

MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)





মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড™ **Mutual Trust Bank Ltd.**

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Mar'2021

Mar'2020

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated 2 February, 2010 and the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the un-audited Consolidated Financial Statements of Mutual Trust Bank Limited as at and for the first quarter ended 31 March, 2021. These Consolidated Financial Statements are comprised of the financials of Mutual Trust Bank Limited including Off-shore Banking Unit, Islamic Banking and its subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, which are prepared as per International Accounting Standard (IAS) 34 "Interim Financial Reporting"

Condensed Consolidated Balance Sheet (Unaudited) As at 31 March 2021 Mar'2021 2020 Property and Assets 12,507,143,396 11,781,494,720 In Hand (Including Foreign Currency) With Bangladesh Bank and its agent Bank(s) (including foreign currency) 9,305,828,656 8,941,539,411 Balance with other Banks & Financial Institutions 1,382,135,888 5,030,965,937 1 708 088 615 Outside Bangladesh 1,037,664,669 Money at Call & Short Notice 300.000.000 1,114,100,000 38,180,597,793 Investments 36,656,698,182 Others 5.543.090.822 3.830.677.710 214,655,458,069 203,887,322,069 Loans and Advances Loans, Cash Credits, Overdrafts, etc. 2.388,609,780 1.746.691.377 Bills Purchased and Discounted Fixed Asset including Premises, Furniture & Fixtures 4,794,809,378 4,896,306,425 Other Assets 6,470,405,313 5,902,372,242 Non-Banking Assets 269,269,259,576 **Total Property and Assets** 278,290,549,838 Liabilities and Capital 30.847.308.439 Borrowing from other Banks, Financial Institutions & Agents 34,751,083,802 **Deposits and Other Accounts** 194,802,125,884 Current Deposit & Other Accounts 2,257,279,496 1,988,092,081 Bills Payable 36 213 389 753 Savings Deposit 37.395.101.527 76,661,077,357 **Fixed Deposits** 73,789,038,619 Special Noticed Deposits 20.858.689.69 15.370.530.85 Deposit Products 40.895.452.885 40.680.756.438 21,164,191,188 20,440,174,149 9,850,000,000 10,850,000,000 **Bond** Perpetual Bond Subordinated Debts 9,200,000,000 10,200,000,000 Total Liabilities 260,567,400,874 252,257,967,102 Capital/Shareholders' Equity Paid up Capital 5.236.459.651 5.037.523.366 Statutory Reserve Share Premium 1.095.304.778 1.095.304.778 Revaluation Reserve on Investment in Securities 651,582,496 535,041,698 Foreign Currency Translational Gain/ Loss 3.114.069 3,937,87 General Reserve 786,777,324 786.777.324 Retained earnings 2,563,453,541 2,166,251,505 Total Shareholders' Equity **Minority Interest** 278,290,549,838 269,269,259,576 Total Liabilities and Shareholders' Equity Net Asset Value (NAV) per share (2020 Restated) 23.99 23.03 Off-Balance Sheet Items Contra & Contingent Assets & Liabilies: 27.049.704.283 25.672.241.302 Acceptances and endor 34.887.687.852 Letter of guarantee 36.413.925.940 Irrevocable letters of credit Bills for collection 7,896,903,926 7,282,893,368

DISCLOSURE ON 1st QUARTER UN-AUDITED **CONSOLIDATED FINANCIAL STATEMENTS 2021**

105,161,396,480

Group Company Secretary

Managing Director & CEO

93,595,970,291

Particulars	Consolidated		
	Mar 31, 2021	Dec 31, 2020	
Net Asset Value (NAV)	17,723,016,039	17,011,160,723	
Net Asset Value (NAV) Per Share	23.99	23.03	
(Restated)			
	Q1 2021	Q1 2020	
Earnings Per Share (EPS)	0.81	0.72	
(Restated)			
Net Operating Cash Flow (NOCF)	(1.68)	(5.71)	
Per Share (Restated)			

Condensed Consolidated Profit and Loss Account (Unaudited) For the period ended 31 March 2021

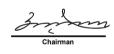
Particulars	Mar'2021 BDT	Mar'2020 BDT
Interest Income	3,718,094,503	4,678,043,019
Interest Expenses	2,318,655,969	3,315,046,232
Net Interest Income	1,399,438,534	1,362,996,787
Income from Investments	715,152,527	810,457,380
Commission, Exchange and Brokerage	436,695,725	445,844,385
Other Operating Income	170,655,936	130,903,392
Total Other Income	1,322,504,187	1,387,205,157
Total Operating Income	2,721,942,722	2,750,201,944
Less: Operating Expenses:		
Salary & Allowances	861,375,261	851,630,628
Rent Taxes Insurance Electricity etc.	177,873,336	161,727,814
Legal Expenses	1,295,311	603,054
Postage Stamps and Telecommunication etc.	3,760,186	4,399,928
Stationery Printing and Advertisements etc.	25,506,737	15,262,870
Managing Director's Remuneration	5,822,481	5,106,825
Director's Expenses Auditor's Fees	611,000	618,600 112,833
Depreciation & Repair & Maintenance of Assets	181,533,538	182,375,467
Other Expenses	261,460,747	308,999,700
Total Operating Expenses	1,519,238,597	1,530,837,718
Profit Before Provision	1,202,704,125	1,219,364,226
Less: Provision for Loans,Investment & Other		
Provision for Unclassified Loan and Advance Special General Provision-COVID-19	(428,625,593)	30,432,882
Provision for Classified Loan and Advance	419,447,616	221,222,399
Provision for Off-Balance Sheet items (Expenses)	94,014,058	54,212,388
Provision for Investment in Share of Quoted Co.	53,000,000	33,000,000
Provision for Other Assets Total Provision	137,836,081	338,867,669
Profit Before Tax	1,064,868,044	880,496,557
Less: Income Tax Expenses	463,092,874	345,993,133
Current Tax Expenses	475,578,309	426,310,636
Deferred Tax Expenses/(Income)	(12,485,435)	(80,317,503)
Net Profit After Tax	601,775,170	534,503,424
Shareholders' of the Bank	601,773,997	534,503,198
Minority Interest	1,174	226
	601,775,170	534,503,424
Retained Surplus Brought Forward	2,166,251,505	2,253,888,061
Appropriations:	2,768,025,502	2,788,391,259
Transferred to Statutory Reserve	198,936,285	171,105,177
Transferred to Start-Up Fund	5,635,676	171,100,177
The state of the s	204,571,961	171,105,177
Retained Surplus, Carried Forward	2,563,453,541	2,617,286,083

Condensed Consolidated Statement of Cash Flow (Unaudited) For the period ended 31 March 2021

	BDT	BDT
A) Cash Flows From Operating Activities:		
Interest Received	6,808,673,339	4,934,624,911
Interest Paid on Deposits, Borrowings, etc.	(3,503,039,745)	(2,305,017,845)
Dividend Income	14,153,918	4,865,180
Fees & Commission Income	436,695,725	445,844,385
Recoveries of Loans & Other advances previously written off	34,573,592	14,425
Cash Paid to Employees as Salaries and Allowances	(867,197,742)	(856,737,453)
Cash Paid to Suppliers	(25,506,737)	(15,262,870)
Advance Income Tax Paid	(141,596,249)	(366,395,016)
Cash Received from Other Operational Income	207,802,154	274,692,643
Cash Paid for Other Operational Expenses	(469,016,333)	(497,816,552)
Cash Flow from Operating Activities before Changes in Net Current Assets:	2,495,541,921	1,618,811,809
Loans & Advances	(13,606,161,785)	(2,922,947,973)
Other Assets	15,939,836	(64,888,308)
Bank Deposits	2,330,621,979	(5,499,850,000)
Customers' Deposits	3,391,248,537	(1,959,156,644)
Borrowing from Other Banks, Financial Institutions & Agents	3,903,775,363	3,400,505,975
Other Liabilities	227,033,446	1,212,357,879
	(3,737,542,623)	(5,833,979,072)
Net Cash Flows from Operating Activities	(1,242,000,702)	(4,215,167,263)
B) Cash Flow from Investing Activities:		
Investments in T. Bills, T. Bonds and other	274,125,080	2,543,570,677
Investments in Shares & Bonds	(1,712,413,111)	(21,895,799)
Purchase of Fixed Assets (Net)	(56,020,738)	(949,803,358)
Net Cash Flow from Investing Activities	(1,494,308,769)	1,571,871,520
C) Cash Flow from Financing Activities:		
Subordinated debts	(1,000,000,000)	2,700,000,000
Net Cash Flow from Financing Activities	(1,000,000,000)	2,700,000,000
D) Net Increase in Cash and Cash Equivalents	(3,736,309,471)	56,704,257
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	(823,801)	521,808
F) Opening Cash and Cash Equivalents	17,928,429,557	18,150,276,998
Closing Cash and Cash Equivalents (D+E+F)	14,191,296,284	18,207,503,063
The above closing Cash and Cash Equivalents include:		
Cash in Hand	3,201,314,740	2,750,969,510
Balance with Bangladesh Bank and its Agent Bank	9,305,828,656	11,442,591,478
Balance with Other Banks & Financial Institutions	1,382,135,888	4,011,573,475
Money at Call and Short Notice	300,000,000	-
Prize Bond	2,017,000	2,368,600
	14,191,296,284	18,207,503,063
		-
Net Operating Cash Flows Per Share (2020 Restated)	(1.68)	(5.71)

Condensed Consolidated Statement of Changes in Equity (Unaudited) As at 31 March 2021

										Amount in BDT
Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2021	7,386,324,180	5,037,523,366	1,095,304,778	535,041,698	3,937,871	786,777,324	2,166,251,505	17,011,160,723	131,752	17,011,292,474
Currency Translation differences Transferred to Start-Up Fund					(823,801)		(5,635,676)	(823,801) (5,635,676)		(823,801)
Revaluation Reserve transferred during the period				116,540,797				116,540,797		116,540,797
Net Profit for the period after Tax							601,773,997	601,773,997	1,174	601,775,170
Appropriation made during the period		198,936,285					(198,936,285)	-		-
Balance as at 31 March, 2021	7,386,324,180	5,236,459,651	1,095,304,778	651,582,496	3,114,069	786,777,324	2,563,453,541	17,723,016,039	132,925	17,728,784,640
Balance as at 31 March, 2020	7,034,594,460	4,863,058,956	1,095,304,778	493,488,397	5,914,047	786,777,324	2,617,286,082	16,896,424,043	130,071	16,896,554,114



Earnings Per Share (EPS) (2020 Restated)

Group Chief Financial Officer







Group Chief Financial Officer



1.219.364.226

Group Company Secretary

Mutual Trust Bank Limited and Its Subsidiaries Notes to the Condensed Interim Financial State As at and for the period ended 31 March 2021

1.0 Legal status and nature of the BankMutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year

1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended up to date) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized Capital of the Bank is BDT 10 billion has 117 (One Hundred and Seventeen) branches including 14 (Fourteen) SME/Agri Branches and 29 (Twenty Nine) sub branches all over the Bangladesh, 163 (One Hundred and Sixty Three) Agent Banking Centre, 04(Four) air lounge and 02 (Two) Booth located at Hazrat Shahjalal ntèrnational Airport, Dhaka.

1.1 Principal Activities

Other contingent liabilities

Total Off-Balance Sheet Items including Contingent Liabilities

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

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

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

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

1.5 Subsidiary Companies 1.5.1 MTB Securities Limited (MTBSL)

MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82868/10 and converted into public Ltd. company in the year 2015 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC). The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

1.5.2 MTB Exchange (UK) Limited (MTB UK)Bangladesh Bank vide their letter No: BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening a fully owned

subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on September 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London,

1.5.3 MTB Capital Limited (MTBCL)

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

2.0 Significant Accounting Policies

2.1 Basis of Accounting
The financial statements of the Bank as at and for the period ended 31 March, 2021 have been prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec-38)" of the Bank Companies Act, 1991 (as amended up to date) and as per the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council of Bangladesh (FRC), The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations 2015, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the Corporate Head Office and the branches have been taken into

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units and its subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited. The consolidated financial statements are prepared to a common financial period ending 31 March, 2021.

2.3 Cash Flow Statement

2.3 Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular no.14, dated June 25, 2003 issued by the Banking Regulation 8, Policy Department of Spanking Regulation 8, Policy Department Regulation 8, Policy Department Regulation 8, Policy Department Regula Banking Regulation & Policy Department of Bangladesh Bank

2.4 Provisions

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

Provisions for diminution in value of investment is made for loss arising from decrease of the value of investment in quoted shares as per directives of the

2.4.3 Off - Balance Sheet Exposures

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

2.5 According to IAS-12 "Income Taxes", Current Tax comprises of Operating Profit before Provision after adjustment of permanent disallowances.

Required provision for current tax has been calculated on operating profit before provision as per the Income Tax Ordinance 1984 as well as according to IAS 12, so the tax rates stood at 39.54% and 34.96% for the Q1 of 2021 and Q1 for 2020 respectively which is shown below:

Particulars	01 January to	01 January to
	31 March 2021	31 March 2020
Operating profit before Provision	1,202,704,125	1,219,364,226
Provision for Current Tax	475,578,309	426,310,636
Tay rate	39.54%	34.96%

Managing Director & CEO

2.6 Calculation of Deferred Tax:		
		Total net operating cash flows (a)
	BDT	Number of shares outstanding as of
Taxable temporary difference arising from		Net operating cash flow per share
the carrying value of fixed assets	(485,861,868)	
Deductibles temporary difference arising from	,	2.11 Reconciliation of statement
the provision of classified loan	2,807,566,750	Particulars
Net deductible temporary difference (a)	2,321,704,882	
Tax rate (b)	37.50%	
Closing deferred tax assets (a*b)	870,639,331	Profit before provision
Opening deferred tax assets	858,157,826	Adjustment for non-cash items
Deferred tay income of the Bank	12 481 505	D

Deferred tax income of subsidiaries

Consolidated deferred tax income

2.7 Composition of Shareholders' Equity:	BDT
Paid up Capital (738,632,418 Ordinary shares @ 10.00 each) Statutory Reserve Share Premium Revaluation Reserve on Investment in Securities Foreign Currency Translation gain General Reserve Retained Earnings Total Shareholders' Equity	7,386,324,180 5,236,459,651 1,095,304,778 651,582,496 3,114,069 786,777,324 2,563,453,541 17,723,016,039

Net assets value (NAV) per share as of Q1 2021: BDT 23.99 which wa BDT 23.03 (Restated) in December 2020. Calculation of the NAVP

	Net asset value/ No. of shares outstanding BDT
Total net assets value (a)	17,723,016,039
Number of shares outstanding as of 31 March 2021 (b)	738.632.418

2.9 Earnings Per Share (EPS)

Net asset value per share (a/b)

The Bank calculates EPS in accordance with International Accounting Standard (IAS) 33 "Earning per Share" which has been shown in the profit and loss account. EPS as of Q1 2021: BDT 0.81 as against BDT 0.72 (Restated, Original EPS: BDT 0.76) of Q1 2020. EPS has decreased compared to the same period of last year due to higher requirement of loan loss provision Calculation of EPS as of Q1 2021 is as under:

Calculation of Basic EPS:

Net profit after tax/ No. of shares outstanding

23.99

3,930 **12,485,435**

Net profit after tax (a)

601,773,997 Weighted average number of shares outstanding (b) 738.632.418 Earnings per share (a/b)

2.10 Net Operating Cash Flows Per Share (NOCFS)

NOCFS for the period has stood at BDT (1.68) compare to the same period of last year of BDT (5.71) [Restated, Original NOCFS: BDT (5.99)] mainly due to

Calculation of NOCFPS:	Net operating cash flow/No. o
through advances over the same NOCFS as of Q1 2021 is as under:	period of previous year. Calculation of
reduction of gap between collection of	of deposits / fund and deployment of fund

Net operating cash flow/No. of shares outstanding RDT

(1,242,000,702) Total net operating cash flows (a) Number of shares outstanding as of 31 March 2021 (b) 738,632,418 Net operating cash flow per share (a/b)

2.11 Reconciliation of statement of cash flows from operating activities Particulars | 01 January to 01 January to

1.202.704.125

Depreciation on fixed assets	143,613,910	145,327,496
Amortization on software	11,944,494	14,148,012
Interest on lease liability	21,077,572	26,083,281
	176,635,976	185,558,789
Adjustment with non-operating activity	ties	
Recovery of written of loan	34,573,592	14,425
Accounts Receivable	2,395,649,127	(423,341,922)
Accounts Payable on deposits	(1,205,461,348)	983,945,106

180	Recovery of written of loan	34,573,592	14,425
651	Accounts Receivable	2,395,649,127	(423,341,922)
778	Accounts Payable on deposits	(1,205,461,348)	983,945,106
196	Loss on sale of assets	1,959,381	1,545,336
169	Loss on revaluation of Government Securities	31,077,317	18,120,865
324	•	1,257,798,070	580,283,810
541	Changes in operating assets and liab	ilities	
39	Changes in loans & advances	(13,606,161,785)	(2,922,947,973)
		= =04 0=0 =40	L

11	Changes in operating assets and liab	ilities	
39	Changes in loans & advances	(13,606,161,785)	(2,922,947,973)
	Changes in deposits & other accounts	5,721,870,516	(7,459,006,644)
	Changes in borrowings	3,903,775,363	3,400,505,975
as	Changes in other assets	15,939,836	(64,888,308)
PS	Changes in other liabilities	227,033,446	1,212,357,878
		(3,737,542,623)	(5,833,979,072)
	Income tax paid	(141,596,249)	(366,395,016)
		(1, 242,000,702)	(4,215,167,263)

2.12 Reporting Period These financial statements cover the period from 01 January to 31

2.13 General

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

2.14 Review of the Financial Statements

b) Figures of the previous year have been rearranged to conform to the current vear's presentation

These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 2nd meeting for 2021 held on 02 May, 2021 and was subsequently approved by the MTB Board in its 261th meeting held on 04

2.15 Credit Rating

Credit Rating Information and Services Limited (CRISL) has rated the Bank based on December 31, 2019 with "AA" (pronounced as Double A) in the Long

Term and ST-2 for the Short Term. The date of rating was July 15, 2020. Rating Validity Long Term Rating Short Term Rating January to December 2019 14 July, 2021 January to December 2018 15 July, 2020