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

AS AT AND FOR THE FIRST QUARTER ENDED 31 MARCH, 2020



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

*you 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 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".

**Condensed Consolidated Balance Sheet (Unaudited)**  
**As at 31 March 2020**

	31 March 2020	31 December 2019
	BDT	BDT
<b>Property and Assets</b>		
<b>Cash</b>	<b>14,193,560,988</b>	<b>14,556,500,624</b>
In Hand (Including Foreign Currency)	2,750,969,510	2,886,876,110
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	11,442,591,478	11,669,624,514
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>4,011,573,475</b>	<b>3,385,050,274</b>
In Bangladesh	704,339,271	647,783,394
Outside Bangladesh	3,307,234,203	2,737,266,881
<b>Money at Call and Short Notice</b>	<b>-</b>	<b>206,800,000</b>
<b>Investments</b>	<b>31,731,716,945</b>	<b>34,199,538,201</b>
Government	28,574,590,808	31,064,307,864
Others	3,157,126,136	3,135,230,337
<b>Loans and Advances</b>	<b>192,663,739,300</b>	<b>189,729,715,862</b>
Loans, Cash Credits, Overdrafts, etc.	189,843,411,610	186,991,247,910
Bills Purchased and Discounted	2,820,327,690	2,738,467,951
<b>Fixed Assets including Premises, Furniture &amp; Fixtures</b>	<b>5,089,915,211</b>	<b>4,301,132,697</b>
<b>Other Assets</b>	<b>11,377,978,357</b>	<b>10,534,428,577</b>
<b>Non-Banking Assets</b>	<b>-</b>	<b>-</b>
<b>Total Property and Assets</b>	<b>259,068,484,276</b>	<b>256,913,166,235</b>
<b>Liabilities and Capital</b>		
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>25,101,683,462</b>	<b>21,701,177,487</b>
<b>Deposits and Other Accounts</b>	<b>184,530,174,914</b>	<b>190,947,704,349</b>
Current Deposits & Other Accounts	14,325,686,680	16,350,528,300
Bills Payable	1,460,999,024	1,643,542,846
Savings Bank Deposits	29,989,704,980	29,884,510,508
Special Notice Deposits	12,128,099,162	12,933,757,149
Fixed Deposits	88,101,976,059	91,060,961,747
Deposit Products	40,523,709,009	39,074,403,799
<b>Other Liabilities</b>	<b>23,040,071,786</b>	<b>21,174,287,503</b>
<b>Subordinated Debts</b>	<b>9,500,000,000</b>	<b>6,800,000,000</b>
<b>Total Liabilities</b>	<b>242,171,930,162</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	4,691,953,779	4,691,953,779
Share Premium	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	493,488,397	421,956,410
Foreign Currency Translation gain/(loss)	5,914,047	5,392,239
General Reserve	786,777,324	786,777,324
Retained Earnings	2,617,286,082	2,253,888,061
<b>Total Shareholders' Equity</b>	<b>16,896,424,043</b>	<b>16,289,867,051</b>
<b>Minority Interest</b>	<b>130,071</b>	<b>129,845</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>259,068,484,276</b>	<b>256,913,166,235</b>
<b>Net Asset Value (NAV) per share (2019 Restated)</b>	<b>24.02</b>	<b>23.16</b>
<b>Off-Balance Sheet Items</b>		
<b>Contingent Liabilities</b>		
Acceptances and endorsements	32,022,516,211	28,080,703,195
Letters of guarantee	31,411,751,592	30,336,492,151
Irrevocable letters of credit	22,879,753,198	22,398,091,176
Bills for collection	5,265,905,802	1,753,276,921
Other contingent liabilities	-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>	<b>91,579,926,802</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 31 March 2020**

	01 January to 31 March 2020	01 January to 31 March 2019
	BDT	BDT
<b>Particulars</b>		
Interest Income	4,678,043,019	4,116,941,865
Less: Interest Paid on Deposits and Borrowings, etc.	3,315,046,232	2,766,502,583
<b>Net Interest Income</b>	<b>1,362,996,787</b>	<b>1,350,439,282</b>
Investment Income	810,457,380	481,318,133
Commission, Exchange and Brokerage	445,844,385	552,713,694
Other Operating Income	130,903,392	104,414,450
<b>Total Operating Income</b>	<b>2,750,201,944</b>	<b>2,488,885,738</b>
<b>Less: Operating Expenses:</b>		
Salary and Allowances	851,630,628	611,077,029
Rent, Tax, Insurance and Electricity etc.	161,727,814	197,360,194
Legal Expenses	603,054	1,330,460
Postage, Stamps and Telecommunication etc.	4,399,928	5,081,746
Stationery, Printing and Advertisements etc.	15,262,870	32,336,021
Managing Director's Remuneration	5,106,825	3,519,000
Directors' Fees	618,600	691,100
Auditors' Fees	112,833	99,633
Depreciation and Repair of Bank's Properties	182,375,467	102,452,054
Other Expenses	308,999,700	310,088,537
<b>Total Operating Expenses</b>	<b>1,530,837,718</b>	<b>1,264,035,773</b>
<b>Profit Before Provision</b>	<b>1,219,364,226</b>	<b>1,224,849,965</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>		
Specific Provision for Loans & Advances	221,222,399	358,479,641
General Provision for Loans & Advances	30,432,882	29,017,000
Provision for Off Balance Sheet Items	54,212,388	104,289,950
Provision for Margin Loan & Investment in Shares	33,000,000	28,000,000
Provision for Other Asset	-	-
<b>Total Provision</b>	<b>338,867,669</b>	<b>519,786,591</b>
<b>Profit Before Tax</b>	<b>880,496,557</b>	<b>705,063,374</b>
<b>Less: Income Tax Expenses</b>	<b>345,993,133</b>	<b>284,620,298</b>
Current Tax Expenses	426,310,636	415,989,970
Deferred Tax Expenses/(Income)	(80,317,503)	(131,369,671)
<b>Net Profit After Tax</b>	<b>534,503,424</b>	<b>420,443,076</b>
Shareholders' of the Bank	534,503,198	420,442,064
Minority Interest	226	1,012
<b>Retained Surplus Brought Forward</b>	<b>2,253,888,061</b>	<b>2,175,943,964</b>
<b>Appropriations:</b>		
Transferred to Statutory Reserve	171,105,177	131,326,051
<b>Retained Surplus, Carried Forward</b>	<b>2,617,286,083</b>	<b>2,465,059,978</b>
<b>Earnings Per Share (EPS) (2019 Restated)</b>	<b>0.76</b>	<b>0.60</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 31 March 2020**

	01 January to 31 March 2020	01 January to 31 March 2019
	BDT	BDT
<b>A) Cash Flows from Operating Activities:</b>		
Interest Received	4,934,624,911	4,479,364,444
Interest Paid on Deposits, Borrowings, etc.	(2,331,101,126)	(1,847,062,741)
Dividend Income	4,865,180	12,700,229
Fees & Commission Income	445,844,385	552,713,694
Recoveries of Loans previously written off	14,425	-
Cash Paid to Employees as Salaries and Allowances	(856,737,453)	(614,596,029)
Cash Paid to Suppliers	(15,262,870)	(32,336,021)
Advance Income Tax Paid	(366,395,016)	(171,125,204)
Cash Received from Other Operational Income	274,692,643	108,436,209
Cash Paid for Other Operational Expenses	(497,816,552)	(538,484,281)
<b>Cash Flows from Operating Activities before Changes in Net Current Assets :</b>	<b>1,592,728,528</b>	<b>1,949,610,300</b>
<b>Loans &amp; Advances</b>	<b>(2,922,947,973)</b>	<b>(7,079,052,822)</b>
Other Assets	(64,888,308)	(692,978,406)
Bank Deposit	(5,499,850,000)	(4,659,675,000)
Customers' Deposits	(1,959,156,644)	3,048,800,108
Borrowing from Other Banks, Financial Institutions & Agents	3,400,505,975	2,151,929,701
Other Liabilities	1,238,441,160	366,940,241
<b>Net Cash Flows from Operating Activities</b>	<b>(5,807,895,791)</b>	<b>(6,864,036,178)</b>
<b>B) Cash Flows from Investing Activities:</b>		
Investments in T. Bills, T. Bonds and other	2,543,570,677	3,837,356,754
Investments in Shares & Bonds	(21,895,799)	(118,167,600)
Purchase of Premises & Fixed Asset (net)	(949,803,358)	(89,193,269)
<b>Net Cash Flows from Investing Activities</b>	<b>1,571,871,520</b>	<b>3,629,995,885</b>
<b>C) Cash Flows from Financing Activities:</b>		
Issue of new share with premium	-	-
Subordinated debt	2,700,000,000	-
Dividend Paid	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>2,700,000,000</b>	<b>-</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>	<b>56,704,257</b>	<b>(1,284,429,993)</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>	<b>521,808</b>	<b>(1,298,347)</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>18,207,503,063</b>	<b>15,773,767,903</b>
<b>The above closing Cash and Cash Equivalents include:</b>		
Cash in Hand	2,750,969,510	2,830,370,125
Balance with Bangladesh Bank and its Agent Bank	11,442,591,478	9,425,560,072
Balance with Other Banks & Financial Institutions	4,011,573,475	3,515,972,806
Money at Call and Short Notice	-	-
Prize Bond	2,368,600	1,864,900
<b>18,207,503,063</b>	<b>15,773,767,903</b>	
<b>Net Operating Cash Flows Per Share (2019 Restated)</b>	<b>(5.99)</b>	<b>(6.99)</b>

Chairman: *[Signature]*  
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 Managing Director & CEO: *[Signature]*  
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**Condensed Consolidated Statement of Changes in Equity (Unaudited)**  
**For the period ended 31 March 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	-	-	-	-	521,808	-	-	521,808	-	521,808
Revaluation Reserve transferred during the period	-	-	-	71,531,987	-	-	-	71,531,987	-	71,531,987
Net Profit for the period after Tax	-	-	-	-	-	-	534,503,198	534,503,198	226	534,503,424
Appropriation made during the period	-	171,105,177	-	-	-	(171,105,177)	-	-	-	-
<b>Balance as at 31 March, 2020</b>	<b>7,034,594,460</b>	<b>4,863,058,956</b>	<b>1,095,304,778</b>	<b>493,488,397</b>	<b>5,914,047</b>	<b>786,777,324</b>	<b>2,617,286,082</b>	<b>16,896,424,043</b>	<b>130,071</b>	<b>16,896,554,114</b>
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

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

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

Amount in BDT

Particulars	As on March 31, 2020	As on March 31, 2019
Net Asset Value (NAV) (Million)	16,896.42	13,689.74
Net Asset Value (NAV) per share (2019 Restated)	24.02	19.46
Earnings Per Share (2019 Restated)	0.76	0.60
Net Operating Cash Flow Per Share (2019 Restated)	(5.99)	(6.99)

**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 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 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.

**2.5 Calculation of Deferred Tax:**

	BDT
Taxable temporary difference arising from the carrying value of fixed assets	(809,597,698)
Deductible temporary difference arising from the provision of classified loan	3,318,334,162