

MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AS AT AND FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

Profit Less Curre Defer

Net P Share Minority Interes

Retained Appropr Bonus Sh

Earning

Retained Surplus, Carried Forward

128.451

19.82

222,444,897,850

19,295,388,283

16,622,625,028

1,712,416,910



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মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড Mutual Trust Bank Ltd.

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01 January to

30 September' 2019 30 September' 2018

01 January to

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 quarter ended September 30, 2019. These Consolidated 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) 34 "Interim Financial Reporting"

Condensed Consolidated Balance Sheet (Unaudited) As at 30 September 2019

Property and Assets	30 September'2019 BDT	31 December'2018 BDT
Cash	14,185,200,679	12,301,086,194
In Hand (Including Foreign Currency)	3,383,749,866	2,520,607,136
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	10,801,450,813	9,780,479,058
Balance with Other Banks & Financial Institutions	4,471,487,459	3,176,565,149
In Bangladesh	2,298,517,372	861,661,189
Outside Bangladesh	2,172,970,087	2,314,903,960
Money at Call and Short Notice	-	1,580,000,000
Investments	34,945,976,700	27,388,395,082
Government	31,812,948,300	24,421,226,713
Others	3,133,028,400	2,967,168,369
Loans and Advances	181,581,850,680	166,145,119,129
Loans, Cash Credits, Overdrafts, etc.	179,747,387,943	163,394,332,234
Bills Purchased and Discounted	1,834,462,737	2,750,786,895
Fixed Assets including Premises, Furniture & Fixtures	3,404,175,074	3,128,176,263
Other Assets Non-Banking Assets	10,840,530,590	8,725,556,033
Total Property and Assets	249,429,221,182	222,444,897,850
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	23,935,998,922	19,640,823,048
Deposits and Other Accounts	183,345,382,952	166,160,290,425
Current Deposits & Other Accounts	14,665,721,211	14,090,900,316
Bills Payable	1,471,686,615	1,703,433,803
Savings Bank Deposits	29,717,237,823	28,239,575,869
Special Notice Deposits	14,703,510,233	12,863,186,737
Fixed Deposits	85,851,206,704	77,043,035,120
Deposit Products	36,936,020,366	32,220,158,580
Other Liabilities	19,488,314,178	15,964,827,954
Subordinated Debts	7,400,000,000	7,400,000,000
Total Liabilities Capital/Shareholders' Equity	234,169,696,052	209,165,941,427
Paid-up Capital	6,699,294,440.00	5,733,630,380
Statutory Reserve	4,474,801,257.38	4,096,004,358
	518,828,578.00	-
Share Premium		400 000 000
	403,663,801.80	480,328,680
Revaluation Reserve on Investment in Securities	403,663,801.80 8,501,959	
Revaluation Reserve on Investment in Securities Foreign Currency Translation gain/(loss)	' '	6,143,266
Share Premium Revaluation Reserve on Investment in Securities Foreign Currency Translation gain/(loss) General Reserve Retained Earnings	8,501,959	480,328,680 6,143,266 786,777,324 2,175,943,964



DISCLOSURE ON THIRD QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

130.478

22.78

249,429,221,182

31,030,872,421

19,411,703,422

2,259,016,343

As on September 30, 2019	As on September 30, 2018
15,259.39	12,754.54
22.78	19.04
1.90	1.77
13.76	(2.42)
	30, 2019 15,259.39 22.78 1.90

Condensed Consolidated Profit and Loss Account (Unaudited) For the period ended 30 September 2019

<u>Particulars</u>	30 September 2019 BDT	30 September 2018 BDT	30 September 2019 BDT	30 September 2018 BDT
Interest Income	13,590,472,044	11,609,583,098	4,799,822,236	4 020 044 045
Interest Income	. , , , , ,	, , ,	, , ,	4,030,841,945
Less: Interest Paid on Deposits and Borrowings, etc.	9,494,767,302	7,885,423,651	3,537,023,740	2,765,120,873
Net Interest Income	4,095,704,742	3,724,159,447	1,262,798,496	1,265,721,072
Investment Income	1,615,936,921	1,776,602,312	646,495,731	642,047,426
Commission, Exchange and Brokerage	1,972,129,663	1,170,491,129	688,470,092	420,610,103
Other Operating Income	385,129,961	364,730,379	134,726,708	114,569,073
	3,973,196,546	3,311,823,820	1,469,692,532	1,177,226,602
Total Operating Income	8,068,901,288	7,035,983,268	2,732,491,028	2,442,947,674
Less: Operating Expenses:				
Salary and Allowances	2,148,427,233	1,825,645,268	853,304,730	628,083,587
Rent, Tax, Insurance and Electricity etc.	603,953,617	517,194,561	208,581,352	175,378,810
Legal Expenses	2,793,027	2,536,720	1,060,167	994,198

Loos. Operating Expenses.				
Salary and Allowances	2,148,427,233	1,825,645,268	853,304,730	628,083,587
Rent, Tax, Insurance and Electricity etc.	603,953,617	517,194,561	208,581,352	175,378,810
Legal Expenses	2,793,027	2,536,720	1,060,167	994,198
Postage, Stamps and Telecommunication etc.	18,281,893	16,197,759	6,734,933	6,345,416
Stationery, Printing and Advertisements etc.	93,846,120	91,243,186	30,299,889	30,595,190
Managing Director's Remuneration	15,511,333	14,716,333	4,884,000	4,644,000
Directors' Fees	2,093,200	2,576,600	577,600	887,100
Auditors' Fees	324,124	287,787	127,554	116,588
Depreciation and Repair of Bank's Properties	368,726,772	346,577,892	135,305,843	121,954,818
Other Expenses	843,095,671	648,978,595	255,957,286	192,833,574
Total Operating Expenses	4,097,052,991	3,465,954,701	1,496,833,354	1,161,833,280
Profit Before Provision	3,971,848,297	3,570,028,567	1,235,657,674	1,281,114,393

Less: Provision for Loans,Investment & Other				
Specific Provision for Loans & Advances	1,535,899,850	1,426,850,000	645,423,200	730,190,000
General Provision for Loans & Advances	225,788,000	19,375,000	19,824,000	(17,200,000)
Provision for Off Balance Sheet Items	126,451,950	148,920,000	39,604,000	(1,780,000)
Provision for Margin Loan & Investment in Shares	59,300,000	57,000,000	16,300,000	24,000,000
Provision for Other Asset	30,000,000	-	20,000,000	-
Total Provision	1,977,439,800	1,652,145,000	741,151,200	735,210,000
Profit Before Tax	1,994,408,497	1,917,883,567	494,506,474	545,904,393
Less: Income Tax Expenses	760.132.203	763,399,346	160.805.662	264.140.601

s: Income Tax Expenses	760,132,203	763,399,346	160,805,662	264,140,601
ent Tax Expenses	1,330,210,501	1,253,192,582	411,457,699	532,311,355
rred Tax Expenses/(Income)	(570,078,298)	(489,793,236)	(250,652,037)	(268,170,755)
Profit After Tax	1,234,276,295	1,154,484,221	333,700,812	281,763,793
eholders' of the Bank	1,234,274,267	1,154,481,315	333,700,396	281,762,842

d Surplus Brought Forward	2,175,943,964	1,722,348,545	2,175,943,964	1,722,348,545
	3,410,218,231	2,876,829,860	2,509,644,360	2,004,111,387
iations:				
hare Issued during the year	663,894,040	637,070,040	-	-
red to Statutory Reserve	378,796,899	362,421,570	94,625,848	99,954,783

s Per Share (EPS) (2018 Restated)	1.90	1.77	0.51	_
Spice	KNOgrain	/	Mun.	
Chairman	Vice Chairman	Mana	iging Director & CEO	
		a.m.ev	*	

2,906 1.234.276.295 1.154.484.221 333,700,812 281,763,793 999,491,610 94,625,848 99,954,783 2.367,527,292 1,877,338,251 2,415,018,513 1,904,156,604 0.43

Condensed Consolidated Statement of Cash Flow (Unaudited) For the period ended 30 September 2019

	•	30 September 2018
Ocal Flore from Occupies Aut Man	BDT	BDT
Cash Flows from Operating Activities:		
Interest Received	14,852,328,964	12,983,839,502
Interest Paid on Deposits, Borrowings, etc.	(7,796,222,026)	(6,498,386,605)
Dividend Income	19,754,304	50,446,339
Fees & Commission Income	1,972,129,663	1,170,491,129
Recoveries of Loans previously written off	42,710,800	-
Cash Paid to Employees as Salaries and Allowances	(2,163,938,566)	(1,840,361,601)
Cash Paid to Suppliers	(93,846,120)	(91,243,186)
Advance Income Tax Paid	(703,165,393)	(730,316,666)
Cash Received from Other Operational Income	498,838,473	722,999,923
Cash Paid for Other Operational Expenses	(1,571,060,585)	(1,283,897,636)
Cash Flows from Operating Activities before	5,057,529,515	4,483,571,198
Changes in Net Current Assets :		
Loans & Advances	(15,411,662,080)	(13,027,550,552)
Other Assets	(949,473,027)	(706,473,593)
Bank Deposit	(10,899,675,000)	(7,149,625,000)
Customers' Deposits	26,328,517,167	10,957,940,198
Borrowing from Other Banks, Financial Institutions & Agents	4,295,175,874	3,166,591,331
Other Liabilities	800,908,505	652,650,756
	4,163,791,439	(6,106,466,860)
Net Cash Flows from Operating Activities	9,221,320,954	(1,622,895,662)
Cash Flows from Investing Activities:		
Investments in T. Bills, T. Bonds and other	(7,737,569,326)	(912,311,198)
Investments in Shares & Bonds	(165,182,109)	(208, 339, 276)
Purchase of Premises & Fixed Asset (net)	(542,491,514)	(193,644,067)
Net Cash Flows from Investing Activities	(8,445,242,949)	(1,314,294,541)
Cash Flows from Financing Activities:		
Issue of new share with premium	820,598,598	-
Subordinated debt		-
Dividend Paid	-	-
Net Cash Flows from Financing Activities	820,598,598	
Net Increase in Cash and Cash Equivalents	1,596,676,602	(2,937,190,203)
Effect of Changes of Exchange Rates on Cash and	2,358,692	1,245,459
Cash Equivalents		
Opening Cash and Cash Equivalents	17,059,496,243	20,567,156,381
Closing Cash and Cash Equivalents (D+E+F)	18,658,531,538	17,631,211,638
The above closing Cash and Cash Equivalents include:	10,000,001,000	,,
Cash in Hand	3,383,749,866	3,017,499,803
Balance with Bangladesh Bank and its Agent Bank	10,801,450,813	9,467,502,362
Balance with Other Banks & Financial Institutions	4,471,487,459	4,892,993,973
Money at Call and Short Notice	-, -, -, -, -, -, -, -, -, -, -, -, -, -	251,250,000
Prize Bond	1,843,400	1,965,500
THE BOTTO	18,658,531,538	17,631,211,638
	10,000,001,000	,001,211,000

Condensed Consolidated Statement of Changes in Equity (Unaudited) For the period ended 30 September 2019

										Amount in BDT
Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2019	5,733,630,380	4,096,004,358		480,328,680	6,143,266	786,777,324	2,175,943,964	13,278,827,972	128,451	13,278,956,423
New Share Issued to NORFUND during the year	301,770,020		518,828,578					820,598,598		820,598,598
Bonus Share Issued	663,894,040			-	-	-	(663,894,040)	-	-	-
Currency Translation differences	-	-		-	2,358,693	-	-	2,358,693	-	2,358,693
Revaluation Reserve transferred during the period	-	-		(76,664,878)	-	-	-	(76,664,878)	-	(76,664,878)
Net Profit for the period after Tax	-	-		-	-	-	1,234,274,267	1,234,274,267	2,028	1,234,276,295
Appropriation made during the period	-	378,796,899		-	-	-	(378,796,899)	-	-	-
Balance as at 30 September, 2019	6,699,294,440	4,474,801,257	518,828,578	403,663,802	8,501,959	786,777,324	2,367,527,292	15,259,394,652	130,478	15,259,525,130
Balance as at 30 September, 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

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962,138,373 **570,173,414**

(95,116) **570,078,298**

Net Operating Cash Flows Per Share (2018 Restated)

KNOO Graun



13.76

(2.42)

Mutual Trust Bank Limited and its Subsidiaries

As at and for the half year ended 30 September 2019

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 and Fourteen) branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 120 (One Hundred and Twenty) Agent Banking Centre and 03 (Three) air lounges and 02 (Two) Booths located at Hazrat Shahjalal International Airport, Dhaka.

Minority Interest

Off-Balance Sheet Items **Contingent Liabilities**

Irrevocable letters of credit

Bills for collection

Acceptances and endorsements Letters of guarantee

Total Liabilities and Shareholders' Equity

Net Asset Value (NAV) per share (2018 Restated)

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, 2019 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 & 2018) and as per the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) approved by the Institute of Chartered Accountants of Bangladesh (ICAB) as the Bangladesh Financial Reporting council is yet to issue any financial reporting standard, 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 con 2.3 Cash Flow Statement

2.3 Cash Flow Statement
Cash flow statement has been prepared in accordance with the International 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.

2.4.1 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-1/119/2019-419 dated April 28, 2019 regarding provision deferral approval which to be maintained within the three years from 2019 to 2021.

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

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 of September 23, 2012, Circular letter no.1 of January 03, 2018, Circular No. 13 of 18 October 2018 and Circular no. 7 of 21 June 2018 the Bank has maintained provision against off-balance sheet exposures.

2.5 Calculation of Deferred Tax:

Taxable temporary difference arising from the carrying value of (675.827.236) fixed assets

Deductibles temporary difference arising from the provision of Net deductible temporary difference (a) Tax rate (b) 37.50% 1,532,311,787

Closing deferred tax assets (a*b) Opening deferred tax assets Deferred tax income of the Bank Consolidated deferred tax income

2.6 Composition of Shareholders' Equity:

2.8 Earnings Per Share (EPS)

Paid up Capital (669,929,444 Ordinary shares @ 10.00 each) 6,699,294,440 Statutory Reserve 4,474,801,257 Share Premium Revaluation Reserve on Investment in Securities 8.501.959 Foreign Currency Translation gain 786,777,324 General Reserve 15,259,394,652 Total Shareholders' Equity

2.7 Net Asset Value Per Share (NAVPS): Net assets value (NAV) per share as of Q3 2019: BDT 22.78 which was BDT 19.82 (Restated) in December 2018. Calculation of the NAVPS furnished

Calculation of NAVPS: Net asset value/ No. of shares outstanding Total net assets value (a) Number of shares outstanding as of 30 September 2019 (b) Net asset value per share (a/b) 22.78

The Bank calculates EPS in accordance with International Accounting Standard (IAS) 33 "Earning per Share" which has been shown in the profit and loss account. EPS as of O3 2019: BDT 1.90 as against BDT 1.77 (Restated, Original EPS: BDT 2.01) of Q3 2018. EPS has increased compared to the same period of last year due to increase of business volume, interest income & exchange gain. Calculation of EPS as of Q3 2019 is as under: & exchange gain. Calculation of EPS as of Q3 2019 is as under:
Calculation of Basic EPS: Net profit after tax/Weighted average no. of shares outstanding

BDT 1,234,274,267 Net profit after tax (a) Weighted average number of shares outstanding (b) 650,420,510 Earnings per share (a/b)

2.9 Net Operating Cash Flows Per Share (NOCFS)

NOCFS has stood at BDT 13.76 compare to the same period of last year of (BDT 2.42) [Restated, Original NOCFS: BDT (3.21)] mainly due to reduction of gap between collection of deposits / fund and deployment of fund through advances over the same period of previous year. Calculation of NOCFS as of Q3 2019 is as under:

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

9.221.320.954 Number of shares outstanding as of 30 September 2019 (b) 669,929,444 Net operating cash flow per share (a/b)

2.10 Reconciliation of statement of cash flows from operating activities						
Particulars	01 January to 30 September 2019	01 January to September' 2018				
Profit before provision Adjustment for non cash items	3,971,848,297	3,570,028,567				
Adjustinent for non cash items						
Depreciation on fixed assets	249,904,470	228,300,889				
Amortization on software	18,303,249	19,935,056				
A director and with many amounting a sativity	268,207,719	248,235,945				
Adjustment with non-operating activit	ies					
Recovery of written of loan	42,710,800	-				
Accounts Receivable	(487,405,607)	(220,877,431)				
Accounts Payable on deposits	1,698,545,276	1,395,367,181				
Gain on sale of assets	(1,715,017)	-				
Gain on sale of share	(677,922)					
Loss on sale of assets	-	2,216,332				
Loss on revaluation of Government Securities	269.181.361	218.917.270				

Loss on revaluation of Government Securities [269,181,361	218,917,270
	1,520,638,891	1,395,623,352
Changes in operating assets and liability	ies	
Changes in loans & advances	(15,411,662,080)	(13,027,550,552)
Changes in deposits & other accounts	15,428,842,167	3,808,315,198
Changes in borrowings	4,295,175,874	3,166,591,331
Changes in other assets	(949,473,027)	(706,473,593)
Changes in other liabilities	800,908,505	652,650,756
	4,163,227,439	(6,106,466,860)
Income tax paid	(703,165,393)	(730,316,666)
-	0 224 220 054	/4 622 00E 662\

<u>9,221,320,954</u> (1,622,895,662) 2.11 Reporting Period These financial statements cover the period from January 1 to September

2.12 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 current year's presentation.

These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 4th meeting for 2019 held on October 20, 2019 and was subsequently approved by the MTB Board in its 242th meeting held on October 22, 2019.

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

Periods	Date of Rating	Long Term Rating	Short Term Rating
Januaryto December 2018	May 13, 2019	AA	ST-2
January to December 2017	April 30, 2018	AA	ST-2

TOGETHER, TOWARDS A BETTER FUTURE

We believe we can achieve excellence with your support. To commemorate our journey, we are celebrating 20th MTB Day, today. We hope the days ahead will be brighter and more prosperous. Thank you for banking on us. The Condensed Interim Financial Statements - Unaudited (Q3, 2019) are available on www.mutualtrustbank.com