease Rent	969,329	0
		116,232,689	87,840,969

Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 1.97	26.00 Postage, Stamps & Telephone etc		
	Postage/Courier Service	5,357,110	5,510,740
	Fax & e-mail	1,090,904	824,520
	On-line charges	15,743,416	16,945,879
	Telephone	5,283,276	5,007,040
		27,474,706	28,288,179
IAS 1.97	27.00 Printing, Stationery, Advertisement etc.		
	Printing & Security Stationery	9,572,857	11,368,864
	Computer Stationery	5,214,646	4,555,127
	Petty & Table Stationery	4,992,689	3,490,043
	Publicity & Advertisement	13,766,240	8,061,688
		33,546,432	27,475,722
IAS 1.97	28.00 Directors Fees		
	Meeting fees	632,000	596,000
	Other benefit	-	-
		632,000	596,000
IAS 1.104	29.00 Depreciation on & Repairs to Bank's Property		
	Depreciation:		
	Immovable Property	1,039,718	483,001
	Furniture & Fixtures	3,690,398	3,299,050
	Interior Decoration	10,376,711	6,787,433
	Office Equipments	32,011,362	25,599,039
	Motor Vehicles	4,408,001	6,949,347
	Books & Periodicals	35,975	33,505
	Leased Assets	1,561,973	-
		53,124,138	43,151,375
	Repairs on Bank's property	5,847,067	4,721,578
		58,971,205	47,872,953
IAS 1.97	30.00 Other Expenditure		
	Security & Auxiliary Service	27,067,293	18,502,227
	Office Cleaning & Maintenance	9,881,343	6,806,692
	Car expenses	32,831,167	24,930,168
	Entertainment	6,487,640	4,986,996
	Newspaper & Periodicals	559,902	395,164
	Clearing House Expenses	265,490	128,823
	Traveling & Conveyance	10,077,045	8,672,256
	Foreign Bank Charges	1,259,765	1,568,389
	Training/ Seminar Participation	4,152,739	1,479,546
	Professional Fees	739,254	1,299,870
	AGM Expenses	1,920,445	2,882,250
	Utility	662,622	500,461
	Subscription & Donation	12,015,772	4,487,172
	VISA expenses	5,747,880	5,702,340
	Router Charge	1,168,044	994,852
	CDBL Charges	12,443,555	3,869,279
	Fees & Registration	5,334,830	5,696,038
	Business Development Expenses	7,680,450	3,902,459
	Promotional & Development Expenses	20,508,960	36,812,516
	Branch Opening Expenses	3,365,621	1,145,407
	Contribution to MTB Foundation	1,000,000	1,000,000
	MTB Employees Death Benefit Fund	2,000,000	-
	Employees Welfare Fund	2,500,000	-
	Employees Medical Assistance Fund	2,500,000	-
	Honorarium	35,500	397,950
	Cash Carrying Expenses	5,123,864	4,788,190
	Right Issue Expenses	-	733,699
	Site Maintenance & Support Service	51,414	-
	Miscellaneous Expenses	3,721,175	2,571,381
		181,101,770	144,254,125
IAS 37.84	31.00 Provision Against Loans and Advances During the Year		
	Provision for Classified Loans & Advances	145,017,922	579,600,000
	Provision for Unclassified Loans and Advances	89,982,078	-
	Provision for Off Balance Sheet Items	-	53,132,000
	Total amount of provision made during the year	235,000,000	632,732,000



Notes to the Financial Statements

Ref.		2009 BDT	2008 BDT
IAS 37.84	32.00 Provision for Tax		
	Provision for corporate tax in respect of the year:		
	Current tax	594,000,000	251,339,884
	Deferred tax	(22,686,747)	2,161,906
	Total	571,313,253	253,501,790
IAS 33.70	33.00 Earning Per Share (EPS):		
	Net Profit after tax (BDT)	820,605,298	305,031,285
	Number of ordinary shares outstanding(2008:Adjusted for bonus share)	17,663,184	17,663,184
	Earning Per Share (EPS)	46.46	17.27
Earnings per share has been calculated in accordance with BAS-33:" Earnings Per Share (EPS). Previous year's figures have been adjusted for the issue of 18% Bonus shares(for 2008) during the year			
IAS 7.14(b)	34.00 Received from Other Operational Income:		
	Exchange	233,484,609	201,519,971
	Postage charge recoveries	11,840,008	15,493,823
	Telephone and Telegram charge recoveries	1,331	9,891
	Handling charge	11,332,582	12,649,236
	Service charge	75,021,826	57,786,993
	SWIFT charge recoveries	12,440,679	10,915,238
	DP income	546,926	2,861,007
	Locker rent	630,031	684,675
	VISA ATM	669,340	399,378
	VISA POS	580,316	182,088
	Miscellaneous income	39,991,781	29,106,794
		386,539,429	331,609,094
IAS 7.14(c)	35.00 Payment for Other Operational Expenses:		
	Rent, Tax, Insurance, Electricity etc.		
	Legal expenses	116,232,689	87,840,969
	Postage, Stamps, Telegram & Telephone etc.	1,056,207	754,317
	Audit fee	27,474,706	28,288,179
	Printing, Stationery, Advertisement etc.	400,000	200,000
	Directors fee	33,546,432	27,475,722
	Repair & Maintenance	632,000	596,000
	Other expenditure	5,847,067	4,721,578
		173,101,770	143,254,126
		358,290,871	293,130,891
36.00	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 were 841.		
37.00	No. of Branches	44	36
38.00	No. of Meetings		
	Board meetings	14	15
	Executive Committee meetings	1	5
39.00	Assets pledged as security for liabilities as on 31 December 2009 is BDT 2,730,500,000 of Treasury Bill and Bond against Repurchase agreement		
40.00	No asset has been sold during the year 2009,except motor vehicles provided to the executive after receiving book value as per Bank's car facility scheme.		
41.00	Auditors Work Hour		
	The external auditors of the Bank, Hoda Vasi Chowdhury & Co., Chartered Accountants covered 80% of the Bank's risk weighted assets and has spent around 3,600 man-hours to complete the audit as per Bangladesh Standard on Auditing (BSA).		

Notes to the Financial Statements

IAS 1.77 42.00 Related Party Disclosure

IAS 24.12 42.01 Name of Directors and their shareholdings as on December 31,2009

Name	December 2009			
	Designation	No. of Shares Held	BDT	Holding %
ASTRAS Limited represented by Mr. Samson H Chowdhury	Chairman	441,579	44,157,900	2.50%
Advanced Chemical Industries Ltd. represented by Dr. Arif Dowla	Vice Chairman	588,772	58,877,200	3.33%
Mr. Syed Manzur Elahi	Director	603,492	60,349,200	3.42%
Mr. Hedayetullah	Director	99,022	9,902,200	0.56%
East West Properties Development Ltd. represented by Mr. Kh. Rashiduzzaman	Director	238,772	23,877,200	1.35%
Al-haj Syed Abul Hossain	Director	588,772	58,877,200	3.33%
Mr. M. A. Rouf	Director	303,536	30,353,600	1.72%
Mr. Md. Abdul Malek	Director	203,637	20,363,700	1.15%
Associated Builders Corporation Ltd. represented by Mr. Rashed Ahmed Chowdhury	Director	883,159	88,315,900	5.00%
Mrs. Yasmeen Haque	Director	113,033	11,303,300	0.64%
Mr. A.F.M. Mahfuzul Hasan	Director	30,090	3,009,000	0.17%
Mr. Md. Wakiluddin	Director	265,323	26,532,300	1.50%
Mr. Saidur Rahman Ratan (Late)	Director	120,875	12,087,500	0.68%
		4,480,062	448,006,200	25.34%

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

IAS 24.17 42.02 Related Party Transactions

Name of Party	Related With	Transactions Nature	Outstanding amount in Taka	Remarks
Apex Tannery Ltd.	Mr Syed Manzur Elahi, Director & Mr Hedayetullah Director	Bank Guarantee	371,934	FDR
Mrs. Rozina Afroz	Mr. Md. Wakiluddin	GHL	7,707,867	Land & Building
Mrs. Banasa Khatun	Mr. Md. Wakiluddin	GHL	1,517,547	Land & Building

42.03 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 Ltd.	Pabna Branch	Samson H Chowdhury, Chairman	Approved by Bangladesh Bank
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin and Mr. Md.Saidur Rahman Ratan (Late)	-

42.04 Shares issued to Directors and Executives without consideration or exercisable at a discount NIL

42.05 Lending Policies to related parties

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

43.00 Financial Highlights as of 31 December 2009 shown under Annexure- D


Samson H Chowdhury
Chairman


Dr. Arif Dowla
Vice Chairman


Syed Manzur Elahi
Director


Anis A. Khan
Managing Director & CEO



Annexure - A

Mutual Trust Bank Limited Investment in Quoted Shares As on December 31, 2009

Sl#	Name of Company	No. of Shares Held	Face Value Per Share	Cost Holding	Average Cost	Quoted rate per share as on Dec 31, 2009	Total Market Value of share as at Dec 31, 2009	Unrealised Gain/(Loss)
01	ACI Limited	8,650	10	3,820,705.00	441.70	446.90	3,865,685.00	44,980.00
02	Ambee Pharma	50	10	12,855.00	257.10	209.40	10,470.00	(2,385.00)
03	Apex Adelchi Footwear	6,480	100	14,545,005.00	2,244.60	2,583.25	16,739,460.00	2,194,455.00
04	Apex Tannery Ltd	1,220	100	1,421,422.00	1,165.10	1,192.50	1,454,850.00	33,428.00
05	BATBC	60,000	10	20,320,916.00	338.68	409.40	24,564,000.00	4,243,084.00
06	Bay Leasing & Inv. Ltd.	300	100	498,990.00	1,663.30	1,721.50	516,450.00	17,460.00
07	Desco Ltd.	12,810	100	16,640,433.00	1,299.02	1,505.75	19,288,657.50	2,648,224.50
08	Islami Bank BD Ltd.	650	100	355,225.00	546.50	591.00	384,150.00	28,925.00
09	Lafarge Surma Cement	7,650	100	3,981,825.00	520.50	505.00	3,863,250.00	(118,575.00)
10	Meghna Cement	3,500	100	4,488,050.00	1,282.30	1,304.00	4,564,000.00	75,950.00
11	Navana CNG Limited	27,400	10	5,865,518.00	214.07	191.10	5,236,140.00	(629,378.00)
12	Peoples Leasing	1,500	100	990,150.00	660.10	657.75	986,625.00	(3,525.00)
13	Phoenix Insurance	820	100	556,288.0	678.40	781.00	640,420.00	84,132.00
14	Pioneer Ins Co. Ltd	1,000	100	791,000.00	791.00	1,058.00	1,058,000.00	267,003.00
15	Power Grid Co. of BD	4,600	100	3,321,752.00	722.12	723.25	3,326,950.00	5,201.00
16	Shahjalal Islami Bank	6,208	100	2,315,758.00	373.03	382.50	2,374,560.00	58,805.00
17	Social Inv. Bank Ltd.	50	100	13,995.00	279.90	308.00	15,400.00	1,408.00
18	Square Pharma	2,171	100	6,256,158.00	2,881.69	2,876.25	6,244,338.75	(11,816.25)
19	Square Textile Ltd	14,150	10	1,563,575.00	110.50	111.40	1,576,310.00	12,738.00
20	Standard Bank Ltd.	2,300	100	705,640.00	306.80	332.25	764,175.00	58,538.00
21	Summit Power Ltd.	21,450	100	27,887,062.00	1,300.10	1,211.00	25,975,950.00	(1,911,109.00)
22	Titas Gas T&D Co. Ltd	39,600	100	27,653,015.00	698.31	686.50	27,185,400.00	(467,612.00)
23	BOC Bangladesh Ltd.	24,000	10	10,430,549.00	434.61	486.90	11,685,600.00	1,255,054.00
24	Heidelberg Cement BD Ltd	2,000	100	3,344,985.00	1,672.49	2,152.50	4,305,000.00	960,018.00
25	Jamuna Bank Ltd	6,000	100	3,010,402.00	501.73	523.50	3,141,000.00	130,601.00
26	National Credit and Commerce Bank Ltd.	6,050	100	3,431,807.00	567.24	583.00	3,527,150.00	95,346.00
27	Singer Bangladesh Ltd.	5,700	100	15,476,220.00	2,715.13	2,793.00	15,920,100.00	443,883.00
28	Fund available in IDLC	-	-	855,626.00	-	-	-	-
Total				180,554,926.00			189,214,091.25	9,514,833.25

* Required provisions against investment in the quoted shares have decreased as on December 31, 2009 to BDT 3,144,400, whereas the provision maintained currently stands at BDT 3,823,323. Therefore, no further provision is required during the year.



Annexure - B

Mutual Trust Bank Limited Fixed Assets Schedule As on December 31, 2009

Ref.
IAS 16.73

Particulars	COST			DEPRECIATION					WRITTEN DOWN	
	Balance as on 01.01.2009	Addition During the Year	Disposal During the Year	Balance as on 31.12.2009	Rate	Balance as on 01.01.2009	Charged for the Year	Adjustment Made During the Year	Balance as on 31.12.2009	Value as on 31.12.2009
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	-	-	-	-	-	104,253,000
Immovable property	42,443,980	-	-	42,443,980	2.50%	1,601,832	1,039,718	-	2,641,550	39,802,430
Furniture & Fixture	43,137,806	7,406,781	-	50,544,587	10%	12,922,164	3,690,398	-	16,612,562	33,932,025
Interior Decoration	92,459,289	50,675,175	-	143,134,464	10%	28,615,681	10,376,711	-	38,992,392	104,142,072
Office Equipments	203,927,993	52,737,892	-	256,665,885	20%	90,168,563	32,011,362	-	122,179,925	134,485,960
Motor Vehicles	37,455,487	-	5,775,000	31,680,487	20%	23,450,312	4,408,001	2,658,571	25,199,742	6,480,745
Books & Periodicals	371,789	51,830	-	423,619	10%	100,023	35,975	-	135,998	287,621
Leased Assets	-	23,755,000	-	23,755,000	20%	-	1,561,973	-	1,561,973	22,193,027
Total 2009	524,049,344	134,626,678	5,775,000	652,901,022		156,858,575	53,124,138	2,658,571	207,324,142	445,576,880
Total 2008	421,127,726	111,416,582	8,495,000	524,049,344		119,256,442	43,151,375	5,549,242	156,858,575	367,190,769



Annexure - C

Name of Companies in Which the Directors of the Bank have Interest

SI No	Name of Directors of the Bank	Name of Companies in which the directors have interest
04	Mr. Hedayetullah Director	Chairman - Hedayetullah Securities Ltd. Director - Apex Tannery Ltd. - R & R Hides & Skin Agency - FB Footwear Ltd.
05	Mr. Kh. Rashiduzzaman Director Representing East West Properties Development Ltd.	Managing Director - Baitul Food Products Ltd.
06	Al-haj Syed Abul Hossain Director	Shareholder - SAHCO International Ltd.
07	Mr. M.A. Rouf Director	Chairman - Britannia Properties Ltd. Bangladesh - Britannia Developments Ltd. - Diamond Properties (BD) Ltd. - Diamond Properties, UK - Britannia Media Communications Ltd. Proprietor - Balaka Bangladeshi Restaurant, UK - Dilse Restaurant Ltd. UK
08	Mr. Md. Abdul Malek Director	None
09	Mr. Rashed Ahmed Chowdhury Director Representing Associated Builders Corp. Ltd	Chairman - ABC Building Products Ltd. - Banga Garments Ltd. Director - ABC Real Estate - Shamsuddin Tawels Ltd.
10	Yasmeen Haque Director	None
11	Mr. A.F.M. Mahfuzul Hasan Director	Proprietor - Joy Trading House Director - Mutual Packaging Industries Ltd. - Softech Computer & Networks Ltd. - Dinkum Travels & Tours Ltd.
12	Mr. Md. Wakiluddin Director	Managing Director - Swadesh Properties Ltd. Proprietor - Baridhara Enterprise Director - Pioneer Insurance Co. Ltd. - HARDCO International School
13	Mr. Saidur Rahman Ratan (Late) Director	Proprietor - Ratan Enterprise - Mamtaj Jewellers Director - Pioneer Insurance Co. Ltd.



Annexure - C

Ref.
IAS 24.16

Name of Companies in Which the Directors of the Bank have Interest

SI No	Name of Directors of the Bank	Name of Companies in which the directors have interest
01	Mr. Samson H. Chowdhury Chairman Representing ASTRAS Ltd.	Chairman - Square Pharmaceuticals Ltd. - Square Textiles Ltd. - Square Spinning Ltd. - Square Toiletries Ltd. - Square Knit Fabrics Ltd. - Square Fashions Ltd. - Square Agro Dev. & Processing Ltd. - Square Holdings Ltd. - Square Informatix Ltd. - Square Hospitals Ltd. - Square Consumer Products Ltd. - Square Herbal & Nutraceuticals Ltd. - ASTRAS Ltd. - Health Products Ltd. - Pharma Packages (Pvt.) Ltd. - Barnali Printers Ltd. - Aegis Services Ltd. - New Dhaka Refractories (BD) Ltd. - Square Infosystems Ltd. - Square Air Ltd. - Sabazpur Tea Company Ltd. - Central Depository Bangladesh Ltd. Director - Midas Financing Ltd.
02	Dr Arif Dowla Vice Chairman Representing Advanced Chemical Industries Ltd.	Managing Director - Advanced Chemical Industries Ltd. - ACI Formulations Ltd. - ACI Salt Ltd. - Stochastic Logic Ltd. - ACI Foods Ltd. - ACI Pure Flour Ltd. - Apex Leather Crafts Ltd. Director - Pioneer Insurance Co. Ltd. - ACI Agrochemicals Ltd. - Consolidated Chemicals Ltd. - Tetley ACI (Bangladesh) Ltd. - ACI Godrej Agrovat (Pvt.) Ltd. - Premia-Flex Plastics Ltd. - Intesa Communication Ltd. - ACI Logistics Ltd. - ACI Motors Ltd. - Creative Communication Ltd.
03	Mr. Syed Manzur Elahi Director	Chairman - Apex Tannery Ltd. - Apex Adelchi Footwear Ltd. - Apex Pharma Ltd. - Apex Enterprise Ltd. - Grey Advertising (BD) Ltd. - Pioneer Insurance Co. Ltd. - Adelchi Footwear (Bangladesh) Ltd. Director - Advanced Chemical Industries Ltd. - International Publications Ltd. - Credit Rating Agency of Bangladesh Ltd.

Annexure - D

Ref. IAS 1.51(a)

Ref. IAS 1.13

Ref. IAS 1.51(c)

Mutual Trust Bank Limited Financial Highlights As on December 31, 2009

SL#	Items	BDT Millions	
		2009	2008
1	Paid up Capital	1,766.32	1,496.88
2	Total Capital	3,969.33	2,888.33
3	Surplus in Capital Fund	952.56	107.24
4	Total Assets	52,774.77	38,964.97
5	Total Deposits	42,354.07	33,820.41
6	Total Loans and Advances	33,883.92	28,529.35
7	Total Contingent Liabilities	10,061.04	11,467.71
8	Lending-Deposit ratio	80.00%	84.36%
9	Classified Loans as % of Total loans and advances	2.81%	4.92%
10	Profit after provision and tax	820.61	305.03
11	Total Classified loans during the year	952.76	1,402.85
12	Total provision maintained against classified loans	663.09	829.33
13	Surplus/(deficit) in provision against classified loans	2.26	0.09
14	Cost of Fund	10.21%	10.18%
15	Earning assets	46,075.04	33,944.60
16	Non-interest earning assets	6,699.72	5,020.37
17	Return on Investment (ROI)	8.99%	8.11%
18	Return on Asset (ROA)	1.55%	0.78%
19	Income from Investments	857.47	454.84
20	Earnings per Share (BDT)	46.46	17.27
21	Profit per Share (BDT)	46.46	17.27
22	Price-Earning ratio (Times)	8.86	18.52

