

# UN-AUDITED FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2017



# 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 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 third guarter ended September 30, 2017. These Consolidated Financials of Mutual Trust Bank Limited 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".

are prepared as per International Accounting Standard (IAS)/Bangladesh Acco		
Consolidated Balance Sheet (l As at September 30, 2		
Property and Assets	September 2017 BDT	December 2016 BDT
Cash	12,672,483,984	11,263,046,577
In Hand (Including Foreign Currencies)	2,385,798,794	1,987,478,022
With Bangladesh Bank and its agent bank(s) (including Foreign Currencies)	10,286,685,190	9,275,568,555
Balance with Other Banks & Financial Institutions	6,419,530,176	8,148,416,411
n Bangladesh	4,836,455,083	7,286,894,739
Outside Bangladesh	1,583,075,093	861,521,672
Money at Call and Short Notice	•	990,000,000
nvestments	21,512,608,747	21,962,058,933
Sovernment	19,282,254,314	19,627,418,568
Others	2,230,354,434	2,334,640,366
oans and Advances	138,442,515,245	114,355,762,842
oans, Cash Credits, Overdrafts, etc.	135,984,140,826	112,071,881,968
Bills Purchased and Discounted	2,458,374,419	2,283,880,874
ixed Assets including Premises, Furniture & Fixtures	3,118,918,298	3,140,971,243
Other Assets	6,361,051,833	5,510,430,863
Non-Banking Assets	-	
otal Property and Assets	188,527,108,283	165,370,686,870
iabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	20,482,034,233	8,706,459,451
Deposits and Other Accounts	136,110,962,717	131,272,330,273
Current Deposits & Other Accounts	13,500,541,561	12,301,476,077
Bills Payable	2,827,403,750	1,751,051,731
Savings Bank Deposits	27,103,101,175	23,710,184,165
Special Notice Deposits	11,031,714,634	11,645,986,993
Fixed Deposits Deposit-Products	53,329,145,861 28,319,055,736	55,803,465,444 26,060,165,864
	Alleman or account of	Driver of the Control
Other Liabilities	13,880,179,395	11,323,514,978
Subordinated Debts	8,000,000,000	4,250,000,000
otal Liabilities	178,473,176,345	155,552,304,702
Capital/Shareholders' Equity Paid up Capital	5,096,560,340	4,431,791,600
Statutory Reserve	3,405,019,052	3,187,766,825
Revaluation Reserve on Investment in Securities	716,152,534	731,782,030
oreign Currency Translation gain/(loss)	5,689,220	8,903,016
General Reserve	386,777,324	616,777,324
Retained Earnings	443,605,400	841,239,233
otal Shareholders' Equity	10,053,803,870	9,818,260,028
Minority Interest	128,068	122,139
Total Liabilities and Shareholders' Equity	188,527,108,283	165,370,686,870
let Asset Value (NAV) per share	19.73	19.26
Off-Balance Sheet Items Contingent Liabilities		
Acceptances and endorsements	29,250,360,103	18,244,133,884
etter of Guarantee	11,632,097,863	9,302,425,309
rrevocable Letter of Credit	17,076,611,316	14,291,274,015
Bills for Collection	3,275,172,679	3,296,481,413
Other Contingent Liabilities	8 - 8	-
Total Off-Balance Sheet Items including Contingent Liabilities	61,234,241,960	45,134,314,620
4. 1mg		Mu.
Chairman Director	Manag	aina Director & CEO





Managing Director & CEO

**Group Chief Financial Officer** 

**Group Company Secretary** 

## DISCLOSURE ON 3RD QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

		Amount in BDT				
Particulars	As on September 30, 2017	As on September 30, 2016				
Net Asset Value (NAV) (Million)	10,053.80	9,287.56				
Net Asset Value (NAV) per share	19.73	18.22				
Earnings Per Share (EPS)	0.95	1.89				
Net Operating Cash Flow Per Share	(10.33)	2.40				

Consolidated Profit and Loss Account (Un-Audited) For the Period ended September 30, 2017					Mutual Trust Bank Limited Notes to the Financial Statements For the period ended September 30, 2017
	Jan to Sep 2017	Jan to Sep 2016	Jul to Sep 2017	Jul to Sep 2016	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
Particulars	BDT	BDT	BDT	BDT	services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directive
Interest Income	8,758,679,099	8,589,176,217	3,036,592,816	2,902,375,587	as received from the Bangladesh Bank from time to time. Registered
Less: Interest Paid on Deposits and Borrowings etc.  Net Interest Income	5,742,488,561 3,016,190,538	5,669,873,041 <b>2,919,303,177</b>	1,965,375,881 1,071,216,935	1,849,862,475 1,052,513,112	office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1 Dhaka 1212. The Bank started its commercial business from Octobe 24, 1999. The Bank is listed with the Dhaka and Chittagong Stock
Investment Income	1,525,455,030	1,540,146,115	551,493,954	532,943,887	Exchanges Limited. Authorized capital of the Bank is BDT 10 billion
Commission, Exchange and Brokerage Other Operating Income	1,105,469,206 303,947,325	828,909,899 272,338,065	406,077,622 95,513,147	254,418,881 84,656,722	The Bank has 111 (One hundred eleven) branches including 14 (fourteen) SME/Agri Branches all over the Bangladesh, 30 (Thirty
Total Operating Income	2,934,871,561 5,951,062,099	2,641,394,079 5,560,697,255	1,053,084,723 2,124,301,658	872,019,490 1,924,532,601	Agent Banking Centre and One air lounge & 02 (Two) Booths located at Hazrat Shahjalal International Airport, Dhaka.
Less: Operating Expenses:	0,001,002,000	0,000,007,200	2,124,001,000	1,024,002,001	1.1 Principal Activities
Salary and Allowances	1,623,988,276	1,568,143,145	597,441,669	569,421,750	The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches
Rent, Tax, Insurance and Electricity etc.	498,846,207	450,586,103	165,341,955	153,159,734	and offices in Bangladesh such as accepting deposits, corporate
Legal Expenses Postage, Stamps and Telecommunications etc.	2,952,937 14,289,729	1,774,438 13,240,387	884,376 4,496,449	583,238 4,674,372	SME and retail banking, personal financial services, project finance etc.
Stationery, Printing and Advertisements etc.	77,049,627	59,840,697	26,842,209	13,908,840	Cito.
Managing Director's Remuneration	13,921,334	11,326,333	4,404,000	4,163,999	1.2 Off-Shore Banking Unit (OBU)
Directors' Fees	2,574,100	2,036,933	981,600	504,700	The Bank obtained Off-shore Banking Unit Permission vide Lette No. BRPD (P-3)744(105)/2009-4470 dated December 3, 2009 an
Auditors' Fees Depreciation and Repair of Bank's Property	19,000 304,333,676	609,500 294,791,892	19,000 98,672,881	609,500 98,477,407	commenced its operation on December 07, 2009. The Off-shor
Other Expenses	639,453,558	517,777,984	251,805,539	171,598,806	Banking Unit is governed under the rules and guidelines of
Total Operating Expenses	3,177,428,444	2,920,127,412	1,150,889,678	1,017,102,347	Bangladesh Bank. The principal activities of the Unit are to provide a
Profit Before Provision	2,773,633,655	2,640,569,844	973,411,980	907,430,255	kinds of commercial banking services to its customers in foreig currencies approved by the Bangladesh Bank.
Less: Provision against Loans & Advances	1,244,465,472	683,000,000	523,300,000	240,000,000	(200 - 200 -
ess: Provision against Off Balance Sheet Items. ess: Provision against Margin Loan & Investment in Shares.	160,400,000 62,000,000	78,000,000 48,000,000	36,800,000 32,000,000	22,000,000 12,500,000	1.3 Subsidiary Companies
Less: Provision against Margin Coan & Investment in Shares	02,000,000	40,000,000	32,000,000	12,000,000	1.3.1 MTB Securities Limited (MTBSL)
Total Provision Profit Before Tax	1,466,865,472 1,306,768,183	809,000,000 1,831,569,844	592,100,000 381,311,980	274,500,000 632,930,255	MTB Securities Limited incorporated as on September 23, 2010 as Private Limited Company under the Companies Act 1994. Th
Less: Provision for Tax	822,375,120	866,884,706	319,097,517	307,952,579	registered office of the MTBSL is located at WW Tower, 68 Motijhee
Current Tax Expenses	810,134,137	866,884,706	306,856,534	307,952,579	MTBSL is engaged in buying and selling of securities for it
Deferred Tax Expense	12,240,983	•	12,240,983		customers and margin loan is extended to the customers against their margin for investment in the listed companies.
Net Profit After Tax	484,393,063	964,685,138	62,214,463	324,977,676	1.3.2 MTB Exchange (UK) Limited (MTB UK)
Attributable to: Shareholders' of the Bank	484,387,134	964,682,848	62,212,531	324,976,421	Bangladesh Bank vide their letter No: BRPD(M)204/25/2010-289 dated 19/08/2010 has accorded approval to the bank for opening
Minority Interest	5,929	2,290	1,932	1,255	fully owned subsidiary company in the name of MTB Exchange (UK
***************************************	484,393,063	964,685,138	62,214,463	324,977,676	Limited. The Company was incorporated on September 14, 201
	044 000 000	750 004 500	044 000 000	750 004 500	under the Companies Act 2006 of UK with the registration number
Retained Surplus Brought Forward	841,239,233 1,325,626,367	752,894,582 1,717,577,430	903,451,764	752,894,582 1,077,871,003	7282261 as a private company limited by shares. The registere office is located at 25 White Chapel Road, London, United Kingdom
Appropriations:					1.3.3 MTB Capital Limited (MTBCL)
Bonus Share Issued during the year	664,768,740	738,631,930	664,768,740	738,631,930	The Bank obtained permission to embark upon Merchant Bankin
Transferred to Statutory Reserve	217,252,227	349,906,450	65,453,692	120,699,639	from the Securities and Exchange Commission (SEC) vides it certificate No.MB-55/2010 dated December 06, 2010 under the
Retained Surplus, Carried Forward	882,020,967 443,605,400	1,088,538,380 629,039,051	730,222,432 173,229,332	859,331,569 218,539,434	Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011.
Earnings Per Share	0.95	1.89	0.12	0.64	2.0 Significant Accounting Policies
in in I	•		Mu	u.	2.1 Basis of Accounting The financial statements of the Bank as at and for the period ender
Chairman Directo	r	Ma	naging Direc	ctor & CEO	September 30, 2017 have been prepared under the historical cost convention, on a going concern basis and in accordance with the
\	5	^		5 020	"first schedule (Sec- 38)" of the Bank Companies Act, 1991 a
		7	lem :		amended in 2013 and as per the BRPD circular no. 14 dated 25 Jun
-		()	7		2003, other Bangladesh Bank Circulars, International Financia Reporting Standards (IFRS) adopted by the Institute of Chartere
	-		0	±0)	Accountants of Bangladesh (ICAB) as Bangladesh Financia
Group Chief Financial Officer	Gro	oup Compan	y Secretary		Reporting Standards(BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987, Dhaka & Chittagong Stock
Consolidated Statem	ent of Cash	Flow (Ur	n-Audited)		Exchanges Listing Regulations 2015, The Income Tax Ordinand 1984 and other laws and rules applicable in Bangladesh. A inter-branch account balances and transactions among the

# For the Period ended September 30, 2017

For the Period ended Septemb	per 30, 2017		Corporate Head Office and the branches have been taken account.
	January to	January to	
	September 2017	September 2016	2.2 Basis of Consolidation  The consolidated financial statements include the financial
	BDT	BDT	statements of Mutual Trust Bank Limited, Off-shore Banking U
A) Cash Flows From Operating Activities:	55 12		and its subsidiaries i.e. MTB Securities Limited, MTB Capital Lim
Interest Received	10,016,401,723	9,970,928,934	and MTB Exchange (UK) Limited. The consolidated finan
Interest Paid on Deposits, Borrowings, etc.	(4,966,714,804)	(5,302,782,508)	statements are prepared to a common financial period end September 30, 2017.
Dividend Income	44,196,090	50,017,803	
Fees & Commission Income	1,105,469,206	828,909,899	2.3 Cash Flow Statement
Cash Paid to Employees as Salaries and Allowances	(1,637,909,610)	(1,579,469,478)	Cash flow statement has been prepared in accordance with Bangladesh Accounting Standard-7 "Cash Flow Statement" ur
Cash Paid to Suppliers	(77,049,627)	(59,840,697)	direct method as recommended in the BRPD Circular no.14, da
Advance Income Tax Paid	(739,620,217)		25 June 2003 issued by the Banking Regulation & Policy Departm
Cash Received From Other Operational Income	401,271,111	364,499,155	of Bangladesh Bank.
Cash Paid for Other Operational Expenses	(1,214,470,090)		2.4 Provisions
Cash generated from operating activities before changes		- 100	A CONTRACTOR OF THE CONTRACTOR
in operating assets and liabilites	2,931,573,782	2,651,678,437	2.4.1 Loans and Advance
Increase/(decrease) in operating assets and liabilites			Provision for Loans and Advance has been made as directives/letter issued by Bangladesh Bank from time to time.
Loans & Advances	(24,056,355,975)	(12,103,470,967)	and an action of the control of the
Other Assets	(15,184,650)		2.4.2 Investment
Customers' Deposit	4,153,806,634	8,826,099,078	Provisions for diminution in value of investment is made for arising on diminution value of investment in quoted shares as
Borrowing from Other Banks, Financial Institutions & Agents	11,775,574,782	1,711,545,515	directives of the competent authorities.
Other Liabilities	(53,524,122)		1900-1900-1900-1900-1900-1900-1900-1900
Cash generated from operating assets and liabilities	(8,195,683,332)	(1,427,752,780)	2.4.3 Off - Balance Sheet Exposures
Net Cash Flows From Operating Activities	(5,264,109,549)	1,223,925,658	Off-balance sheet items have been disclosed under conting liabilities and other commitments according to Bangladesh B
B) Cash Flows From Investing Activities:			guidelines. As per BRPD Circular no.14, dated 23 September 20
nvestments in T. Bills, T. Bonds and others	329,597,058	1,950,446,169	the Bank maintained provision @ 1% against off-balance sl
nvestments in Shares & Bonds	104,285,932	629,951,456	exposures.
Purchase of Fixed Assets (net)	(225,946,172)	(223,396,940)	2.5 Earnings Per Share (EPS)
Net Cash Flows From Investing Activities	207,936,817	2,357,000,684	Earnings per Share (EPS) is calculated by dividing the profit or
C) Cash Flows From Financing Activities:			attributable to ordinary shareholders of the Bank by the weigh
Subordinated debts	3,750,000,000	(625,000,000)	average number of ordinary shares outstanding during the per The Bank calculates EPS in accordance with Bangladesh Account
Net Cash Flows From Financing Activities	3,750,000,000	(625,000,000)	Standard (BAS) 33 "Earning per Share" which has been shown in
D) Net Increase/(Decrease) in Cash and Cash Equivalents	(1,306,172,732)	2,955,926,342	profit and loss account. For the period ended Sep' 2017 (Q3-20
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	(3,213,796)	3,753,056	MTB has to maintain substantial amount of provisions, for
F) Opening Cash and Cash Equivalents	20,402,859,288	14,418,086,916	reason net profit decreased significantly which is the main reason decreasing of EPS compare to the same period of last year.
Closing Cash and Cash Equivalents (D+E+F)	19,093,472,760	17,377,766,314	decireusing of Er o compare to the same period of last year.
The above closing Cash and Cash Equivalents include:			2.6 Net Operating Cash Flows Per Share (NOCFS)
Cash in Hand	2,385,798,794	2,216,731,388	In the year of December 2016, AD ratio was 77.69%, it me
Balance with Bangladesh Bank and its Agent Bank	10,286,685,190	8,884,609,023	surplus fund was available. So during this period, deployment of f through advance is more than the collection of deposits/ fund. Th
Balance with Other Banks & Financial Institutions	6,419,530,176	2,564,044,903	the main reason for decreasing of NOCFS compare to the sa
Money at Call and Short Notice	-	3,710,000,000	period of last year.
Prize Bond	1,458,600	2,381,000	2.7 Reporting Period
	19,093,472,760	17,377,766,314	These financial statements cover the period from January 1 September 30, 2017
Net Operating Cash Flows Per Share	(10.33)	2.40	2.8 General

Managing Director & CEO Chairman

Group Chief Financial Officer

**Group Company Secretary** 

Managing Director & CEO

#### 1.3.2 MTB Exchange (UK) Limited (MTB UK)

### 2.0 Significant Accounting Policies

September 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

## 2.4 Provisions

## 2.4.2 Investment

## Off-balance sheet items have been disclosed under contingent

# Earnings per Share (EPS) is calculated by dividing the profit or loss

#### 2.7 Reporting Period These financial statements cover the period from January 1 to

## 2.8 General

Group Chief Financial Officer

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.

#### Review of the Financial Statements These Financial Statements were reviewed by the Audit Committee

of the Board of MTB in its 4th meeting of 2017 held on 26th October 2017 and was subsequently approved by the Board in its 212th meeting held on October 29, 2017.

**Group Company Secretary** 

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

								(9	Amount in BDT
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, 2017	4,431,791,600	3,187,766,825	731,782,030	8,903,016	616,777,324	841,239,233	9,818,260,028	122,139	9,818,382,16
Bonus Share Issued	664,768,740	-	-		-	(664,768,740)	20	10.00	-
Currency Translation differences	50×15×10×10×10×10×10×10×10×10×10×10×10×10×10×		79	(3,213,796)		Lateral Decision	(3,213,796)	( <u>-</u> )	(3,213,79
Transferred to Provision	*				(230,000,000)		(230,000,000)		(230,000,000
Revaluation Reserve transferred during the period		-	(15,629,497)				(15,629,497)		(15,629,49)
Net Profit for the period after Tax		-				484,387,134	484,387,134	5,929	484,393,06
Appropriation made during the period		217,252,227		•		(217,252,227)		-	
Balance as at September 30, 2017	5,096,560,340	3,405,019,052	716,152,534	5,689,220	386,777,324	443,605,400	10,053,803,870	128,068	10,053,931,93
Balance as at September 30, 2016	4,431,791,600	3,071,050,196	446,777,324	701,790,856	7,119,643	629,032,066	9,287,561,685	137,648	9,287,699,33
2		4	V		1			0	