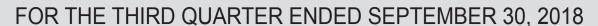


UN-AUDITED FINANCIAL STATEMENTS





মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড Mutual Trust Bank Ltd.

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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 third quarter ended September 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) Consolidated Statement of Cash Flow (Un-Audited) Consolidated Profit and Loss Account (Un-Audited) For the period ended September 30, 2018 As at September 30, 2018 For the period ended September 30, 2018 September 30, 2018 December 31, 2017 Jan to Sep 2018 Jan to Sep 2017 **Property and Assets** BDT BDT **Particulars** BDT BDT BDT BDT A) Cash Flows from Operating Activities: 13,077,123,517 12,485,002,165 10.016.401,723 In Hand (Including Foreign Currency) 3,017,499,803 2,191,164,252 Interest Received 12 952 391 334 Less: Interest Paid on Deposits and Borrowings, etc 7,853,975,483 5,742,488,561 2,754,750,030 1,965,375,881 Interest Paid on Deposits, Borrowings, etc. With Bangladesh Bank and its agent Bank(s) (including Foreign Currency) 10,885,959,265 (6,466,938,437) (4,966,714,804 9,467,502,362 Net Interest Income 3,755,607,615 3.016.190.538 1.276.091.915 1.071.216.935 Dividend Income 50,446,339 44,196,090 Balance with Other Banks & Financial Institutions 4,892,993,973 2,798,256,664 1,525,455,030 Fees & Commission Income 1.170.491.129 1.105.469.206 1,030,004,295 In Bangladesh 3,218,135,828 Commission, Exchange and Brokerage 1.170.491.129 1.105.469.206 420.610.103 Recoveries of Loans previously written off Outside Bangladesh 1 674 858 145 1,768,252,369 Other Operating Incom 361.341.381 303.947.325 112.474.015 95.513.147 Cash Paid to Employees as Salaries and Allowances (1,840,361,601) (1,637,909,610) 3,276,986,654 2,934,871,561 1.164.760.701 1.053.084.723 Money at Call and Short Notice 251.250.000 4.690.000.000 Total Operating Income 7,032,594,270 Cash Paid to Suppliers (73,942,571) (77,049,627) 5,951,062,099 2,440,852,615 2,124,301,658 Investments 25,844,574,928 25,105,802,134 Advance Income Tax Paid (730 316 666) (739,620,217 Less: Operating Expenses: 23.233.928.050 22,703,494,533 Cash Received from Other Operational Income 500 693 654 401 271 111 Government Salary and Allowances 1.825.645.268 1.623.988.276 628.083.587 597.441.669 2,610,646,877 2,402,307,601 Others Cash Paid for Other Operational Expenses (1,297,809,254) (1.214.470.090)Rent, Tax, Insurance and Electricity etc. 517,194,561 498.846.207 175.378.810 165.341.955 Cash Flows from Operating Activities before Changes in Net Current Assets 4,264,653,928 158,634,866,511 145,606,993,782 Loans and Advances Legal Expenses 2,606,910 2,952,937 884,376 Postage, Stamps and Telecommunication etc. Changes in Net Current Assets: 16.197.759 14.289.729 6.345.416 4.496.449 Loans, Cash Credits, Overdrafts, etc. 156,065,586,884 143,429,214,788 2,569,279,628 2,177,778,994 Stationery, Printing and Advertisements etc. 73.942.57 77.049.627 22.056.331 26.842.209 Loans & Advances (13,027,550,552) 24,056,355,975 Bills Purchased and Discounted Managing Director's Remuneration 14,716,333 13,921,334 4,644,000 4,404,000 Other Assets (706,473,593) (15,184,650) Fixed Assets including Premises, Furniture & Fixtures 3,154,457,154 3,211,265,364 Directors' Fees 2,576,600 2,574,100 887,100 981,600 (7,149,625,000 Bank Deposit Auditors' Fees 287 787 19 000 116 588 19 000 Other Assets 8,913,508,111 7,264,492,733 Customers' Deposits 10,957,940,198 4,153,806,634 Depreciation and Repair of Bank's Properties 346.577.892 304.333.676 121.954.818 98.672.881 **Non-Banking Assets** 639,453,558 199,277,579 Borrowing from Other Banks, Financial Institutions & Agents 3,166,591,331 11,775,574,782 662,820,022 251,805,539 Other Expenses 214,176,652,841 201,753,934,194 **Total Property and Assets** Total Operating Expenses 3,462,565,703 3,177,428,444 1,159,738,223 1,150,889,678 Other Liabilities 652,650,756 (53,524,122) Profit Before Provision **Liabilities and Capital** (6,106,466,860) (8,195,683,332) Net Cash Flows from Operating Activities (1,841,812,932) (5,264,109,549) 19,584,269,429 Less: Provision for Loans.Investment & Other Borrowing from other Banks, Financial Institutions & Agents 16,417,678,099 B) Cash Flows from Investing Activities: Specific Provision **Deposits and Other Accounts** 156,957,112,519 151,776,065,501 General Provision 19.375.000 373.384.835 (17,200,000 43.600.000 Investments in T. Bills, T. Bonds and other Current Deposits & Other Accounts 14 293 948 715 Off Balance Sheet Items 14.652.100.509 148.920.000 160.400.000 (1.780.000 36.800.000 Investments in Shares & Bonds 104 285 932 (208 339 276) Margin Loan & Investment in Shares 1.371.373.886 57.000.000 62.000.000 24.000.000 Bills Payable 2 100 804 374 32.000.000 Purchase of Premises & Fixed Asset (net) (193,644,067) (225,946,172) Other Assets Savings Bank Deposits 28,319,894,444 27,479,479,774 **Net Cash Flows from Investing Activities** (1,095,377,270) 207,936,817 1,466,865,472 735,210,000 592,100,000 **Total Provision** 1,652,145,000 Special Notice Deposits 13.840.454.186 11,721,963,726 C) Cash Flows from Financing Activities: **Profit Before Tax** 1,306,768,183 381,311,980 **Fixed Deposits** 68,316,812,593 67,113,942,085 Subordinated debt 30.814.628.694 28,707,775,033 Deposit Products Less: Income Tax Expenses 763,399,346 822,375,120 264,140,600 319,097,517 Dividend Paid Current Tax Expenses Other Liabilities 16,880,604,168 13,798,103,840 **Net Cash Flows from Financing Activities** 3,750,000,000 Deferred Tax Expenses/(Income) (489 793 236 12 240 98 (268 170 755 12.240.983 D) Net Increase in Cash and Cash Equivalents (2.937.190.203) (1,306,172,732) Subordinated Debts 8,000,000,000 8,000,000,000 1,245,459 1,154,484,221 484,393,063 281,763,792 62,214,463 E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents (3.213.796) Net Profit After Tax Total Liabilities 201,421,986,116 189,991,847,439) Opening Cash and Cash Equivalents 20,567,156,381 20,402,859,288 Capital/Shareholders' Equity 62,212,531 Shareholders' of the Bank 1.154.481.315 484.387.134 281.762.842 Closing Cash and Cash Equivalents (D+E+F) 17,631,211,637 19,093,472,760 5,733,630,380 5.096.560.340 Paid-up Capital Minority Interest 2.906 5.929 1.932 The above closing Cash and Cash Equivalents include: 1,154,484,221 484.393.063 281,763,792 62,214,463 Statutory Reserve 3 984 645 601 3.622.224.031 841,239,233 Retained Surplus Brought Forward 1,722,348,545 Cash in Hand 1,722,348,545 841,239,233 Revaluation Reserve on Investment in Securities 533,234,984 696.384.694 2,876,829,860 1,325,626,367 903,451,764 Balance with Bangladesh Bank and its Agent Bank 9 467 502 362 10 286 685 190 Foreign Currency Translation gain/(loss) 8,912,593 7,667,134 Appropriations: Balance with Other Banks & Financial Institutions 4,892,993,973 6,419,530,176 General Reserve 616,777,324 616,777,324 Money at Call and Short Notice 251,250,000 1.877.338.251 1.722.348.545 Retained Earnings Bonus Share Issued during the year 1.458,600 1,965,500 Total Shareholders' Equity 12.754.539.133 11.761.962.068 Transferred to Statutory Reserve 362,421,570 99,954,783 65,453,692 Prize Bond 217,252,227 882,020,967 737,024,823 17,631,211,638 19,093,472,760 999,491,610 730,222,432 127,592 124,686 Minority Interest Retained Surplus, Carried Forward 1,877,338,251 443,605,400 1.267.086.564 173,229,332 Total Liabilities and Shareholders' Equity 214.176.652.841 201.753.934.194 Net Operating Cash Flows (NOCF) Per Share (2017 Restated) Earnings Per Share (EPS) (2017 Restated) 0.11 2.01 0.84 0.49 Net Asset Value (NAV) per share (2017 Restated) 22.25 20.51 Mlu Mun Off-Balance Sheet Items **Contingent Liabilities** Knbowen Knowen 11,602,039,974 Managing Director & CEO Letters of guarantee 19.500.751.305 Managing Director & CEO Irrevocable letters of credit 19,707,427,036 16,740,167,351 2 053 273 889 2 442 346 145 Bills for collection Acceptances and endorsements 37,179,072,880 30.020.544.096 Other contingent liabilities Group Chief Financial Officer Group Company Secretary 78,440,525,111 60,805,097,566 Total Off-Balance Sheet Items including Contingent Liabilities Consolidated Statement of Changes in Equity (Un-Audited) Knoonukn

DISCLOSURE ON 3RD QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Group Company Secretary

Managing Director & CEO

Particulars	As on September 30, 2018	As on September 30, 2017
Net Asset Value (NAV) (Million)	12,754.54	10,053.80
Net Asset Value (NAV) per share (2017 Restated)	22.25	17.53
Particulars	Jan to Sep 2018	Jan to Sep 2017
Earnings Per Share (EPS) (2017 Restated)	2.01	0.84
Net Operating Cash Flow Per Share (2017 Restated)	(3.21)	(9.18)

As at September 30, 2018

									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, 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	-	-	-	1,245,459	-	-	1,245,459	-	1,245,459
Transferred to Provision	-	-	-	-	-	-	-	-	-
Revaluation Reserve transferred during the period	-	-	(163,149,709)	-	-	-	(163,149,709)	-	(163,149,709)
Net Profit for the period after Tax	-	-	-	-	-	1,154,481,315	1,154,481,315	2,906	1,154,484,221
Appropriation made during the period	-	362,421,570	-	-		(362,421,570)	-	-	-
Balance as at September 30, 2018	5,733,630,380	3,984,645,601	533,234,984	8,912,593	616,777,324	1,877,338,251	12,754,539,133	127,592	12,754,666,725
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	10,053,931,938



Knowien Vice Chairman







Group Company Secretary

BDT

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

Group Chief Financial Officer

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 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, 67 (Sixty Seven) Agent Banking Centre and 01 (One) air lounge and 02 (Two) Booth located at Hazrat Shahjalal International Airport, Dhaka.

1.1 Principal Activities

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). 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 September 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 Bandladesh 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 trapsactions among the Corrects Head Office and the branches have transactions among the Corporate Head Office and the branches have

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 September 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 June 25, 2003 issued by the Banking Regulation & Policy Department of Population Population

2.4 Provisions

2.4.1 Loans and Advance

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-1/119/2018-1209 dated April 11, 2018 regarding approval to defer the required provision amount over the next three years from 2018 to 2020.

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 ExposuresOff-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 and Circular no.7 of 21 June 2018 the Bank has maintained provision @ 1% against off-balance sheet exposures.

2.5	Cal	culation	of	Deferred	Tax:
_					

BDT Taxable temporary difference arising from the carrying (595, 165, 384) value of fixed assets Deductable temporary difference arising from the provision of classified loan 3,825,190,000 3,230,024,616 Net deductable temporary difference (a) 37.50% 1,211,259,231 Tax rate (b) Closing deferred tax assets (a x b) Opening deferred tax assets 721,326,693 489,932,538 Deferred tax income of the bank
Deffered tax expenses of subsidiaries
Consolidated deferred tax income (139,302) **489,793,236**

2.6 Composition of Shareholders' Equity:

BDT 5,733,630,380 (573,363,038 Ordinary shares @ 10.00 each) Statutory Reserve Revaluation Reserve on Investment in Securities 3,984,645,601 8,912,593 Foreign Currency Translation gain 616,777,324 General Reserve Retained Earnings
Total Shareholders' Equity 12,754,539,133

2.7 Net Asset Value Per Share (NAVPS):

Net assets value (NAV) per share as of Q3 2018: BDT 22.25 which was BDT 20.51 (Restated, Original NAV: BDT 23.08) in December 2017. Calculation of the NAVPS furnished below:

Calculation of NAVPS: Net asset value/ No. of shares outstanding

12,754,539,133 Total net assets value (a) 573,363,038

Number of shares outstanding (b) Net asset value per share (a/b)

2.8 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 Q3 2018: BDT 2.01 as against BDT 0.84 (Restated, Original EPS: BDT 0.95) of Q3 2017; July-September 18 EPS BDT 0.49 against BDT 0.11 (Restated, Original EPS: BDT 0.12) of July-September 17. EPS has been increased significantly compare to the same period of last year due to increase of business volume, creation of deferred tax income of BDT 489.79 Million and reduction of corporate tax rate. Calculation of EPS as of Q3 2018 is as under: $\frac{1}{2}$

Calculation of Basic EPS: Net profit after tax/ No. of shares outstanding

Net profit after tax (a) Number of shares outstanding (b) 1,154,481,315 573.363.038 Earnings per share (a/b) **Diluted EPS**

No diluted EPS is required to be calculated as there was no scope for dilution of share for this period.

2.9 Net Operating Cash Flows Per Share (NOCFS)

NOCFS has stood at (BDT 3.21) compare to the same period of last year of (BDT 9.18) [Restated, Original NOCFS: BDT (10.33)] mainly due to reduction of gape between collection of deposits / fund and deployment of fund through advances over the same period of previous year. Calculation of NOCFS as of Q3 2018 is as under:

Calculation of NOCFPS: Net operating cash flow/No. of shares outstanding

(1,841,812,932) Number of shares outstanding (b) 573,363,038 Net operating cash flow per share (a/b)

2.10 Reporting Period

These financial statements cover the period from January 1 to September 30, 2018 **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 the previous year have been rearranged to conform to the

2.12 Review of the Financial Statements These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 4th meeting for 2018 held on October 30,

2018 and was subsequently approved by the MTB Board in its 228th meeting held on October 30, 2018. 2.13 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

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Periods	Date of Rating	Long Term Rating	Short Term Rating			
January to December 2017	April 30, 2018	AA	ST2			
January to December 2016	May 16, 2017	AA	ST2			