

# UN-AUDITED FINANCIAL STATEMENTS

FOR THE FIRST HALF ENDED JUNE 30, 2017



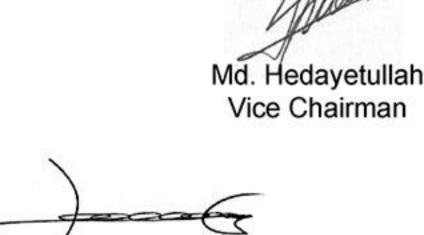
# Mutual Trust Bank Ltd.

you can bank on us

In compliance with the Bangladesh Securities and Exchange Commission (BSEC) letter No. SEC/CFD/Misc/233/2004/615, dated February 2, 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 half ended June 30, 2017. These Consolidated Financial Statements are comprised of the financial Statem as per International Accounting Standard (IAS)/Bangladesh Accounting Standard (BAS) 34 "Interim Financial Reporting".

as per International Accounting Standard (IAS)/Bangladesh Accounting Stan	ndard (BAS) 34 "Interim Fina	ancial Reporting".			
Consolidated Balance Sheet (Un-Audited) As at June 30, 2017					
Property and Assets	June 2017 BDT	December 2016 BDT			
Cash	13,436,323,306	11,263,046,577			
In Hand (Including Foreign Currencies)	2,873,554,453	1,987,478,022			
With Bangladesh Bank and its agent bank(s) (including	2,073,334,433	1,307,470,022			
Foreign Currencies)	10,562,768,853	9,275,568,555			
Balance with Other Banks & Financial Institutions	6,569,924,651	8,148,416,411			
In Bangladesh	4,728,491,197	7,286,894,739			
Outside Bangladesh	1,841,433,454	861,521,672			
Money at Call and Short Notice	•	990,000,000			
Investments	21,877,639,036	21,962,058,933			
Government	19,440,942,246	19,627,418,568			
Others	2,436,696,790	2,334,640,366			
Loans and Advances	132,292,723,255	114,355,762,842			
Loans, Cash Credits, Overdrafts, etc.	129,397,432,922	112,071,881,968			
Bills Purchased and Discounted	2,895,290,333	2,283,880,874			
Fixed Assets including Premises, Furniture & Fixtures	3,180,168,209	3,140,971,243			
Other Assets Non-Banking Assets	6,121,582,015 	5,510,430,863 			
Total Property and Assets	183,478,360,472	165,370,686,870			
Liabilities and Capital  Parrowing from other Ponks, Financial Institutions 8	4C 0E0 EC0 04C	0.700.450.454			
Borrowing from other Banks, Financial Institutions &	16,250,569,816	8,706,459,451			
Deposits and Other Accounts	134,938,244,478	131,272,330,273			
Current Deposits & Other Accounts	13,804,067,014	12,301,476,077			
Bills Payable	2,749,083,106	1,751,051,731			
Savings Bank Deposits	25,571,063,231	23,710,184,165			
Special Notice Deposits	11,318,384,975	11,645,986,993			
Fixed Deposits	53,637,007,370	55,803,465,444			
Deposit-Products	27,858,638,782	26,060,165,864			
Other Liabilities	13,044,707,163	11,323,514,978			
Subordinated Debts	9,250,000,000	4,250,000,000			
Total Liabilities Capital/Shareholders' Equity	173,483,521,457	155,552,304,702			
Paid up Capital	4,431,791,600	4,431,791,600			
Statutory Reserve	3,339,565,360	3,187,766,825			
Revaluation Reserve on Investment in Securities	718,361,169	731,782,030			
Foreign Currency Translation gain/(loss)	6,602,124	8,903,016			
General Reserve	386,777,324	616,777,324			
Retained Earnings	1,111,615,301	841,239,233			
Total Shareholders' Equity	9,994,712,878	9,818,260,028			
Minority Interest	126,136	122,139			
Total Liabilities and Shareholders' Equity	183,478,360,472	165,370,686,870			
Net Asset Value (NAV) per share	22.55	22.15			
Off-Balance Sheet Items Contingent Liabilities					
Contingent Liabilities	26 202 527 227	10 044 400 004			
Acceptances and endorsements	26,202,527,977	18,244,133,884			
Letter of Guarantee	11,334,444,394	9,302,425,309			
Irrevocable Letter of Credit	15,286,967,391	14,291,274,015			
Other Contingent Liabilities	4,726,710,421	3,296,481,413			
Other Contingent Liabilities  Total Off Balance Shoot Items including Contingent Liabilities	57 EEO GEO 402	- AE 124 214 C20			
Total Off-Balance Sheet Items including Contingent Liabilities	57,550,650,183	<u>45,134,314,620</u>			

M.A.Rouf, J Chairman



Sayed Abul Hashem FCA, FCMA

**Group Chief Financial Officer** 

Malik Muntasir Reza **Group Company Secretary** 

DISCLOSURE ON FIRST HALF-2017 UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Anis A. Khan

Managing Director & CEO

Amount					
Particulars	As on June 30, 2017	As on June 30, 2016			
Net Asset Value (NAV) (Million)	9,994.71	9,391.89			
Net Asset Value (NAV) per share	22.55	21.19			
Earnings Per Share (EPS)	0.95	1.44			
Net Operating Cash Flow Per Share	(11.88)	(2.12)			

For the Peri				4)
	January to June 2017	January to June 2016	April to June 2017	April to June 2016
Particulars	BDT	BDT	BDT	BDT
Interest Income	5,722,086,284	5,686,800,630	2,893,573,008	2,851,352,046
Less: Interest Paid on Deposits and Borrowings etc.		3,820,010,565	1,891,513,595	1,840,722,894
Net Interest Income	1,944,973,603	1,866,790,065	1,002,059,413	1,010,629,152
Investment Income	973,961,076	1,007,202,229	491,115,022	502,838,050
Commission, Exchange and Brokerage	699,391,584	574,491,018	317,395,464	303,116,039
Other Operating Income	208,434,178	187,681,343	130,788,487	117,496,049
STREAM OF THE COMPANY OF THE SECOND SECOND SECOND STREAM OF THE SECOND S	1,881,786,838	1,769,374,589	939,298,972	923,450,138
Total Operating Income	3,826,760,441	3,636,164,654	1,941,358,385	1,934,079,291
Less: Operating Expenses:				
Salary and Allowances	1,026,546,607	998,721,395	531,977,218	538,127,930
Rent, Tax, Insurance and Electricity etc.	333,504,252	297,426,369	165,942,470	156,542,297
Legal Expenses	2,068,561	1,191,200	886,113	942,626
Postage, Stamps and Telecommunications etc.	9,793,281	8,566,015	5,693,862	4,930,354
Stationery, Printing and Advertisements etc.	50,207,417	45,931,857	28,352,250	27,043,330
Managing Director's Remuneration	9,517,334	7,162,334	6,328,334	4,138,334
Directors' Fees Auditors' Fees	1,592,500	1,532,233	679,000	870,600
Depreciation and Repair of Bank's Property	205,660,795	196,314,485	111,824,548	98,300,961
Other Expenses	387,648,019	346,179,178	198,799,319	172,632,979
Total Operating Expenses	2,026,538,766	1,903,025,065	1,050,483,115	1,003,529,411
Profit Before Provision	1,800,221,675	1,733,139,589	890,875,271	930,549,880
Less: Provision against Loans & Advances	721,165,472	443,000,000	476,800,000	335,500,000
Less: Provision against Off Balance Sheet Items	123,600,000	56,000,000	61,800,000	22,000,000
Less: Provision against Margin Loan & Investment in Shares	30,000,000	35,500,000	(25,000,000)	17,000,000
Less: Provision against Other Assets				
Total Provision	874,765,472	534,500,000	513,600,000	374,500,000
Profit Before Tax	925,456,203	1,198,639,589	377,275,271	556,049,880
Less: Provision for Tax	503,277,603	558,932,127	246,635,717	241,095,775
Current Tax Expenses	503,277,603	558,932,127	246,635,717	241,095,775
Net Profit After Tax	422,178,600	639,707,462	130,639,554	314,954,104
Shareholders' of the Bank	422,174,603	639,706,427	130,636,753	314,953,438
Minority Interest	3,997	1,035	2,801	667
	422,178,600	639,707,462	130,639,554	314,954,104
Retained Surplus Brought Forward	841,239,233 1,263,413,836	752,894,582 1,392,601,010	841,239,233 971,875,986	752,894,582 1,067,848,020
Appropriation:	.,200,410,000	.,002,001,010	7, 1,0,0,000	1,007,040,020
Bonus Share Issued during the year		738,631,930	-	738,631,930
Transferred to Statutory Reserve	151,798,535	229,206,810	55,407,151	104,860,543
Transferred to General Reserve	V. (10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	accesos telecosostoriosissis €		300000 # 5000000 # (# )
	151,798,535	967,838,740	55,407,151	843,492,473
Retained Surplus, Carried Forward	1,111,615,301	424,762,269	916,468,835	224,355,547
Earnings Per Share	0.95	1.44	0.29	0.71

Consolidated Profit and Loss Account (Un-Audited)

Consolidated Statement of Cash Flow (Un-Audited) For the Period ended June 30, 2017

Md. Hedayetullah

Vice Chairman

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Sayed Abul Hashem FCA, FCMA

Group Chief Financial Officer

	January to June 2017 BDT	January to June 2016 BDT
A) Cash Flows From Operating Activities:		501
nterest Received	6,582,531,419	6,701,849,444
nterest Paid on Deposits, Borrowings, etc.	(3,853,946,325)	(4,195,584,897)
Dividend Income	9,348,208	15,534,932
Fees & Commission Income	699,391,584	574,491,018
Recoveries of Loans previously written off	-	- 1, 10 1,010
Cash Paid to Employees as Salaries and Allowances	(1,036,063,941)	(1,005,883,729)
Cash Paid to Suppliers	(50,207,417)	(45,931,857)
Advance Income Tax Paid	(504,688,708)	(449,378,598)
Cash Received From Other Operational Income	281,899,189	190,632,209
Cash Paid for Other Operational Expenses	(778,876,568)	(689,415,615)
Cash Flows From Operating Activities Before	Standard Colonia de Decimo Radio	American construction and construction
Changes in Net Current Asset	1,349,387,440	1,096,312,906
Changes in Net Current Asset :		
oans & Advances	(17,919,391,063)	(10,041,687,895)
Other Asset	(93,329,071)	(43,510,284)
Customers' Deposit	3,885,019,082	4,665,280,789
Borrowing from Other Banks, Financial Institutions & Agents	7,544,110,365	3,183,428,682
Other Liabilities	(29,122,122)	201,615,709
	(6,612,712,809)	(2,034,872,999)
Net Cash Flows From Operating Activities	(5,263,325,369)	(938,560,092)
3) Cash Flows From Investing Activities:	(0,200,020,000)	(000,000,000)
nvestments in T. Bills, T. Bonds and other	174,743,560	4,047,342,372
nvestments in Shares & Bonds	(102,056,425)	633,646,641
Purchase of Premises & Fixed Asset (net)	(200,587,806)	(192,278,905)
Net Cash Flows From Investing Activities	(127,900,671)	4,488,710,108
C) Cash Flows From Financing Activities:		
Subordinated debt	5,000,000,000	-
Dividend Paid		-
Net Cash Flows From Financing Activities	5,000,000,000	•
O) Net Increase in Cash and Cash Equivalents	(391,226,040)	3,550,150,015
E) Effect of Changes of Exchange Rates on Cash	14 18 (EU t)	U 200 - E.S E.S.
and Cash Equivalents	(2,300,891)	2,761,797
F) Opening Cash and Cash Equivalents	20,402,859,288	14,418,086,916
Closing Cash and Cash Equivalents (D+E+F)	20,009,332,357	17,970,998,729
The above closing Cash and Cash Equivalents include:	20,000,002,007	11,010,000,120
Cash in Hand	2,873,554,453	1,767,826,830
Balance with Bangladesh Bank and its Agent Bank	10,562,768,853	8,889,139,742
Balance with Other Banks & Financial Institutions	6,569,924,651	5,791,211,056
Money at Call and Short Notice	-	1,520,000,000
Prize Bond	3,084,400	2,821,100
ALDER H. XIVW	20,009,332,357	17,970,998,729

**Net Operating Cash Flows Per Share** 

M.A.Rouf, JP Chairman

M.A.Rouf, JP

Chairman

Sayed Abul Hashem FCA, FCMA Group Chief Financial Officer

Vice Chairman

Malik Muntasir Reza **Group Company Secretary** 

(11.88)

Mutual Trust Bank Limited Notes to the Financial Statements For the period ended June 30, 2017

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 in 2013) 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 111 (One hundred

1.1 Principal Activities

International Airport, Dhaka.

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.

eleven) branches including 14 (fourteen) SME/Agri Branches

all over the Bangladesh, 25 (Twenty Five) Agent Banking

Centre and 02 (Two) Booth located at Hazrat Shahjalal

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 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 Subsidiary Companies

1.3.1 MTB Securities Limited (MTBSL)

MTB Securities Limited incorporated as on September 23, 2010 as a Private Limited Company under the Companies Act 1994. The registered office of the MTBSL is located at WW Tower, 68 Motijheel. 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.

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 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

1.3.3 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

Anis A. Khan

Managing Director & CEO

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Malik Muntasir Reza

**Group Company Secretary** 

The financial statements of the Bank as at and for the period ended June 30, 2017 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 in 2013 and as per the BRPD circular no. 14 dated 25 June 2003, 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 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 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 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 June 30, 2017.

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 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank

## 2.4 Provisions

2.4.1 Loans and Advance

Provision for Loans and Advance have been made as per directives/letter issued by Bangladesh Bank 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 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, dated 23 September 2012, the Bank maintained provision @ 1% against off-balance sheet exposures. 2.5 Earnings per Share

Earnings per Share (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 June 30, 2017. 2.7 General

(2.12)

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

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

### Consolidated Statement of Changes in Equity (Un-Audited) For the Period ended June 30, 2017

Anis A. Khan

Managing Director & CEO

									Amount in BDT
Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Surplus on Investments	Foreign Currency Translation Gain	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2017	4,431,791,600	3,187,766,825	616,777,324	731,782,030	8,903,016	841,239,233	9,818,260,028	122,139	9,818,382,167
Currency Translation differences	2	_	2		(2,300,891)	12	(2,300,891)	-	(2,300,891)
Transferred to Provision	-	0.70	(230,000,000)	-		0.50	(230,000,000)	()	(230,000,000)
Revaluation Reserve transferred during the period	2	0.20		(13,420,862)	-	2.4	(13,420,862)	1921	(13,420,862)
Net Profit for the period after Tax			5			422,174,603	422,174,603	3,997	422,178,600
Appropriation made during the period	-	151,798,535		100	-	(151,798,535)	-	-	-
Balance as at June 30, 2017	4,431,791,600	3,339,565,360	386,777,324	718,361,169	6,602,124	1,111,615,301	9,994,712,878	126,136	9,994,839,014
Balance as at June 30, 2016	4,431,791,600	2,950,350,557	446,777,324	1,132,075,494	6,128,383	424,762,269	9,391,885,627	129,408	9,392,015,035
11	D							0	2

Vice Chairman

Anis A. Khan Managing Director & CEO Sayed Abul Hashem FCA, FCMA **Group Chief Financial Officer** 

**Group Company Secretary** 

Chairman