



# UN-AUDITED FINANCIAL STATEMENTS

## FOR THE 3RD QUARTER ENDED SEPTEMBER 30, 2013



# মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

# Mutual Trust Bank Ltd.

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### Consolidated Statement of Financial Position (Un-Audited)

As at September 30, 2013

	September' 2013 BDT	December' 2012 BDT
<b>Property and Assets</b>		
<b>Cash</b>	<b>5,871,726,824</b>	<b>6,531,179,980</b>
In Hand (Including Foreign Currency)	1,256,444,471	1,103,787,921
With Bangladesh Bank and its agent Bank (including Foreign Currency)	4,615,282,353	5,427,392,059
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>1,660,444,891</b>	<b>1,112,418,865</b>
In Bangladesh	994,317,405	380,497,610
Outside Bangladesh	666,127,485	731,921,255
<b>Money at Call and Short Notice</b>	<b>450,000,000</b>	<b>-</b>
<b>Investments</b>	<b>23,777,060,535</b>	<b>23,251,059,258</b>
Government	21,767,628,841	21,236,805,667
Others	2,009,431,694	2,014,253,591
<b>Loans and Advances</b>	<b>59,521,025,422</b>	<b>56,511,077,223</b>
Loans, Cash Credit, Overdrafts, etc.	57,935,352,480	54,093,323,785
Bills Purchased and Discounted	1,585,672,942	2,417,753,438
<b>Fixed Asset including Premises, Furniture &amp; Fixture</b>	<b>2,456,506,363</b>	<b>2,384,658,808</b>
<b>Other Assets</b>	<b>4,665,437,857</b>	<b>3,371,660,229</b>
<b>Non-Banking Asset</b>	<b>-</b>	<b>-</b>
<b>Total Property and Asset</b>	<b>98,402,201,892</b>	<b>93,162,054,363</b>
<b>Liabilities and Capital</b>		
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>5,205,174,863</b>	<b>5,962,220,000</b>
<b>Deposit and Other Accounts</b>	<b>79,783,843,998</b>	<b>75,140,144,506</b>
Current Deposit & Other Accounts	11,481,217,340	9,051,374,336
Bills Payable	759,447,072	1,813,681,363
Savings Deposit	10,343,889,837	9,224,420,233
Fixed Deposit	44,799,039,654	45,300,855,194
Deposit-Products	12,400,250,095	9,749,813,380
<b>Other Liabilities</b>	<b>6,186,490,298</b>	<b>4,726,044,321</b>
<b>Subordinated Debt</b>	<b>2,500,000,000</b>	<b>2,500,000,000</b>
<b>Total Liabilities</b>	<b>93,675,509,159</b>	<b>88,328,408,827</b>
<b>Capital/Shareholders' Equity</b>		
Paid Up Capital	2,797,848,240	2,543,498,400
Statutory Reserve	1,637,341,825	1,637,341,825
Revaluation Reserve on Investment in Securities	121,490,675	120,718,271
General Reserve	276,777,324	276,777,324
Retained Earnings	(106,845,420)	255,237,061
<b>Total Shareholders' Equity</b>	<b>4,726,612,644</b>	<b>4,833,572,881</b>
<b>Minority Interest</b>	<b>80,088</b>	<b>72,655</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>98,402,201,892</b>	<b>93,162,054,363</b>
<b>Net Asset Value (NAV) per share</b>	<b>16.89</b>	<b>17.28</b>
<b>Off-Balance Sheet Items</b>		
<b>Contingent Liabilities</b>		
Letter of Guarantee	5,256,161,680	4,966,662,479
Irrevocable Letter of Credit	6,744,013,620	6,409,873,550
Bills for Collection	2,342,017,377	1,347,416,727
Other Contingent Liabilities	9,521,914,488	4,952,569,092
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	<b>23,864,107,165</b>	<b>17,676,521,848</b>

Group Chief Financial Officer Deputy Managing Director Managing Director & CEO

### Consolidated Profit and Loss Account (Un-Audited)

For the Period ended September 30, 2013

Particulars	Sep'13 BDT	Sep'12 BDT	Jul to Sep 2013 BDT	Jul to Sep 2012 BDT
Interest Income	6,456,778,972	5,772,263,833	2,139,557,217	2,020,932,929
Less: Interest Paid on Deposit and Borrowing, etc.	6,000,994,942	5,088,808,303	1,977,474,870	1,883,147,609
<b>Net Interest Income</b>	<b>455,784,030</b>	<b>683,455,530</b>	<b>162,082,347</b>	<b>137,785,320</b>
Income from Investments	1,795,498,127	1,071,559,933	616,980,476	431,278,690
Commission, Exchange and Brokerage	501,553,056	499,514,834	167,387,276	155,423,928
Other Operating Income	240,640,855	221,971,896	81,168,351	74,784,511
<b>Total Operating Income</b>	<b>2,537,692,338</b>	<b>1,793,046,663</b>	<b>865,536,103</b>	<b>661,487,129</b>
<b>Less: Operating Expenditure:</b>	<b>2,993,476,068</b>	<b>2,476,502,193</b>	<b>1,027,618,450</b>	<b>799,272,449</b>
Salary and Allowances	810,938,418	711,300,078	276,158,660	272,257,969
Rent, Tax, Insurance, Electricity	342,845,920	317,207,200	108,179,452	107,238,287
Legal Expense	1,117,780	1,647,618	389,325	672,580
Postage, Stamps and Telephone	52,563,288	52,633,659	17,516,500	21,503,019
Printing, Stationery, Advertisement	70,732,793	65,916,180	17,588,218	17,023,906
Managing Director's Remuneration	8,494,333	6,770,000	3,345,000	2,430,000
Directors' Fee	449,200	460,000	139,200	185,000
Audit Fee	-	-	-	-
Depreciation on and Repair to Bank's Property	197,077,659	156,037,383	68,163,707	51,117,325
Other Expenditure	331,670,653	263,835,618	109,766,256	87,036,560
<b>Total Operating Expenses</b>	<b>1,815,890,045</b>	<b>1,575,807,735</b>	<b>601,246,319</b>	<b>559,464,646</b>
<b>Profit Before Provision</b>	<b>1,177,586,023</b>	<b>900,694,457</b>	<b>426,372,131</b>	<b>239,807,803</b>
Less: Provision against Loans & Advances including Off	641,635,265	86,700,300	224,317,921	171,700,000
Less: Provision against investment in Quoted Shares	151,631,085	54,567,820	127,869,864	1,000,000
Less: Provision against Other Asset	-	-	-	-
<b>Total Provision</b>	<b>793,266,350</b>	<b>141,268,120</b>	<b>352,187,785</b>	<b>172,700,000</b>
<b>Profit Before Tax</b>	<b>384,319,673</b>	<b>759,426,337</b>	<b>74,184,346</b>	<b>67,107,803</b>
Less: Provision for Tax	492,044,881	372,181,324	218,139,694	83,383,004
<b>Net Profit After Tax</b>	<b>(107,725,208)</b>	<b>387,245,013</b>	<b>(143,955,348)</b>	<b>(16,275,201)</b>
<b>Attributable to:</b>				
Shareholders of the Bank	(107,732,642)	387,227,916	(143,956,844)	(16,272,831)
Minority Interest	7,433	17,097	1,495	(2,370)
<b>Earnings Per Share</b>	<b>(0.39)</b>	<b>1.38</b>	<b>(0.51)</b>	<b>(0.06)</b>

Group Chief Financial Officer Deputy Managing Director Managing Director & CEO

### Consolidated Statement of Cash Flow (Un-Audited)

For the Period ended September 30, 2013

	January to September 2013 BDT	January to September 2012 BDT
<b>A) Cash Flow From Operating Activities:</b>		
Interest Received	8,225,903,902	6,828,117,978
Interest Paid on Deposits, Borrowings, etc.	(6,000,994,942)	(5,088,808,303)
Dividend Income	26,373,198	15,705,788
Fees & Commission Income	399,810,100	358,003,339
Recoveries of Loans previously written off	-	-
Cash Paid to Employees as Salaries and Allowances	(788,432,751)	(759,445,182)
Advance Income Tax Paid	(599,657,034)	(89,372,361)
Cash Received From Other Operational Income	343,215,777	363,483,391
Cash Paid for Other Operational Expenses	(817,157,370)	(651,133,465)
<b>Cash Flow From Operating Activities Before Changes in Net Current Asset</b>	<b>789,060,879</b>	<b>976,551,184</b>
<b>Changes in Net Current Asset :</b>		
Investment in Treasury Bond	1,290,961	(4,535,037,831)
Loans & Advances	(3,009,948,199)	(4,545,776,586)
Other Asset	(689,237,499)	(1,455,989,486)
Bank Deposit	4,643,699,492	(950,000,000.00)
Customers' Deposit	-	14,159,627,828
Subordinated debt	(757,045,137)	271,467,788
Borrowing from Other Banks, Financial Institutions & Agents	392,849,477	25,404,093
Other Liabilities	581,609,095	2,969,695,807
<b>Net Cash Flow From Operating Activities</b>	<b>1,370,669,974</b>	<b>3,946,246,992</b>
<b>B) Cash Flow From Investing Activities:</b>		
Investments in Shares & Bonds	4,821,897	(163,491,268)
Purchase of Premises & Fixed Asset (net)	(251,147,479)	(448,452,537)
<b>Net Cash Flow From Investing Activities</b>	<b>(246,325,582)</b>	<b>(611,943,805)</b>
<b>C) Cash Flow From Financing Activities:</b>		
Receipts From Issue of Right Shares	-	-
Dividend Paid	(254,349,840)	(305,219,808)
<b>Net Cash Flow From Financing Activities</b>	<b>(254,349,840)</b>	<b>(305,219,808)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>	<b>869,994,552</b>	<b>3,029,083,379</b>
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	-	1,482,000
F) Opening Cash and Cash Equivalents	10,316,543,073	7,896,276,994
Closing Cash and Cash Equivalents (D+E+F)	<b>11,186,537,625</b>	<b>10,926,842,373</b>
The above closing Cash and Cash Equivalents include:		
Cash in Hand	1,256,444,471	1,683,579,496
Balance with Bangladesh Bank and its Agent Bank	4,615,282,353	5,629,377,776
Balance with Other Banks & Financial Institutions	1,660,444,891	966,425,451
Money at Call and Short Notice	450,000,000	-
Treasury Bill	3,201,188,610	2,644,192,100
Prize Bond	3,177,300	3,267,550
<b>Net Operating Cash Flow Per Share</b>	<b>4.90</b>	<b>14.10</b>

Group Chief Financial Officer Deputy Managing Director Managing Director & CEO

### Consolidated Statement of Changes in Equity (Un-Audited)

For the Period ended September 30, 2013

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Profit & Loss Account	Total	Minority Interest	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance as at January 01, 2013</b>	<b>2,543,498,400</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>120,718,271</b>	-	<b>255,237,061</b>	<b>4,833,572,881</b>	<b>72,655</b>	<b>4,833,645,536</b>
Bonus Share Issued during the year	254,349,840	-	-	-	-	(254,349,840)	-	-	-
Revaluation Reserve transferred during the year	-	-	-	772,404	-	-	772,404	-	772,404
Net Profit for the year after tax	-	-	-	-	-	(107,732,642)	(107,732,642)	7,433	(107,725,208)
Appropriation made during the year	-	-	-	-	-	-	-	-	-
<b>Balance as at September 30, 2013</b>	<b>2,797,848,240</b>	<b>1,637,341,825</b>	<b>276,777,324</b>	<b>121,490,675</b>	-	<b>(106,845,420)</b>	<b>4,726,612,644</b>	<b>80,088</b>	<b>4,726,692,732</b>
<b>Balance as at September 30, 2012</b>	<b>2,543,498,400</b>	<b>1,625,461,887</b>	<b>361,777,324</b>	<b>119,106,014</b>	<b>1,482,000</b>	<b>241,574,308</b>	<b>4,892,899,933</b>	<b>58,107</b>	<b>4,892,958,040</b>

Group Chief Financial Officer Deputy Managing Director Managing Director & CEO

### Mutual Trust Bank Limited

Notes to the Financial Statements

For the period ended September 30, 2013

1.0 Legal status and nature of the Bank  
Mutual Trust Bank Limited (MTB) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 and directive as received from the Bangladesh Bank from time to time. The Bank started its commercial business from October 24, 1999. The shares of the Bank are listed with the Dhaka and Chittagong Stock Exchanges, as a publicly quoted company. Authorized capital of the Bank is BDT 10 billion. The Bank has 72 (seventy two) branches, 14 (fourteen) SME/Agri Branches and 2 (two) Booths all over Bangladesh. The Bank has no overseas branch as on September 30, 2013. The booth is located at Hazrat Shahjalal International Airport, Dhaka and Shah Amanat Airport, Chittagong.

The registered office of the Bank is located at MTB Centre, 26 Gulshan Avenue, Gulshan 1, and Dhaka 1212.

#### 1.1 Principal Activities

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

#### 1.2 Off-Shore Banking Unit (OBU)

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

#### 1.3 Subsidiary Companies

##### 1.3.1 MTB Securities Limited (MTBSL)

MTBSL is engaged in buying and selling of securities for its customers 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 guidelines. It also undertakes investment of the bank's fund in the capital market.

##### 1.3.2 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 June 14, 2010 under the Companies Act 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

##### 1.3.3 MTB Capital Limited (MTBCL)

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

#### 2.0 Significant Accounting Policies

##### 2.1 Basis of Accounting

The financial statements of the Bank are made up to September 30, 2013 and are prepared under the historical cost convention, on a going concern basis and in accordance with the "first schedule (Sec- 38)" of the Bank Companies Act, 1991 as amended by the Bangladesh Bank vide BRPD circular No. 14 dated June 25, 2003 and other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards(BFRS) , The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchanges Listing Regulations, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and transactions among the Corporate Head Office and the branches have been taken into account.

##### 2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Mutual Trust Bank Limited, Off-shore Banking Units and its subsidiaries, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, made up to the end of the September 30, 2013. The consolidated financial statements are prepared to a common financial period ending September 30, 2013.

##### 2.3 Cash Flow Statement

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

##### 2.4 Provisions

##### 2.4.1 Loans and Advance

Provisions for Loans and Advance have been made as per directives of Bangladesh Bank issued from time to time.

##### 2.4.2 Investment

Provisions for diminution in value of investment is made for loss arising on diminution value of investment in quoted shares and is given effect in the accounts on yearly basis based on diminution in value of investment of quoted shares as per last year.

##### 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 14, dated September 23, 2012, the Bank maintained provision @ 1% against off-balance sheet exposures.

##### 2.5 Earnings per Share

The Bank presents Basic and Diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank calculates EPS in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning per Share" which has been shown in the profit and loss account.

##### 2.6 Reporting Period

These financial statements cover the period from January 1 to September 30, 2013.