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MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

Mutual Trust Bank Ltd.

you can bank on us

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated 2 February, 2010 and the Dhaka and Chittagong Stock Exchange (Listing) Regulations, 2015, we are pleased to present the un-audited Consolidated Financial Statements of Mutual Trust Bank Limited as at and for the first quarter ended 31 March, 2023. 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".

Mutual Trust Bank Limited and Its Subsidiaries Consolidated Balance Sheet (Un Audited) As at 31 March 2023

Particulars	March'2023 BDT	2022 BDT
PROPERTY AND ASSETS		
Cash	18,456,642,956	19,195,683,498
Cash In Hand (Including Foreign Currency)	4,650,533,381	4,262,691,279
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)	13,806,109,575	14,932,992,219
Balance with other Banks & Financial Institutions	11,117,187,233	7,525,330,588
In Bangladesh	5,463,118,177	2,227,730,560
Outside Bangladesh	5,654,069,056	5,297,600,028
Money at Call on Short Notice	350,000,000	310,000,000
Investments	60,834,444,028	52,280,864,209
Government	50,318,781,301	41,654,086,402
Others	10,515,662,727	10,626,777,807
Loans and Advances/Investments	252,564,260,305	253,835,694,386
Loans, Cash Credits, Overdrafts, etc./Investments	249,514,314,539	251,063,475,190
Bills Purchased and Discounted	3,049,945,766	2,772,219,197
Fixed Asset including Premises, Furniture and Fixtures	5,144,652,620	5,265,362,889
Other Assets	13,909,933,061	15,230,742,091
Non-Banking Assets	-	-
Total Property and Assets	362,377,120,204	353,643,677,662
LIABILITIES AND CAPITAL		
Borrowing from other Banks, Financial Institutions and Agents	46,257,025,289	44,971,333,982
Deposits and Other Accounts	240,374,759,527	232,657,443,657
Current Deposit & Other Accounts	32,168,733,994	29,303,987,611
Bills Payable	1,650,997,348	2,181,104,098
Savings Deposit	46,414,485,706	44,731,165,855
Fixed Deposits	103,993,456,324	105,844,214,688
Special Noticed Deposits	32,377,670,081	26,042,595,954
Deposit Products	23,769,416,074	24,554,375,452
Other Liabilities	40,938,200,259	40,183,634,186
Bond	12,810,000,000	14,500,000,000
Perpetual Bond	4,000,000,000	4,000,000,000
Subordinated Debts	8,810,000,000	10,500,000,000
Total Liabilities	340,379,985,056	332,312,411,825
Capital/Shareholders' Equity		
Paid up Capital	8,937,452,240	8,937,452,240
Statutory Reserve	6,490,853,358	6,281,308,408
Share Premium	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	393,416,057	394,363,476
Foreign Currency Translational Gain/Loss	11,845,580	10,466,102
General Reserve	786,777,324	786,777,324
Surplus in Profit and Loss Account/Retained Earnings	4,281,352,346	3,825,461,139
Total Shareholders' Equity	21,997,001,683	21,331,133,467
Non-Controlling Interest	133,465	132,370
Total Liabilities and Shareholders' Equity	362,377,120,204	353,643,677,662
Net Asset Value (NAV) per share (2022 Restated)	24.61	23.87
Off-Balance Sheet Items		
Contra & Contingent Assets & Liabilities:		
Acceptances and endorsements	53,559,386,602	49,972,580,644
Letter of guarantee	53,689,303,253	49,287,726,110
Irrevocable letter of credit	50,865,320,827	38,805,688,054
Bills for collection	10,616,815,496	11,324,834,538
Other contingent liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	168,730,826,177	149,390,829,346

Chairman **Director** **Managing Director & CEO**
Group Chief Financial Officer **Group Company Secretary**

Mutual Trust Bank Limited and Its Subsidiaries Consolidated Profit and Loss Account (Un Audited) For the period ended 31 March 2023

Particulars	March'2023 BDT	March'2022 BDT
Interest Income/profit on investments	4,324,175,134	3,722,719,567
Interest paid/profit shared on deposits and borrowings etc.	2,607,515,220	2,427,392,863
Net Interest Income/profit on investments	1,716,659,914	1,295,326,704
Investment income	1,070,580,986	957,619,484
Commission, Exchange and Brokerage	1,033,542,701	894,299,257
Other Operating Income	229,835,903	189,578,102
Total Other Income	2,332,959,590	2,041,496,843
Total Operating Income	4,049,619,504	3,336,823,547
Less: Operating Expenses:		
Salary and Allowances	1,041,715,392	963,326,380
Rent, Taxes, Insurance, Electricity etc.	182,550,586	187,496,299
Legal Expenses	883,063	1,007,710
Postage, Stamps, Telecommunication etc.	8,749,549	5,597,265
Stationery, Printings, Advertisements etc.	51,368,706	28,412,671
Chief Executive's salary and fees	5,494,623	5,769,450
Director's Fees	939,500	594,400
Auditor's Fees	157,156	-
Depreciation and repair of bank's assets	229,835,055	266,147,626
Other Expenses	597,924,136	350,353,308
Total Operating Expenses	2,119,617,766	1,808,705,109
Profit Before Provision	1,930,001,737	1,528,118,438
Less: Provision for Loans, Investment & Other		
Provision for Classified Loan and Advance	469,317,266	165,331,108
Provision for Off-Balance Sheet Items	110,594,705	244,280,240
Provision for Diminution in Value of Investments	205,962,458	95,839,194
Provision for Other Assets	16,600,000	83,000,000
Provision for Statutory Reserve	10,000,000	10,000,000
Total Provision	812,474,429	598,450,541
Profit After Tax	1,117,527,308	929,667,897
Provision for Taxation	445,880,232	295,648,411
Current Tax Expenses	520,384,133	380,211,822
Deferred Tax Expenses/(Income)	(74,503,902)	(84,563,411)
Net Profit After Tax	671,647,076	634,019,486
Shareholders' of the Bank	671,645,981	634,018,060
Minority Interest	1,095	1,426
Retained Surplus Brought Forward	671,647,076	634,019,486
Cash Dividend Paid by MTBSL during the year	-	227,495,800
Transferred to Statutory Reserve	209,544,950	165,185,545
Transferred to Start-Up Fund	6,209,824	5,728,680
Retained Surplus, Carried Forward	4,281,352,346	3,724,355,223
Earnings Per Share (EPS) (2022 Restated)	0.75	0.71

Chairman **Director** **Managing Director & CEO**
Group Chief Financial Officer **Group Company Secretary**

Mutual Trust Bank Limited and Its Subsidiaries Consolidated Statement of Cash Flow (Un Audited) For the period ended 31 March 2023

Particulars	March'2023 BDT	March'2022 BDT
A) Cash Flows From Operating Activities:		
Interest receipts/investment income receipts in cash	4,551,787,459	1,933,659,756
Interest payments/profit paid on Deposits, Borrowings, etc.	(1,670,941,649)	(1,767,694,392)
Dividend receipts	78,096,037	81,964,141
Fees & Commission receipts in cash	1,033,542,701	894,299,257
Recoveries on loans/investment previously written off	24,046,021	4,918,318
Cash payments to employees	(1,047,210,015)	(969,095,830)
Cash payments to suppliers	(51,368,706)	(28,412,671)
Income taxes paid	(434,872,590)	(222,560,235)
Receipts from other operating activities	337,337,493	381,796,612
Payments for other operating activities	(855,684,709)	(583,681,956)
Cash Flow from Operating Activities before Changes in Net Current Assets:	1,964,730,043	(274,807,929)
Increase/Decrease in operating assets and liabilities		
Loans and Advances/investment to customers	1,271,434,081	(9,367,744,477)
Other Assets	2,411,839,838	216,734,222
Deposits from other banks & NBF	(590,000,000)	5,200,000,000
Deposits from customers	7,391,798,731	(3,130,388,906)
Borrowing from Other Banks, Financial Institutions & Agents	1,285,691,287	8,524,384,342
Other Liabilities	(555,100,865)	1,359,504,728
Cash generated from operating assets and liabilities	11,215,663,072	2,802,489,909
Net Cash Flows from Operating Activities	13,180,397,115	2,527,682,880
B) Cash Flow from Investing Activities:		
Investments in T. Bills, T. Bonds and other	(8,665,665,217)	2,844,576,792
Investments in Shares & Bonds	111,115,080	(1,401,048,614)
Purchase of Fixed Assets (Net)	(44,433,252)	(432,967,586)
Net Cash Flow from Investing Activities	(8,598,983,389)	1,010,560,583
C) Cash Flow from Financing Activities:		
Dividend paid	(1,690,000,000)	(1,000,000,000)
Subordinated debts	-	(227,500,000)
Dividend Paid by MTB Subsidiaries	-	(227,500,000)
Net Cash Flow from Financing Activities	(1,690,000,000)	(1,227,500,000)
D) Net Increase in Cash and Cash Equivalents	2,891,413,725	2,310,743,462
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	1,379,478	1,533,464
F) Opening Cash and Cash Equivalents	27,033,509,086	18,894,169,345
Closing Cash and Cash Equivalents (D+E+F)	29,926,302,289	21,296,446,271
The above closing Cash and Cash Equivalents include:		
Cash In Hand (Including Foreign Currency)	4,650,533,381	3,695,266,769
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currency)	13,806,109,575	12,541,977,284
Balance with Other Banks & Financial Institutions	11,117,187,233	5,055,414,608
Money at Call and Short Notice	350,000,000	-
Prize Bond	2,472,100	3,787,610
29,926,302,289	21,296,446,271	
Net Operating Cash Flows Per Share (2022 Restated)	14.75	2.83

Chairman **Director** **Managing Director & CEO**
Group Chief Financial Officer **Group Company Secretary**

Mutual Trust Bank Limited and Its Subsidiaries Condensed Consolidated Statement of Changes in Equity (Un Audited) As at 31 March 2023

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Surplus in Profit and Loss Account/Retained Earnings	Total	Minority Interest	Total
Balance as at 01 January 2023	8,937,452,240	6,281,308,408	1,095,304,778	394,363,476	10,466,102	786,777,324	3,825,461,139	21,331,133,467	132,370	21,331,265,837
Currency Translation differences	-	-	-	-	1,379,478	-	-	1,379,478	-	1,379,478
Transferred to Start-Up Fund	-	-	-	-	-	(6,209,824)	(6,209,824)	(6,209,824)	-	(6,209,824)
Revaluation Reserve transferred during the period	-	-	-	(947,419)	-	-	-	(947,419)	-	(947,419)
Net Profit for the period after Tax	-	-	-	-	-	-	671,645,981	671,645,981	1,095	671,647,076
Appropriation made during the period	-	209,544,950	-	-	-	-	(209,544,950)	-	-	-
Balance as at 31 March 2023	8,937,452,240	6,490,853,358	1,095,304,778	393,416,057	11,845,580	786,777,324	4,281,352,346	21,997,001,683	133,465	21,997,135,148

Chairman **Director** **Managing Director & CEO** **Group Chief Financial Officer** **Group Company Secretary**

Mutual Trust Bank Limited and Its Subsidiaries Selective Notes to the Condensed Interim Financial Statements (Unaudited) As at and for the period ended 31 March 2023

1.0 Legal status and nature of the Bank
Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended up to date) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from October 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized Capital of the Bank is BDT 10 billion. The Bank has 120 (One Hundred and Twenty) branches including 14 (Fourteen) SME/Agri Branches and 37 (Thirty Seven) sub branches all over the Bangladesh, 198 (One Hundred and Ninety Eight) Agent Banking Centre, 06(Six) air lounge and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

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

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

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

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

1.5 Subsidiary Companies

1.5.1 MTB Securities Limited (MTBSL)
MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82968/10 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 letter No. BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on September 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London, United Kingdom.

1.5.3 MTB Capital Limited (MTBCL)
The Bank obtained permission to embark upon Merchant Banking from the Securities and Exchange Commission (SEC) vide its certificate No. MB-55/2010 dated

December 06, 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011.

2.0 Significant Accounting Policies

2.1 Basis of Accounting
The financial statements of the Bank as at and for the period ended 31 March 2023 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-bank account balances and transactions among the Corporate Head Office and the branches have been taken into account.

2.2 Basis of Consolidation
The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units, Islamic Banking and its subsidiaries i.e. MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited. The consolidated financial statements are prepared to a common financial period ending 31 March 2023.

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

2.4 Provisions

2.4.1 Loans and Advance/ Investment
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-4/119/2023-445 dated April 18, 2023 and DOS (CAMS) 1157/41(Dividend) /2023-2112, dated 25 April 2023 regarding approval to required provision amount.

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

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

2.5 According to IAS-12 "Income Taxes", Current Tax comprises of