

MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) AS AT AND FOR THE FIRST QUARTER ENDED 31 MARCH, 2020



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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 quarter ended 31 March, 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".

		P(1)				Condensed Consolidated Statement of	Cook Flow (I	Incudited)
Condensed Consolidated Balance As at 31 March 2	ce Sheet (Unauc 2020	dited)	Condensed Consolidated Profit ar For the period ended	1d Loss Accoun 31 March 2020	t (Unaudited)	Condensed Consolidated Statement of For the period ended 31 M		Jnaudiled)
	31 March'2020	31 December'2019		01 January to 31	01 January to 31		01 January to 31	01 January to 31
Property and Assets	BDT	BDT	Bertioulare	March 2020 BDT	March 2019 BDT		March' 2020	March' 2019
Floperty and Assets		501	Particulars	ВЛ	ВЛ		BDT	BDT
Cash	14,193,560,988	14,556,500,624	Interest Income	4,678,043,019	4,116,941,865	A) Cash Flows from Operating Activities:		
n Hand (Including Foreign Currency)	2,750,969,510	2,886,876,110	Less: Interest Paid on Deposits and Borrowings, etc.		2,766,502,583	Interest Received	4,934,624,911	4,479,364,44
Vith Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	11,442,591,478	11,669,624,514	Net Interest Income	1,362,996,787	1,350,439,282	Interest Paid on Deposits, Borrowings, etc.	(2,331,101,126)	(1,847,062,74
Balance with Other Banks & Financial Institutions	4,011,573,475	3,385,050,274				Dividend Income	4,865,180	12,700,22
n Bangladesh	704,339,271	647,783,394	Investment Income	810,457,380	481,318,313	Fees & Commission Income	445,844,385	552,713,69
utside Bangladesh	3,307,234,203	2,737,266,881	Commission, Exchange and Brokerage	445,844,385	552,713,694	Recoveries of Loans previously written off	14,425	-
Ioney at Call and Short Notice		206,800,000	Other Operating Income	130,903,392	104,414,450	Cash Paid to Employees as Salaries and Allowances	(856,737,453)	(614,596,02
•			Total Operation Income	1,387,205,157	1,138,446,456	Cash Paid to Suppliers	(15,262,870)	(32,336,02
nvestments Government	31,731,716,945 28,574,590,808	34,199,538,201 31,064,307,864	Total Operating Income	2,750,201,944	2,488,885,738	Advance Income Tax Paid	(366,395,016)	(171,125,20
Others	3,157,126,136	3,135,230,337	Less: Operating Expenses:			Cash Received from Other Operational Income	274,692,643	108,436,20
			Salary and Allowances	851,630,628	611,077,029	Cash Paid for Other Operational Expenses	(497,816,552)	(538,484,28
oans and Advances	192,663,739,300	189,729,715,862	Rent, Tax, Insurance and Electricity etc.	161,727,814		Cash Flows from Operating Activities before	1,592,728,528	1,949,610,30
.oans, Cash Credits, Overdrafts, etc. Bills Purchased and Discounted	189,843,411,610 2,820,327,690	186,991,247,910 2,738,467,951	Legal Expenses	603,054	1,330,460	Changes in Net Current Assets :	(0.000.047.070)	(7.070.050.00
			Postage, Stamps and Telecommunication etc.	4,399,928	5,081,746	Loans & Advances	(2,922,947,973)	(7,079,052,82
ixed Assets including Premises, Furniture & Fixtures	5,089,915,211	4,301,132,697	Stationery, Printing and Advertisements etc.	15,262,870	32,336,021	Other Assets	(64,888,308)	(692,978,40
ther Assets	11,377,978,357	10,534,428,577	Managing Director's Remuneration	5,106,825	3,519,000	Bank Deposit	(5,499,850,000)	(4,659,675,00
on-Banking Assets otal Property and Assets	259,068,484,276	256,913,166,235	Directors' Fees Auditors' Fees	618,600 112,833	691,100 99,633	Customers' Deposits Borrowing from Other Banks, Financial Institutions & Agents	(1,959,156,644) 3,400,505,975	3,048,800,10 2,151,929,70
	200,000,404,270	200,010,100,200	Depreciation and Repair of Bank's Properties	112,833	99,633 102,452,054	Other Liabilities	3,400,505,975 1,238,441,160	2,151,929,70
iabilities and Capital			Other Expenses	308,999,700	310,088,537		(5,807,895,791)	(6,864,036,17
Borrowing from other Banks, Financial Institutions & Agents	25,101,683,462	21,701,177,487	Total Operating Expenses	1,530,837,718	1,264,035,773	Net Cash Flows from Operating Activities	(4,215,167,263)	(4,914,425,87
			Profit Before Provision	1,219,364,226	1,224,849,965	B) Cash Flows from Investing Activities:	(4,215,107,203)	(4,914,423,07
Deposits and Other Accounts Current Deposits & Other Accounts	184,530,174,914 14.325.686.680	190,947,704,349 16,350,528,300	Less: Provision for Loans.Investment & Other			Investments in T. Bills. T. Bonds and other	2,543,570,677	3,837,356,75
ills Pavable	1,460,999,024	1,643,542,846	Specific Provision for Loans & Advances	221,222,399	358,479,641	Investments in Tr. Bins, T. Bonds and other	(21,895,799)	(118,167,60
avings Bank Deposits	29,989,704,980	29,884,510,508	General Provision for Loans & Advances	30,432,882	29,017,000	Purchase of Premises & Fixed Asset (net)	(949,803,358)	(89,193,26
Special Notice Deposits	12,128,099,162	12,933,757,149	Provision for Off Balance Sheet Items	54,212,388	104,289,950	Net Cash Flows from Investing Activities	1,571,871,520	3,629,995,88
ixed Deposits	86,101,976,059	91,060,961,747	Provision for Margin Loan & Investment in Shares	33,000,000	28,000,000	C) Cash Flows from Financing Activities:	1,011,011,020	0,020,000,00
Deposit Products	40,523,709,009	39,074,403,799	Provision for Other Asset	-	-	Issue of new share with premium	-	-
Other Liabilities	23,040,071,786	21,174,287,503	Total Provision	338,867,669	519,786,591	Subordinated debt	2,700,000,000	-
Subordinated Debts	9,500,000,000	6,800,000,000	Profit Before Tax	880,496,557	705,063,374	Dividend Paid	_,:,,,	-
Total Liabilities	242,171,930,162	240,623,169,339	Less: Income Tax Expenses	345,993,133	284,620,298	Net Cash Flows from Financing Activities	2,700,000,000	· ·
Capital/Shareholders' Equity			Current Tax Expenses	426,310,636	415,989,970	D) Net Increase in Cash and Cash Equivalents	56,704,257	(1,284,429,99
Paid-up Capital	7,034,594,460	7,034,594,460	Deferred Tax Expenses/(Income)	(80,317,503)	(131,369,671)	E) Effect of Changes of Exchange Rates on Cash and	521,808	(1,298,34
statutory Reserve	4,863,058,956 1,095,304,778	4,691,953,779 1,095,304,778	Net Profit After Tax	534,503,424	420,443,076	Cash Equivalents		
Revaluation Reserve on Investment in Securities	493,488,397	421,956,410	Shareholders' of the Bank	534,503,198	420,442,064	F) Opening Cash and Cash Equivalents	18,150,276,998	17,059,496,24
Foreign Currency Translation gain/(loss)	5,914,047	5,392,239	Minority Interest	226	/·	Closing Cash and Cash Equivalents (D+E+F)	18,207,503,063	15,773,767,90
General Reserve	786,777,324	786,777,324		534,503,424	420,443,076	The above closing Cash and Cash Equivalents include:		
Retained Earnings	2,617,286,082	2,253,888,061	Retained Surplus Brought Forward	2,253,888,061	2,175,943,964	Cash in Hand	2,750,969,510	2,830,370,12
otal Shareholders' Equity	16,896,424,043	16,289,867,051		2,788,391,259	2,596,386,028	Balance with Bangladesh Bank and its Agent Bank	11,442,591,478	9,425,560,07
Ainority Interest	130,071	129,845	Appropriations:			Balance with Other Banks & Financial Institutions	4,011,573,475	3,515,972,80
otal Liabilities and Shareholders' Equity	259,068,484,276	256,913,166,235	Transferred to Statutory Reserve	171,105,177	131,326,051	Money at Call and Short Notice	-	-
				171,105,177	131,326,051	Prize Bond	2,368,600	1,864,90
et Asset Value (NAV) per share (2019 Restated)	24.02	23.16	Retained Surplus, Carried Forward	2,617,286,083	2,465,059,978		18,207,503,063	15,773,767,90
ff-Balance Sheet Items								
Contingent Liabilities			Earnings Per Share (EPS) (2019 Restated)	0.76	0.60	Net Operating Cash Flows Per Share (2019 Restated)	(5.99)	(6.9
cceptances and endorsements	32,022,516,211	28,080,703,195	11.0-	A				
etters of guarantee	31,411,751,592	30,336,492,151	Abute-			Thurse -		
revocable letters of credit bills for collection	22,879,753,198 5,265,905,802	22,398,091,176 1,753,276,921	namen s			Namen Sallar		-p
ther contingent liabilities	-	-	Chairman Director	Managing Dire	tor & CEO	Chairman Director	Managing Director & CE	EO
otal Off-Balance Sheet Items including Contingent Liabilities	91,579,926,802	82,568,563,443	-)	Ohmse	۳ ۲		dumenta	
<u>^</u>			Group Chief Financial Officer	Group Company Secret	ry		up Company Secretary	•
Minter								
Maria	1	TOT L						
Masseen Sall	an Mrs	LAU X	Condenseo	d Consolidat	ed Stateme	nt of Changes in Equity (Unaudite	ed)	
Chairman Director	Managing	Director & CEO						
	Ŭ,			For th	e period en	ded 31 March 2020		
- toole	Ohm	where						
Group Chief Financial Officer	Group Company Sec	retary				Revaluation Foreign		
	Group company Sec	notal y	Dortioularo Doi-J	Statutory		Reserve on Currency General Retained	Minority	Total
			Particulars Paid-	-up Capital Reserve	Snare Premium	nvestment in Translation Reserve Earnings	Interest	Total
DISCLOSURE ON 1st QUAR	RTER UN-AL	JDITED				Securities Gain/(Loss)		
CONSOLIDATED FINANCIAL			Balance as at January 01, 2020 7,03	34,594,460 4,691,953,7	79 1.095.304.778	421,956,410 5,392,239 786,777,324 2,253,888,061 16,289	,867,051 129,845	16,289,996,8
CONSOLIDATED FINANCIAL				-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				-, -,,-
			Currency Translation differences			- 521,808	- 521,808	521,80

			Net Profit for the period after Tax	-	-		-	-	-	534.503.198	534,503,198	226	534,503,424
Particulars	As on March 31, 2020	As on March 31, 2019	Appropriation made during the period	-	171,105,177		-	-	-	(171,105,177)	-	-	-
Net Asset Value (NAV) (Million)	16,896.42	13,689.74	Balance as at 31 March, 2020	7,034,594,460	4,863,058,956	1,095,304,778	493,488,397	5,914,047	786,777,324	2,617,286,082	16,896,424,043	130,071	16,896,554,114
Net Asset Value (NAV) per share (2019 Restated)	24.02	19.46	Balance as at 31 March, 2019	5,733,630,380	4,227,330,409		472,099,167	4,844,919	786,777,324	2,465,059,978	13,689,742,177	129,462	13,689,871,639
Earnings Per Share (2019 Resatated)	0.76	0.60	Abure	0-	_		$h \mid o$					0	
Net Operating Cash Flow Per Share (2019 Restated)	(5.99)	(6.99)	- Ho	Namen Sal	lan	In CO		_		\leq		-	Sera
			Chairman	Director		Managing Dire	ctor & CEO		Group Chief Fina	ncial Officer	Group	Company Sec	cretary

Mutual Trust Bank Limited and Its Subsidiaries Selective Notes to the Condensed Interim Financial Statements As at and for the period ended 31 March 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 (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 Ecdt, Six) Agent Banking Centre and 03 (Three) air lourge and 02 (Two) 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) vides its certificate 2 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.

Amount in BDT Revaluation Reserve transferred during the period

2.0 Significant Accounting Policies

2.1 Basis of Accounting

The financial statements of the Bank as at and for the period ended 31 March, 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 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 common financial period ending 31 March, 2020.

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 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-1/119/2020-1616 dated 24 June, 2020 regarding approval to defer the required provision amount over the next four years from 2020 to 2023.

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 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.

Director	Managing Director	& CEO	Group Chief Financial Officer	Group Company	Secretary
2.5 Calculation of Deferred Tax:		PDT	Calculation of NOCFPS:	shares	g cash flow/No. of outstanding BDT
Taxable temporary difference arising fr	om the carrying	<u>BDT</u>	Total net operating cash flows (a)		5,167,263)
value of fixed assets	on the carrying	(809,597,698)	Number of shares outstanding as	(4,21)	5,101,200)
Deductibles temporary difference arisin	na from the provisi		of 31 March 2020 (b)		3,459,446
of classified loan		3,318,334,162	Net operating cash flow per share (a/b)		(5.99)
Net deductible temporary difference	e (a)	2,508,736,464	2.10 Reconciliation of statement of ca	ach flows from on	orating activition
Tax rate (b)		37.50%	Particulars	01 January to	01 January to
Closing deferred tax assets (a*b) Opening deferred tax assets		940,776,174 860,438,349		31 March' 2020	31 March' 2019
Deferred tax income of the Bank		80,337,825			
Deferred tax expenses of subsidiaries		(20,322)	Profit before provision	1,219,364,226	1,224,849,965
Consolidated deferred tax income		80,317,503	Adjustment for non cash items Depreciation on fixed assets	145,327,496	71.824.602
			Amortization on software	14.148.012	5,533,340
2.6 Composition of Shareholders' E	quity:	867		159,475,508	77,357,942
Paid up Capital (703,459,446 Ordinary	, charac @ 10.00	$\frac{BDT}{460}$	Adjustment with non-operating activities	·	
Statutory Reserve		4.863.058.956	Recovery of written of loan	14,425	
Share Premium		1,095,304,778	Accounts Receivable Accounts Payable on deposits	(423,341,922)	(149,514,883) 919,439,843
Revaluation Reserve on Investment in	Securities	493,488,397	Loss on sale of assets	983,945,106 1,454,336	1.261.501
Foreign Currency Translation gain		5,914,047	Loss on revaluation of	1,404,000	1,201,001
General Reserve Retained Earnings		786,777,324 2.617.286.082	Government Securities	18,120,865	47,341,137
Total Shareholders' Equity		16,896,424,043	Observation and the little	580,283,810	818,527,597
Total onarcholacis Equity		10,000,424,040	Changes in operating assets and liabilit	les	
2.7 Net Asset Value Per Share (NAV			Changes in loans & advances	(2,922,947,973)	(7,079,052,822)
Net assets value (NAV) per share as o			Changes in deposits & other accounts	(7,459,006,644)	(1,610,874,892)
23.16 (Restated) in December 2019 below:	. Calculation of th	ne NAVPS turnished	Changes in borrowings	3,400,505,975	2,151,929,701
below.			Changes in other assets Changes in other liabilities	(64,888,308) 1,238,441,160	(692,978,406) 366,940,241
Calculation of NAVPS:	Ne	et asset value/ No.	Changes in other habilities	(5,807,895,791)	(6,864,036,178)
	of	shares outstanding	Income tax paid	(366,395,016)	(171,125,204)
Total pat accets value (a)		<u>BDT</u>		(4,215,167,263)	(4,914,425,878)
Total net assets value (a) Number of shares outstanding as of 3 ^o	1 March 2020 (b)	16,896,424,043 703,459,446	2.11 Reporting Period		
Net asset value per share (a/b)		24.02	These financial statements cover the per	riod from 01 Januar	y to 31 March, 2020.
			2.12 General		
2.8 Earnings Per Share (EPS) The Bank calculates EPS in acco	rdanaa with Into	ractional Accounting	a) These financial statements are pre-	sented in BDT, w	hich is the bank's
Standard (IAS) 33 "Earning per Share"	which has been s	hown in the profit and	functional currency. Figure appearing in	these financial stat	ements have been
loss account. EPS as of Q1 2020: BD	T 0.76 as against	BDT 0.60 (Restated.	rounded off to the nearest BDT.		
Original EPS: BDT 0.73) of Q1 2019	. EPS has increased	sed compared to the	b) Figures of the previous year have bee	n rearranged to cor	nform to the current
same period of last year due to increa	se of business vol	lume, interest income	year's presentation.		
& investment incomé. Calculation of E	PS as of Q1 2020	is as under:	2.13 Review of the Financial Stateme	nte	
Calculation of Basic EPS:	Net n	rofit after tax/ No. of	These Un-Audited Financial Statement		ov the MTB Board
		ares outstanding	Audit Committee in its 1st meeting for 2	2020 held on 30 Ju	ine, 2020 and was
		BDT	subsequently approved by the MTB Be	pard in its 250th m	neeting held on 30
Net profit after tax (a)	utotonding (b)	534,503,198	June, 2020.		
Weighted average number of shares of Earnings per share (a/b)	นเจเสทนที่มี (ม)	703,459,446 0.76	2.14 Credit Rating		
		0.70	z. 17 Oreun Naung		

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2.9 Net Operating Cash Flows Per Share (NOCFS)

NOCFS for the period has stood at BDT (5.99) compare to the same period of last year of BDT (6.99) [Restated, Original NOCFS: BDT (8.65)] mainly due to reduction of gap between collection of deposits / fund and deployment of fund NOCFS as of Q1 2020 is as under:

71.531.987 - 71.531.987

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 13, 2019.

í	Periods	Date of Rating	Long Term Rating	Short Term Rating
f	January to December 2018	Extended up to 15 July 2020	AA	ST-2
	January to December 2017	April 30, 2019	AA	ST-2

The un-audited First Quarter Financial Statements (Q1, 2020) are available on www.mutualtrustbank.com