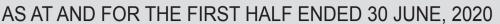


MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)



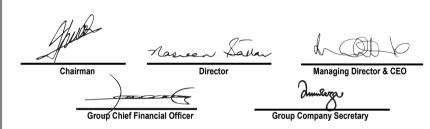


মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড **Mutual Trust Bank Ltd.**

vou can bank on us

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 31 December'2019 Property and Assets 11,688,634,750 14,556,500,624 In Hand (Including Foreign Currency) With Bangladesh Bank and its agent Bank(s) (including Foreign 8,839,303,008 11,669,624,514 Balance with Other Banks & Financial Institutions 3,589,044,291 3,385,050,274 In Bangladesh Outside Bangladesh 2,592,192,90 2,737,266,881 Money at Call and Short Notice 189,100,000 206,800,000 34.199.538.201 34.057.047.425 Investments Government 30.900.003.953 31.064.307.864 Others 3.157.043.472 3,135,230,337 189,729,715,862 Loans and Advances 200,893,027,062 Loans, Cash Credits, Overdrafts, etc Bills Purchased and Discounted 2.169.327.136 2.738.467.951 Fixed Assets including Premises, Furniture & Fixtures 5.003.946.751 4.301.132.697 10 534 428 577 11.975.099.699 Other Assets Non-Banking Assets 267,395,899,978 256,913,166,235 **Total Property and Assets Liabilities and Capital** Borrowing from other Banks, Financial Institutions & Agents 25.679.711.896 21.701.177.487 **Deposits and Other Accounts** 190,206,760,391 190,947,704,349 Current Deposits & Other Accounts 16.350.528.300 1,643,542,846 Bills Payable 2,296,180,478 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 39.074.403.799 Deposit Products 40,947,522,562 Other Liabilities 24.077.959.660 21.174.287.503 Subordinated Debts 10,200,000,000 6.800.000.000 **Total Liabilities** 250,164,431,947 240,623,169,339 Capital/Shareholders' Equity Paid-up Capital 7,034,594,46 Statutory Reserve 4,988,616,393 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 **Total Shareholders' Equity** 17,231,337,991 16.289.867.051 130.040 129.845 **Minority Interest** 256,913,166,235 Total Liabilities and Shareholders' Equity 267,395,899,978 Net Asset Value (NAV) per share (2019 Restated) 24.50 23.16 30 June'2020 31 December'2019



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

Amount in BDT

2.0 Significant Accounting Policies

2.1 Basis of Accounting

been taken into account.

2.2 Basis of Consolidation

2.4.1 Loans and Advance

2.4.2 Investment

financial period ending 30 June, 2020.

Commission Act. 1993. The operation has started as on April 17, 2011.

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

transactions among the Corporate Head Office and the branches have

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

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

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-1/119/2020-1616 dated 24 June. 2020 regarding

approval to defer the required provision amount over the next four years from

Provisions for diminution in value of investment is made for loss arising from

Banking Regulation & Policy Department of Bangladesh Bank.

BDT

28.080.703.195

30 336 492 151

22.398.091.176

1,753,276,921

82,568,563,443

BDT

27.776.715.019

34 638 294 416

20.898.934.334

5,518,644,184

88,832,587,953

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 Resatated)	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

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 ousiness 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,

1.1 Principal Activities

Off-Balance Sheet Items

Irrevocable letters of credit

Other contingent liabilities

Total Off-Balance Sheet Items including Contingent Liabilities

Contingent Liabilities Acceptances and endorsements

Letters of quarantee

Bills for collection

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

1.3.3 MTB Capital Limited (MTBCL) The Bank obtained permission to embark upon Merchant Banking from the

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 2.9 Net Operating Cash Flows Per Share (NOCFS) 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. Bank has maintained provision against off-balance sheet exposures.

Condensed Consolidated Profit and Loss Account (Unaudited) For the period ended 30 June 2020

<u>Particulars</u>	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
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
Net Interest Income	2,045,318,842	2,888,269,113	682,322,054	1,537,829,831
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	335,046,384	730,945,876
Other Operating Income	294,522,725	273,546,436	163,619,333	169,131,986
	2,967,234,803	2,471,284,328	1,580,029,646	1,332,837,872
Total Operating Income	5,012,553,644	5,359,553,442	2,262,351,700	2,870,667,703
Less: Operating Expenses:				
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	185,564,609	130,968,875
Other Expenses	531,968,318	610,281,567	222,968,618	300,193,030
Total Operating Expenses	3,010,746,840	2,623,362,819	1,479,909,122	1,359,327,045
Profit Before Provision	2,001,806,804	2,736,190,623	782,442,578	1,511,340,658
Less: Provision for Loans,Investment & Other				
Specific Provision for Loans & Advances	366,640,765	890,476,650	145,418,366	531,997,009
General Provision for Loans & Advances	69,639,585	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
Total Provision	505,373,971	1,236,288,600	166,506,302	716,502,009
Profit Before Tax	1,496,432,833	1,499,902,023	615,936,276	794,838,649
Less: Income Tax Expenses	408,026,123	599,326,542	62,032,990	314,706,243
Current Tax Expenses	540,805,429	918,752,802	114,494,793	502,762,832
Deferred Tax Expenses/(Income) Net Profit After Tax	(132,779,306) 1,088,406,710	(319,426,260) 900,575,482	(52,461,803) 553,903,286	(188,056,589
	$\overline{}$			480,132,406
Shareholders' of the Bank	1,088,406,516	900,573,870	553,903,317	480,131,806
Minority Interest	195	1,612	(31)	600
	1,088,406,710	900,575,482	553,903,286	480,132,406
	2,253,888,061	2,175,943,964 3,076,517,834	2,253,888,061 2,807,791,378	2,175,943,964 2,656,075,770
Retained Surplus Brought Forward			2,001,101,010	2,000,010,110
	3,342,294,577			
Appropriations:	3,342,294,577	663,894,040	-	663,894,040
Appropriations: Bonus Share Issued during the year	296,662,614	663,894,040 284,171,052	- 125,557,437	, ,
Appropriations: Bonus Share Issued during the year Transferred to Statutory Reserve	- 1	, ,	125,557,437 125,557,437	663,894,040 152,845,001 816,739,041
Appropriations: Bonus Share Issued during the year	296,662,614	284,171,052		152,845,001

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		
A) Cash Flows from Operating Activities:				
Interest Received	9,486,719,202	9,653,371,973		
Interest Paid on Deposits, Borrowings, etc.	(6,788,542,214)	(5,606,461,729)		
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)		
Cash Flows from Operating Activities before Changes in Net Current Assets :	979,559,912	2,707,675,643		
Loans & Advances	(11,147,058,033)	(16,063,143,412)		
Other Assets	(444,414,852)	(889,377,726)		
Bank Deposit	(5,499,850,000)	(1,699,675,000)		
Customers' Deposits	5,229,767,291	17,336,121,217		
Borrowing from Other Banks, Financial Institutions & Agents	3,978,534,409	2,746,088,971		
Other Liabilities	1,901,996,544	543,850,235		
	(5,981,024,641)	1,973,864,285		
Net Cash Flows from Operating Activities	(5,001,464,729)	4,681,539,927		
B) Cash Flows from Investing Activities:				
Investments in T. Bills, T. Bonds and other	(30,318,562)	(1,622,025,413)		
Investments in Shares & Bonds	(21,813,135)	(183,325,139)		
Purchase of Premises & Fixed Asset (net)	(1,028,739,271)	(479,247,042)		
Net Cash Flows from Investing Activities	(1,080,870,968)	(2,284,597,594)		
C) Cash Flows from Financing Activities:				
Issue of new share with premium		820,598,598		
Subordinated debt	3,400,000,000	-		
Dividend Paid		-		
Net Cash Flows from Financing Activities	3,400,000,000	820,598,598		
D) Net Increase in Cash and Cash Equivalents	(2,682,335,697)	3,217,540,931		
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	1,114,440	(630,815)		
F) Opening Cash and Cash Equivalents	18,150,276,998	17,059,496,243		
Closing Cash and Cash Equivalents (D+E+F)	15,469,055,741	20,276,406,359		
The above closing Cash and Cash Equivalents include:				
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		
	15,469,055,741	20,276,406,359		
Net Operating Cash Flows Per Share (2019 Restated)	(7.11)	6.66		
Marie Laver Sava	hat	10		
Chairman Director	Managing Director	& CEO		
	ameeza			
1	0	_		
Group Chief Financial Officer	Group Company Secretary	_		

Condensed Consolidated Statement of Changes in Equity (Unaudited) For the period ended 30 June 2020

Revaluation

Foreign

Particulars	Paid-up Capital	Statutory Reserve	Share Premium	Reserve on Investment in Securities	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)	-	-	-
Balance as at 30 June, 2020	7,034,594,460	4,988,616,393	1,095,304,778	273,906,395	6,506,679	786,777,324	3,045,631,962	17,231,337,991	130,040	17,231,468,031
Balance as at 30 June, 2019	6,699,294,440	4,380,175,410	518,828,578	423,152,861	5,512,450	786,777,324	2,128,452,743	14,942,193,806	130,062	14,942,323,868







<u>BDT</u>

(816.194.825)

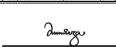
2,647,690,716

37.50% **992,884,019**

860,438,349 **132,445,670**

333,636 **132,779,306**

<u>BDT</u> 1,088,406,516



No.MB-55/2010 dated December 06, 2010 under the Securities and Exchange Taxable temporary difference arising from the carrying value of fixed assets Deductibles temporary difference arising from the provision

of classified loan Net deductible temporary difference (a) The financial statements of the Bank as at and for the period ended 30 Tax rate (b) Closing deferred tax assets (a*b) June, 2020 have been prepared under the historical cost convention, on a Opening deferred tax assets Deferred tax income of the Bank Deferred tax income of subsidiaries BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Consolidated deferred tax income 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 2.6 Composition of Shareholders' Equity: Regulations 2015, The Income Tax Ordinance 1984 and other laws and rules applicable in Bangladesh. All inter-branch account balances and

BDT Paid up Capital (703,459,446 Ordinary shares @ 10.00 each) 7.034,594,460 Statutory Reserve Share Premium 4,988,616,393 1,095,304,778 273,906,395 Revaluation Reserve on Investment in Securities 6,506,679 786,777,324 Foreign Currency Translation gain General Reserve Retained Earnings 3,045,631,962 **17,231,337,991** Total Shareholders' Equity

2.7 Net Asset Value Per Share (NAVPS): Net assets value (NAV) per share as of Q2 2020: BDT 24.50 which was BDT 23.16 (Restated) in December 2019. Calculation of the NAVPS furnished

<u>BDT</u> 17,231,337,991 703,459,446 Total net assets value (a) Number of shares outstanding as of 30 June 2020 (b)

2.8 Earnings Per Share (EPS)
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 Q2 2020: BDT 1.55 as against BDT 1.28 (Restated, Original EPS: BDT 1.41) of Q2 2019. EPS has increased compared to the same period of last year due to increase of business volume, interest income & investment income. Calculation of EPS as of Q2 2020 is as under: Calculation of Basic EPS: Net profit after tax/ No. of shares outstanding

Calculation of NAVPS:

Weighted average number of shares outstanding (b) 703,459,446

NOCFS for the period has stood at BDT (7.11) compare to the same period of last year of BDT 6.66 [Restated, Original NOCFS: BDT 6.76] 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 Q2 2020 is as under:

•	Group Chief Financial Officer	Group Company Secretary
	Calculation of NOCFPS:	Net operating cash flow/No. of shares outstanding
	Total net operating cash flows (a) Number of shares outstanding as of 30 June Net operating cash flow per share (a/b)	2020 (b) (5,001,464,729) 703,459,446 (7.11)
	2.10 Reconciliation of statement of cash	flows from operating activities

01 January to June 30, 2020 01 January to June 30, 2019 **Particulars** Profit before provision 2.001.806.804 2,736,190,623 Adjustment for non cash items 153,428,894 Depreciation on fixed assets

Amortization on software 28,858,205 **324,379,881** 11,452,773 **164,881,667** Adjustment with non-operating activities Recovery of written of loan 6.600.000 (213,836,098) 295,918,966 Accounts Receivable Accounts Pavable on deposits (382.782.809) Loss on sale of assets 1.545.336 2 859 558

46,923,058 (**572,749,604**) 152,539,861 **244,082,286** Loss on revaluation of Government Securities Changes in operating assets and liabilities (16.063.143.412) (11.147.058.033) Changes in loans & advances

Changes in deposits & other accounts Changes in borrowings (270,082,709) 3,978,534,409 15,636,446,217 Changes in other assets (444,414,852) (889,377,726)

Mad	annatural Ma	Changes in other liabilities	1,901,990,544	543,650,235		
Net asset value/ No. of shares outstanding	_	(5,981,024,641)	1,973,864,285)			
OI SI		Income tax paid	(773,877,168)	(437,478,933)		
	<u>BDT</u>	·	(5,001,464,729)	4.681.539.927		
	17,231,337,991		(1,11,11,11,11,11,11,11,11,11,11,11,11,1	, , , .		
b)	703,459,446 24.50	2.11 Reporting Period				
	21.00	These financial statements cover the period from 01 January to 30 June, 2020.				

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

2.13 Review of the Financial Statements These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 2nd meeting for 2020 held on 26 July, 2020 and was subsequently approved by the MTB Board in its 251th meeting held on 27 July, 2020.

Credit Rating Information and Services Limited (CRISL) has rated the Bank based n December 31, 2019 with "AA" (pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was July 15, 2020.

Long Term Rating January to December 2019 14 July, 2021 ST-2 January to December 2018 15 July, 2020