



# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AS AT AND FOR THE FIRST HALF ENDED 30 JUNE, 2020



# 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 2 February, 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 30 June, 2020. 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) 34 "Interim Financial Reporting".

### Condensed Consolidated Balance Sheet (Unaudited)

As at 30 June 2020

	30 June 2020 BDT	31 December 2019 BDT
<b>Property and Assets</b>		
Cash	11,688,634,750	14,556,500,624
In Hand (Including Foreign Currency)	2,849,331,742	2,886,876,110
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	8,839,303,008	11,669,624,514
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>3,589,044,291</b>	<b>3,385,050,274</b>
In Bangladesh	996,851,386	647,783,394
Outside Bangladesh	2,592,192,905	2,737,266,881
<b>Money at Call and Short Notice</b>	<b>189,100,000</b>	<b>206,800,000</b>
<b>Investments</b>	<b>34,057,047,425</b>	<b>34,199,538,201</b>
Government	30,900,003,953	31,064,307,864
Others	3,157,043,472	3,135,230,337
<b>Loans and Advances</b>	<b>200,893,027,062</b>	<b>189,729,715,862</b>
Loans, Cash Credits, Overdrafts, etc.	198,723,699,926	186,991,247,910
Bills Purchased and Discounted	2,169,327,136	2,738,467,951
<b>Fixed Assets including Premises, Furniture &amp; Fixtures</b>	<b>5,003,946,751</b>	<b>4,301,132,697</b>
<b>Other Assets</b>	<b>11,975,099,699</b>	<b>10,534,428,577</b>
<b>Non-Banking Assets</b>	<b>267,395,899,978</b>	<b>256,913,166,235</b>
<b>Liabilities and Capital</b>		
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>25,679,711,896</b>	<b>21,701,177,487</b>
<b>Deposits and Other Accounts</b>	<b>190,206,760,391</b>	<b>190,947,704,349</b>
Current Deposits & Other Accounts	15,663,935,135	16,350,528,300
Bills Payable	2,296,180,478	1,643,542,846
Savings Bank Deposits	31,350,049,231	29,884,510,508
Special Notice Deposits	17,088,613,022	12,933,757,149
Fixed Deposits	82,860,459,963	91,060,961,747
Deposit Products	40,947,522,562	39,074,403,799
<b>Other Liabilities</b>	<b>24,077,959,660</b>	<b>21,174,287,503</b>
<b>Subordinated Debts</b>	<b>10,200,000,000</b>	<b>6,800,000,000</b>
<b>Total Liabilities</b>	<b>250,164,431,947</b>	<b>240,623,169,339</b>
<b>Capital/Shareholders' Equity</b>		
Paid-up Capital	7,034,594,460	7,034,594,460
Statutory Reserve	4,989,616,393	4,691,953,779
Share Premium	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	273,906,395	421,956,410
Foreign Currency Translation gain/(loss)	6,506,679	5,392,239
General Reserve	786,777,324	786,777,324
Retained Earnings	3,045,631,962	2,253,888,061
<b>Total Shareholders' Equity</b>	<b>17,231,337,991</b>	<b>16,289,867,051</b>
<b>Minority Interest</b>	<b>130,040</b>	<b>129,845</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>267,395,899,978</b>	<b>256,913,166,235</b>
<b>Net Asset Value (NAV) per share (2019 Restated)</b>	<b>24.50</b>	<b>23.16</b>

	30 June 2020 BDT	31 December 2019 BDT
<b>Off-Balance Sheet Items</b>		
<b>Contingent Liabilities</b>		
Acceptances and endorsements	27,776,715,019	28,080,703,195
Letters of guarantee	34,638,294,416	30,336,492,151
Irrevocable letters of credit	20,898,934,334	22,398,091,176
Bills for collection	5,518,644,184	1,753,276,921
Other contingent liabilities	-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>	<b>88,832,587,953</b>	<b>82,568,563,443</b>

Chairman: [Signature] Director: [Signature] Managing Director & CEO: [Signature]  
Group Chief Financial Officer: [Signature] Group Company Secretary: [Signature]

### Condensed Consolidated Profit and Loss Account (Unaudited)

For the period ended 30 June 2020

	01 January to 30 June 2020 BDT	01 January to 30 June 2019 BDT	01 April to 30 June 2020 BDT	01 April to 30 June 2019 BDT
<b>Particulars</b>				
Interest Income	8,451,078,247	8,790,649,807	3,773,035,228	4,673,707,942
Less: Interest Paid on Deposits and Borrowings, etc.	6,405,759,405	5,902,380,694	3,090,713,174	3,135,878,111
<b>Net Interest Income</b>	<b>2,045,318,842</b>	<b>2,888,269,113</b>	<b>682,322,054</b>	<b>1,537,829,831</b>
Investment Income	1,891,821,309	914,078,322	1,081,363,929	432,760,010
Commission, Exchange and Brokerage	780,890,768	1,283,659,570	335,046,394	730,945,876
Other Operating Income	294,522,725	273,546,436	163,619,333	169,131,862
<b>Total Operating Income</b>	<b>2,967,234,803</b>	<b>2,471,284,328</b>	<b>1,580,029,646</b>	<b>1,332,837,872</b>
5,012,553,644	5,359,553,442	2,262,351,700	2,870,667,703	
<b>Less: Operating Expenses:</b>				
Salary and Allowances	1,761,017,537	1,295,122,503	909,386,909	684,045,474
Rent, Tax, Insurance and Electricity etc.	304,193,900	395,372,264	142,466,086	198,012,071
Legal Expenses	699,211	1,732,860	96,157	402,400
Postage, Stamps and Telecommunication etc.	7,520,365	11,546,960	3,120,437	6,465,214
Stationery, Printing and Advertisements etc.	24,752,256	63,546,231	9,489,387	31,210,210
Managing Director's Remuneration	11,633,900	10,627,333	6,527,075	7,108,333
Directors' Fees	803,549	1,515,600	184,949	824,500
Auditors' Fees	217,729	196,570	104,896	96,938
Depreciation and Repair of Bank's Properties	367,940,076	233,420,929	185,564,809	130,968,875
Other Expenses	531,968,318	610,281,567	222,968,618	300,193,030
<b>Total Operating Expenses</b>	<b>3,010,746,840</b>	<b>2,623,362,819</b>	<b>1,479,909,122</b>	<b>1,389,327,045</b>
<b>Profit Before Provision</b>	<b>2,001,806,804</b>	<b>2,736,190,623</b>	<b>782,442,578</b>	<b>1,511,340,658</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>				
Specific Provision for Loans & Advances	366,640,765	890,476,650	145,418,366	531,997,009
General Provision for Loans & Advances	69,636,585	205,964,000	39,206,703	176,947,000
Provision for Off Balance Sheet Items	35,093,621	86,847,950	(19,118,767)	(17,442,000)
Provision for Margin Loan & Investment in Shares	34,000,000	43,000,000	1,000,000	15,000,000
Provision for Other Asset	-	10,000,000	-	10,000,000
<b>Total Provision</b>	<b>505,373,971</b>	<b>1,236,288,600</b>	<b>166,506,302</b>	<b>716,502,009</b>
<b>Profit Before Tax</b>	<b>1,496,432,833</b>	<b>1,499,902,023</b>	<b>615,936,276</b>	<b>794,838,649</b>
<b>Less: Income Tax Expenses</b>	<b>408,026,123</b>	<b>599,326,542</b>	<b>62,032,990</b>	<b>314,706,243</b>
Current Tax Expenses	540,805,429	918,752,802	114,494,793	502,762,832
Deferred Tax Expenses/(Income)	(132,779,306)	(319,426,260)	(52,461,803)	(188,056,589)
<b>Net Profit After Tax</b>	<b>1,088,406,710</b>	<b>900,575,482</b>	<b>553,903,286</b>	<b>480,132,406</b>
Shareholders' of the Bank	1,088,406,710	900,575,482	553,903,286	480,132,406
Minority Interest	195	1,612	(31)	600
<b>Retained Surplus Brought Forward</b>	<b>2,253,888,061</b>	<b>2,175,943,964</b>	<b>2,253,888,061</b>	<b>2,175,943,964</b>
<b>3,342,294,577</b>	<b>3,076,517,834</b>	<b>2,807,791,378</b>	<b>2,656,075,770</b>	
<b>Appropriations:</b>				
Bonus Share Issued during the year	-	663,894,040	-	663,894,040
Transferred to Statutory Reserve	296,662,614	284,171,052	125,557,437	152,845,001
<b>296,662,614</b>	<b>948,065,092</b>	<b>125,557,437</b>	<b>816,739,041</b>	
<b>Retained Surplus, Carried Forward</b>	<b>3,045,631,963</b>	<b>2,128,452,743</b>	<b>2,682,233,941</b>	<b>1,839,336,729</b>
<b>Earnings Per Share (EPS) (2019 Restated)</b>	<b>1.55</b>	<b>1.28</b>	<b>0.79</b>	<b>0.68</b>

Chairman: [Signature] Director: [Signature] Managing Director & CEO: [Signature]  
Group Chief Financial Officer: [Signature] Group Company Secretary: [Signature]

### Condensed Consolidated Statement of Cash Flow (Unaudited)

For the period ended 30 June 2020

	01 January to 30 June 2020 BDT	01 January to 30 June 2019 BDT
<b>A) Cash Flows from Operating Activities:</b>		
Interest Received	9,486,719,202	9,653,371,973
Interest Paid on Deposits, Borrowings, etc.	(6,788,542,214)	(5,606,461,929)
Dividend Income	5,983,480	14,747,920
Fees & Commission Income	780,890,768	1,283,659,570
Recoveries of Loans previously written off	197,080	6,600,000
Cash Paid to Employees as Salaries and Allowances	(1,772,651,437)	(1,305,749,836)
Cash Paid to Suppliers	(24,752,256)	(63,546,231)
Advance Income Tax Paid	(773,877,168)	(437,478,933)
Cash Received from Other Operational Income	953,010,388	248,858,435
Cash Paid for Other Operational Expenses	(887,417,931)	(1,086,325,527)
<b>Cash Flows from Operating Activities before Changes in Net Current Assets :</b>	<b>979,559,912</b>	<b>2,707,675,643</b>
<b>Loans &amp; Advances</b>	<b>(11,147,058,033)</b>	<b>(16,063,143,412)</b>
<b>Other Assets</b>	<b>(444,414,852)</b>	<b>(889,377,726)</b>
<b>Bank Deposit</b>	<b>(5,499,850,000)</b>	<b>(1,699,675,000)</b>
<b>Customers' Deposits</b>	<b>5,229,767,291</b>	<b>17,336,121,217</b>
<b>Borrowing from Other Banks, Financial Institutions &amp; Agents</b>	<b>3,978,534,409</b>	<b>2,746,088,971</b>
<b>Other Liabilities</b>	<b>1,901,996,544</b>	<b>543,850,235</b>
<b>(5,981,024,641)</b>	<b>1,973,864,285</b>	
<b>Net Cash Flows from Operating Activities</b>	<b>(5,001,464,729)</b>	<b>4,681,539,927</b>
<b>B) Cash Flows from Investing Activities:</b>		
Investments in T. Bills, T. Bonds and other	(30,318,562)	(1,622,025,413)
Investments in Shares & Bonds	(2,181,135)	(183,325,139)
Purchase of Premises & Fixed Asset (net)	(1,028,739,271)	(479,247,042)
<b>Net Cash Flows from Investing Activities</b>	<b>(1,080,870,968)</b>	<b>(2,284,597,594)</b>
<b>C) Cash Flows from Financing Activities:</b>		
Issue of new share with premium	-	820,598,598
Subordinated debt	3,400,000,000	-
Dividend Paid	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>3,400,000,000</b>	<b>820,598,598</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>	<b>(2,682,335,697)</b>	<b>3,217,540,931</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>	<b>1,114,440</b>	<b>(630,815)</b>
<b>F) Opening Cash and Cash Equivalents</b>	<b>18,150,276,998</b>	<b>17,059,496,243</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>	<b>15,469,055,741</b>	<b>20,276,406,359</b>
<b>The above closing Cash and Cash Equivalents include:</b>		
Cash in Hand	2,849,331,742	3,085,175,765
Balance with Bangladesh Bank and its Agent Bank	8,839,303,008	11,737,768,805
Balance with Other Banks & Financial Institutions	3,589,044,291	5,141,351,790
Money at Call and Short Notice	189,100,000	310,000,000
Prize Bond	2,276,700	2,110,000
<b>15,469,055,741</b>	<b>20,276,406,359</b>	
<b>Net Operating Cash Flows Per Share (2019 Restated)</b>	<b>(7.11)</b>	<b>6.66</b>

Chairman: [Signature] Director: [Signature] Managing Director & CEO: [Signature]  
Group Chief Financial Officer: [Signature] Group Company Secretary: [Signature]

### Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the period ended 30 June 2020

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, 2020	7,034,594,460	4,691,953,779	1,095,304,778	421,956,410	5,392,239	786,777,324	2,253,888,061	16,289,867,051	129,845	16,289,996,896
Currency Translation differences	-	-	-	-	1,114,440	-	-	1,114,440	-	1,114,440
Revaluation Reserve transferred during the period	-	-	-	(148,050,015)	-	-	-	(148,050,015)	-	(148,050,015)
Net Profit for the period after Tax	-	-	-	-	-	-	1,088,406,515	1,088,406,515	195	1,088,406,710
Appropriation made during the period	-	296,662,614	-	-	-	-	(296,662,614)	-	-	-
<b>Balance as at 30 June, 2020</b>	<b>7,034,594,460</b>	<b>4,988,616,393</b>	<b>1,095,304,778</b>	<b>273,906,395</b>	<b>6,506,679</b>	<b>786,777,324</b>	<b>3,045,631,962</b>	<b>17,231,337,991</b>	<b>130,040</b>	<b>17,231,468,031</b>
<b>Balance as at 30 June, 2019</b>	<b>6,699,294,440</b>	<b>4,380,175,410</b>	<b>518,828,578</b>	<b>423,152,861</b>	<b>5,512,450</b>	<b>786,777,324</b>	<b>2,128,452,743</b>	<b>14,942,193,806</b>	<b>130,062</b>	<b>14,942,323,868</b>

Chairman: [Signature] Director: [Signature] Managing Director & CEO: [Signature]  
Group Chief Financial Officer: [Signature] Group Company Secretary: [Signature]

### DISCLOSURE ON 1st HALF UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2020

Particulars	As on 30 June, 2020	As on 30 June, 2019
Net Asset Value (NAV) (Million)	17,231.34	14,942.19
Net Asset Value (NAV) per share (2019 Restated)	24.50	21.24
Earnings Per Share (2019 Restated)	1.55	1.28
Net Operating Cash Flow Per Share (2019 Restated)	(7.11)	6.66

### Mutual Trust Bank Limited and Its Subsidiaries

Selective Notes to the Condensed Interim Financial Statements As at and for the period ended 30 June 2020

**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 up to date) 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 118 (One Hundred and Eighteen) branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 146 (One Hundred and Forty Six) Agent Banking Centre and 03(Three) 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). 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) vide 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 30 June, 2020 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 up to date) 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 19