

UN-AUDITED FINANCIAL STATEMENTS

FOR THE FIRST HALF ENDED JUNE 30, 2018



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 February 2, 2010, Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 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, 2018. These Consolidated Financial Statements are comprised of the financials of Mutual Trust Bank Limited including Off-shore Banking Unit 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) / Bangladesh Accounting Standard (BAS) 34 "Interim Financial Reporting".

Consolidated Balance Sheet (Un-Audited) As at June 30, 2018							
Property and Assets		June 30, 2018 BDT	December 31, 2017 BDT				
Cash		12,394,902,278	13,077,123,517				
In Hand (Including Foreign Currency)		2,438,775,600	2,191,164,252				
With Bangladesh Bank and its agent	Bank(s) (including Foreign Currency)	9,956,126,678	10,885,959,265				
Balance with Other Banks & Finance	cial Institutions	2,554,642,388	2,798,256,664				
In Bangladesh		542,099,534	1,030,004,295				
Outside Bangladesh		2,012,542,853	1,768,252,369				
Money at Call and Short Notice		1,750,000,000	4,690,000,000				
Investments		27,015,270,485	25,105,802,134				
Government		24,490,964,136	22,703,494,533				
Others		2,524,306,350	2,402,307,601				
Loans and Advances		159,913,677,419	145,606,993,782				
Loans, Cash Credits, Overdrafts, etc.		157,278,292,131	143,429,214,788				
Bills Purchased and Discounted		2,635,385,288	2,177,778,994				
Fixed Assets including Premises, F	-urniture & Fixtures	3,168,723,840	3,211,265,364				
Other Assets Non-Banking Assets		8,102,732,652	7,264,492,733				
Total Property and Assets		214,899,949,063	201,753,934,194				
Liabilities and Capital							
Borrowing from other Banks, Finan	ncial Institutions & Agents	18,252,868,175	16,417,678,099				
Deposits and Other Accounts	9.5.5 ° ° Sant Sant Sant Sant Sant Sant Sant Sant	160,570,022,381	151,776,065,501				
Current Deposits & Other Accounts		14,293,559,846	14,652,100,509				
Bills Payable		4,968,296,906	2,100,804,374				
Savings Bank Deposits		27,696,580,817	27,479,479,774				
Special Notice Deposits		11,430,644,010	11,721,963,726				
Fixed Deposits		72,934,727,909	67,113,942,085				
Deposit Products		29,246,212,892	28,707,775,033				
Other Liabilities		15,543,712,800	13,798,103,840				
Subordinated Debts		8,000,000,000	8,000,000,000				
Total Liabilities		202,366,603,356	189,991,847,439				
Capital/Shareholders' Equity		F 700 000 000	5 000 500 040				
Paid-up Capital Statutory Reserve		5,733,630,380 3,884,690,818	5,096,560,340 3,622,224,031				
Revaluation Reserve on Investment in	n Securities	593,680,773	696,384,694				
Foreign Currency Translation gain/(lo		8,909,579	7,667,134				
General Reserve	/	616,777,324	616,777,324				
Retained Earnings		1,695,530,192	1,722,348,545				
Total Shareholders' Equity		12,533,219,066	11,761,962,068				
Minority Interest		126,641	124,686				
Total Liabilities and Shareholders'		214,899,949,063	201,753,934,194				
Net Asset Value (NAV) per share (2	017 Restated)	21.86	20.51				
Off-Balance Sheet Items							
Contingent Liabilities Letters of guarantee		18,754,082,926	11,602,039,974				
Irrevocable letters of credit		21,783,303,772	16,740,167,351				
Bills for collection		2,373,167,726	2,442,346,145				
Acceptances and endorsements		35,292,304,830	30,020,544,096				
Other contingent liabilities	* * * * ***	-	60,805,097,566				
Total Off-Balance Sheet Items including Contingent Liabilities 78,202,859,255 60,8							
Shull		111,					
A	Knoonen	/Willia.					
Chairman	Vice Chairman	Managing Di	rector & CEO				









Group Company Secretary

DISCLOSURE ON 1ST HALF UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Particulars	As on June 30, 2018	As on June 30, 2017			
Net Asset Value (NAV) (Million)	12,533.22	9,994.71			
Net Asset Value (NAV) per share (2017 Restated)	21.86	17.43			
Earnings Per Share (EPS) (2017 Restated)	1.52	0.74			
Net Operating Cash Flow Per Share (2017 Restated)	(3.02)	(9.18)			

Consolidated Profit and Loss Account (Un-Audited) For the Half Year ended June 30, 2018 Jan to Jun 30 Jan to Jun 30 Apr to Jun 30 Apr to Jun 30

	2018	2017	2018	2017
Particulars	BDT	BDT	BDT	BDT
to the second se	7 570 744 450	[5 700 000 004]	4 007 054 704	0.000 570 000
Interest Income	7,578,741,153	5,722,086,284	4,037,351,781	2,893,573,008
Less: Interest Paid on Deposits and Borrowings, etc.	5,099,225,453	3,777,112,681	2,731,260,624	1,891,513,595
Net Interest Income	2,479,515,701	1,944,973,603	1,306,091,158	1,002,059,413
Investment Income	1,113,477,561	973,961,076	605,587,800	491,115,022
Commission, Exchange and Brokerage	749,881,027	699,391,584	410,588,332	317,395,464
Other Operating Income	248,867,366	208,434,178	158,824,643	130,788,487
	2,112,225,953	1,881,786,838	1,175,000,775	939,298,972
Total Operating Income	4,591,741,654	3,826,760,441	2,481,091,932	1,941,358,385
Less: Operating Expenses:				
Salary and Allowances	1,197,561,681	1,026,546,607	649,115,677	531,977,218
Rent, Tax, Insurance and Electricity etc.	341,815,751	333,504,252	170,193,643	165,942,470
Legal Expenses	1,612,915	2,068,561	708,067	886,113
Postage, Stamps and Telecommunication etc.	9,852,343	9,793,281	5,616,673	5,693,862
Stationery, Printing and Advertisements etc.	51,886,240	50,207,417	26,401,241	28,352,250
Managing Director's Remuneration	10,072,333	9,517,334	6,718,333	6,328,334
Directors' Fees	1,689,500	1,592,500	935,000	679,000
Auditors' Fees	171,199	-	83,884	
Depreciation and Repair of Bank's Properties	224,623,074	205,660,795	126,228,612	111,824,548
Other Expenses	463,542,444	387,648,019	231,738,467	198,799,319
Total Operating Expenses	2,302,827,480	2,026,538,766	1,217,739,598	1,050,483,115
Profit Before Provision	2,288,914,174	1,800,221,675	1,263,352,334	890,875,271
Less: Provision for Loans,Investment & Other				
Specific Provision	696,660,000	391,380,637	456,660,000	364,900,000
General Provision	36,575,000	329,784,835	(43,425,000)	111,900,000
Off Balance Sheet Items	150,700,000	123,600,000	87,000,000	61,800,000
Margin Loan & Investment in Shares Other Asset	33,000,000	30,000,000	19,000,000	(25,000,000
Total Provision	916,935,000	874,765,472	519,235,000	513,600,000
Profit Before Tax	1,371,979,174	925,456,203	744,117,335	377,275,271
			500000000000000000000000000000000000000	
Less: Income Tax Expenses	499,258,746	503,277,603	241,868,241	246,635,717
Current Tax Expenses	720,881,227	503,277,603	356,288,163	246,635,717
Deferred Tax Expenses/(Income)	(221,622,481)		(114,419,921)	
Net Profit After Tax	872,720,429	422,178,600	502,249,093	130,639,554
Shareholders' of the Bank	872,718,474	422,174,603	502,247,609	130,636,753
Minority Interest	1,955	3,997	1,484	2,801
	072 720 420	400 470 600	E00 040 000	420 C20 EE4

Surplus, Carried Forward	1,695,530,192	1,111,615,301	1,445,899,346	_
Per Share (EPS) (2017 Restated)	1.52	0.74	0.88	
D-			111	
Knd	Bossum		/WWW	u .

Knowien

Vice Chairman

872,720,429

1,722,348,545

2,595,067,019

422,178,600

841,239,233

151,798,535

1,263,413,836



Retained Surplus Brought Forward

Bonus Share Issued during the year

Appropriations:

Retained S

Earnings F

Chairman



Jan to Jun 30

(1.889.813.524)

(121,998,749)

(121,923,476)

(2,133,735,748)

(3,866,717,960)

20,567,156,381 16,701,680,866

2,438,775,600

9,956,126,678

2,554,642,388

1,750,000,000 2,136,200

16,701,680,866

1,242,445

Managing Director & CEO

Jan to Jun 30

174.743.560

(102,056,425)

(200,587,806)

(127,900,671)

5,000,000,000

5,000,000,000

20,009,332,357

2,873,554,453

10,562,768,853 6,569,924,651

20,009,332,357

3,084,400

(391,226,040)

(2,300,891) 20,402,859,288

502.249.093

1,722,348,545

2,224,596,154

130.639.554

841,239,233

971,875,986

55,407,151 55,407,151

916,468,835

0.23

Consolidated Statement of Cash Flow (Un-Audited) For the Half Year ended June 30, 2018

A) Cash Flows from Operating Activities:	8,508,913,834 (4,840,577,815)	6,582,531,419
43 TO SUNCE TO THE TOWN TO A SUNCE THE THE SUNCE THE TOWN THE TOWN TO THE TOWN THE T		6,582,531,419
Interest Received		6,582,531,419
	(4 840 577 815)	
Interest Paid on Deposits, Borrowings, etc.	(4,040,377,013)	(3,853,946,325)
Dividend Income	15,331,562	9,348,208
Fees & Commission Income	749,881,027	699,391,584
Recoveries of Loans previously written off	-	-
Cash Paid to Employees as Salaries and Allowances	(1,207,634,014)	(1,036,063,941)
Cash Paid to Suppliers	(51,886,240)	(50,207,417)
Advance Income Tax Paid	(485,047,092)	(504,688,708)
Cash Received from Other Operational Income	282,528,041	281,899,189
Cash Paid for Other Operational Expenses	(878,842,227)	(778,876,568)
Cash Flows from Operating Activities before Changes in Net Current Assets	2,092,667,076	1,349,387,440
Changes in Net Current Assets :		
Loans & Advances	(14,295,688,938)	(17,919,391,063)
Other Assets	(229,874,883)	(93,329,071)
Bank Deposit	(199,625,000)	0 0 0 0
Customers' Deposits	8,759,422,575	3,885,019,082
Borrowing from Other Banks, Financial Institutions & Agents	1,835,190,076	7,544,110,365
Other Liabilities	304,926,881	(29,122,122)
	(3,825,649,288)	(6,612,712,809)

investments in 1. Bills, 1. Bonds and other	
Investments in Shares & Bonds	
Purchase of Premises & Fixed Asset (net)	
Net Cash Flows from Investing Activities	
C) Cash Flows from Financing Activities:	
Subordinated debt	
Dividend Paid	
Net Cash Flows from Financing Activities	
D) Net Increase in Cash and Cash Equivalents	
E) Effect of Changes of Exchange Rates on Cash and	Cash Equivalents
F) Opening Cash and Cash Equivalents	

B) Cash Flows from Investing Activities:

Closing Cash and Cash Equivalents (D+E+F)
The above closing Cash and Cash Equivalents include
Cash in Hand
Balance with Bangladesh Bank and its Agent Bank
Balance with Other Banks & Financial Institutions
Money at Call and Short Notice
Prize Bond

Net Operating Cash Flows Per Share (2017 Restated)











(3.02)

Mutual Trust Bank Limited Notes to the Financial Statements For the period ended June 30, 2018

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 114 (One hundred
Fourteen) branches including 14 (fourteen) SME/Agri Branches all over the
Bangladesh, 59 (Fifty Nine) Agent Banking Centre and One 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 Subsidiary Companies
1.3.1 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) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

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
The financial statements of the Bank as at and for the period ended June 30, 2018 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, 2018.

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.

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-1/11/2018-1209 dated April11, 2018 regarding approval to defer the required provision amount over the next three years from 2018 to 2020.

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

2.4.3 Off - Balance Sheet Exposures
Off-balance sheet items have been disclosed under contingent liabilities and other commitments according to Bangliadesh Bank guidelines. As per BRPD Circular no.1 40 f23 September 2012, Circular letter no.1 of 03 January 2018 and Circular no.7 of 21 June 2018 the Bank has maintained provision @ 1% against off balance sheet exposures. off-balance sheet exposures. 2.5 Composition of shareholders' Equity:

Paid up Capital (573,363,038 Ordinary shares @ 10.00 each)
Statutory Reserve
Revaluation Reserve on Investment in Securities
Foreign Currency Translation gain/ (loss)
General Reserve
Retained Famins 5,733,630,380 3,884,690,818 593,680,773 8,909,579 616,777,324 Retained Earnings 2.6 Net Asset Value per share (NAV):
Net assets value (NAV) per share as of 1H 2018: BDT 21.86 which was BDT 20.51 (Restated, Original NAV: BDT 23.08) in December 2017. Calculation of NAV as of 1H 2018 is furnished below:

Total net assets value Number of outstanding shares Net asset value per share

2.7 Earnings per Share (EPS)
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. EPS as of 1H 2018: BDT 1.52 as against BDT 0.74 (Restated, Original EPS: BDT 0.95) of 1H 2017; April-June 18 EPS BDT 0.88 against BDT 0.23 (Restated, Original EPS: BDT 0.29) of April-June 17. EPS has been increased significantly compare to the same period of last year due to increase of business volume, creation of deferred tax assets of BDT 221.62 Million and reduction of corporate tax rate. Calculation of EPS as of 1H 2018 is as under:

Basic EPS
Net profit after tax
Number of outstanding shares Earnings per share

<u>Diluted EPS</u>
No diluted EPS is required to be calculated as there was no scope for dilution of share for this period

2.8 Net Operating Cash Flows per Share (NOCFS)
NOCFS has stood at (BDT 3.02) compare to the same period of last year of (BDT 9.18) [Restated, Original NOCFS: BDT (11.88)] mainly due to reduction of gape between collection of deposits / fund and deployment of fund through advance over the same period of previous year. Calculation of NOCFS as of 1H 2018 is

Total net operating cash flows Number of outstanding shares Net operating cash flow per share

2.9 Reporting Period
These financial statements cover the period from January 1 to June 30, 2018

2.10 Credit Rating
Credit Rating Information and Services Limited (CRISL) has rated the Bank
based on December 31, 2017 with "AA" (pronounced as Double A) in the Long
Term and ST-2 for the Short Term. The date of rating was April 30, 2018. MTB's

(9.18)two years rating are given below: Long Term Rating

Short Term Rating ST-2 ST-2 2.11 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.

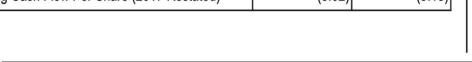
b) Figures of previous year have been rearranged to conform to current year's 2.12 Review of the Financial Statements 2.12 Review of the Financial Statements
These Un-Audited Financial Statements were reviewed by the MTB Board Audit
Committee in its 3rd meeting for 2018 held on 22nd July 2018 and was subsequently approved by the MTB Board in its 224th meeting held on July 25, 2018.

Consolidated Statement of Changes in Equity (Un-Audited) As at June 30, 2018

Amount i									Amount in BD
Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2018	5,096,560,340	3,622,224,031	696,384,694	7,667,134	616,777,324	1,722,348,545	11,761,962,068	124,686	11,762,086,755
Bonus Share Issued	637,070,040					(637,070,040)			
Currency Translation differences				1,242,445			1,242,445	-2	1,242,445
Revaluation Reserve transferred during the period	-	-	(102,703,921)	-	-	-	(102,703,921)	-	(102,703,921)
Net Profit for the period after Tax	-			-	-	872,718,474	872,718,474	1,955	872,720,429
Appropriation made during the period		262,466,787	2	2		(262,466,787)		-	-
Balance as at June 30, 2018	5,733,630,380	3,884,690,818	593,680,773	8,909,579	616,777,324	1,695,530,192	12,533,219,066	126,641	12,533,345,707
Balance as at June 30, 2017	4,431,791,600	3,339,565,360	718,361,169	6,602,124	386,777,324	1,111,615,301	9,994,712,878	126,136	9,994,839,014

Group Chief Financial Officer

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Group Company Secretary