Q1 UN-AUDITED FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED MARCH 31, 2017

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 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 first quarter ended March 31, 2017. These Consolidated Financial Statements are comprised of the financials of Mutual Trust Bank Limited 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)/Bangladesh Accounting Standard (BAS) 34 "Interim Financial Reporting".

Consolidated Balance Sheet (Un-Audited)
As at March 31, 2017

Property and Assets	March 2017 BDT	December 2016 BDT
Cash	**11,638,986,661**	**11,263,046,577**
In Hand (Including Foreign Currencies)	2,117,643,794	1,987,478,022
With Bangladesh Bank and its agent bank(s) (including Foreign Currencies)	9,521,342,866	9,275,568,555
Balance with Other Banks & Financial Institutions	**4,624,783,878**	**8,148,416,411**
In Bangladesh	3,294,874,163	7,286,894,739
Outside Bangladesh	1,329,909,715	861,521,672
Money at Call and Short Notice	**1,830,000,000**	**990,000,000**
Investments	**23,723,774,232**	**21,962,058,933**
Government	21,331,577,025	19,627,418,568
Others	2,392,197,207	2,334,640,366
Loans and Advances	**123,330,309,186**	**114,355,762,842**
Loans, Cash Credits, Overdrafts, etc.	120,801,104,756	112,071,881,968
Bills Purchased and Discounted	2,529,204,429	2,283,880,874
Fixed Assets including Premises, Furniture & Fixtures	**3,174,955,899**	**3,140,971,243**
Other Assets	**5,648,907,722**	**5,510,430,863**
Non-Banking Assets	**-**	**-**
Total Property and Assets	**173,971,717,578**	**165,370,686,870**
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	**10,897,384,587**	**8,711,409,523**
Deposits and Other Accounts	**131,478,764,578**	**131,272,330,273**
Current Deposits & Other Accounts	12,114,010,952	12,301,476,077
Bills Payable	1,450,470,639	1,751,051,731
Savings Bank Deposits	24,461,680,817	23,710,184,165
Special Notice Deposits	12,314,100,600	11,645,986,993
Fixed Deposits	54,099,087,943	55,803,465,444
Deposit-Products	27,039,413,628	26,060,165,864
Other Liabilities	**12,415,740,776**	**11,318,564,906**
Subordinated Debts	**9,250,000,000**	**4,250,000,000**
Total Liabilities	**164,041,889,941**	**155,552,304,702**
Capital/Shareholders' Equity		
Paid up Capital	4,431,791,600	4,431,791,600
Statutory Reserve	3,284,158,209	3,187,766,825
Revaluation Reserve on Investment in Securities	782,596,351	731,782,030
Foreign Currency Translation gain/(loss)	7,995,118	8,903,016
General Reserve	386,777,324	616,777,324
Retained Earnings	1,036,385,699	841,239,233
Total Shareholders' Equity	**9,929,704,302**	**9,818,260,028**
Minority Interest	**123,335**	**122,139**
Total Liabilities and Shareholders' Equity	**173,971,717,578**	**165,370,686,870**
Net Asset Value (NAV) per share	**22.41**	**22.15**
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	22,202,886,788	18,244,133,884
Letter of Guarantee	9,614,481,370	9,302,425,309
Irrevocable Letter of Credit	15,604,454,635	14,291,274,015
Bills for Collection	3,952,283,062	3,296,481,413
Other Contingent Liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	**51,374,105,855**	**45,134,314,620**

M.A.Rouf, JP
Chairman

Md. Hedayetullah
Vice Chairman

Anis A. Khan
Managing Director & CEO

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Malik Muntasir Reza
Group Company Secretary

Consolidated Profit and Loss Account (Un-Audited)
For the Period ended March 31, 2017

Particulars	January to March 2017 BDT	January to March 2016 BDT
Interest Income	2,828,513,276	2,835,448,584
Less: Interest Paid on Deposits and Borrowings etc.	1,885,599,086	1,979,287,672
Net Interest Income	**942,914,190**	**856,160,913**
Investment Income	482,846,054	504,364,179
Commission, Exchange and Brokerage	381,996,120	271,374,979
Other Operating Income	77,645,692	70,185,293
	942,487,866	**845,924,451**
Total Operating Income	**1,885,402,056**	**1,702,085,363**
Less: Operating Expenses:		
Salary and Allowances	494,569,389	460,593,465
Rent, Tax, Insurance and Electricity etc.	167,561,782	140,884,071
Legal Expenses	1,182,448	248,574
Postage, Stamps and Telecommunications etc.	4,099,418	3,635,661
Stationery, Printing and Advertisements etc.	21,855,167	18,888,526
Managing Director's Remuneration	3,189,000	3,024,000
Directors' Fees	913,500	661,633
Auditors' Fees	-	-
Depreciation and Repair of Bank's Property	93,836,247	98,013,524
Other Expenses	188,848,700	173,546,199
Total Operating Expenses	**976,055,652**	**899,495,654**
Profit Before Provision	**909,346,404**	**802,589,710**
Less: Provision against Loans & Advances including Off Balance Sheet Items	306,165,472	141,500,000
Less: Provision against Investments	55,000,000	18,500,000
Less: Provision against Other Assets	-	-
Total Provision	**361,165,472**	**160,000,000**
Profit Before Tax	**548,180,932**	**642,589,710**
Less: Provision for Tax	**256,641,886**	**317,836,352**
Current Tax Expenses	256,641,886	317,836,352
Net Profit After Tax	**291,539,046**	**324,753,357**
Shareholders' of the Bank	291,537,850	324,752,989
Minority Interest	1,196	368
	291,539,046	**324,753,357**
Retained Surplus Brought Forward	841,239,233	752,903,276
	1,132,777,083	**1,077,656,265**
Appropriation:		
Transferred to Statutory Reserve	96,391,384	124,346,267
	96,391,384	**124,346,267**
Retained Surplus, Carried Forward	**1,036,385,699**	**953,309,998**
Earnings Per Share	**0.66**	**0.73**

M.A.Rouf, JP
Chairman

Md. Hedayetullah
Vice Chairman

Anis A. Khan
Managing Director & CEO

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Malik Muntasir Reza
Group Company Secretary

Consolidated Statement of Cash Flow (Un-Audited)
For the Period ended March 31, 2017

	January to March 2017 BDT	January to March 2016 BDT
A) Cash Flows From Operating Activities:		
Interest Received	3,202,817,122	3,189,952,619
Interest Paid on Deposits, Borrowings, etc.	(1,194,511,893)	(1,365,773,651)
Dividend Income	1,441,851	12,297,947
Fees & Commission Income	381,996,120	271,374,979
Recoveries of Loans previously written off	-	-
Cash Paid to Employees as Salaries and Allowances	(497,758,389)	(463,617,465)
Cash Paid to Suppliers	(21,855,167)	(18,888,526)
Advance Income Tax Paid	(180,387,281)	(225,957,662)
Cash Received From Other Operational Income	142,493,964	96,074,595
Cash Paid for Other Operational Expenses	(380,023,875)	(329,202,139)
Cash Flows From Operating Activities Before Changes in Net Current Asset	**1,454,212,453**	**1,166,260,695**
Changes in Net Current Asset :		
Loans & Advances	(8,964,542,690)	(5,931,514,205)
Other Asset	74,158,854	53,339,293
Customers' Deposit	(398,726,360)	5,691,507,117
Borrowing from Other Banks, Financial Institutions & Agents	2,185,975,064	1,243,182,424
Other Liabilities	163,441,983	194,683,115
	(6,939,693,149)	**1,251,197,744**
Net Cash Flows From Operating Activities	**(5,485,480,696)**	**2,417,458,439**
B) Cash Flows From Investing Activities:		
Investments in T. Bills, T. Bonds and other	(1,652,053,636)	421,696,873
Investments in Shares & Bonds	(57,556,842)	621,804,749
Purchase of Premises & Fixed Asset (net)	(110,402,878)	(71,011,589)
Net Cash Flows From Investing Activities	**(1,820,013,355)**	**972,490,033**
C) Cash Flows From Financing Activities:		
Subordinated debt	5,000,000,000	-
Dividend Paid	-	-
Net Cash Flows From Financing Activities	**5,000,000,000**	**-**
D) Net Increase in Cash and Cash Equivalents	**(2,305,494,052)**	**3,389,948,472**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	**(907,897)**	**994,833**
F) Opening Cash and Cash Equivalents	20,402,859,288	14,418,086,916
Closing Cash and Cash Equivalents (D+E+F)	**18,096,457,339**	**17,809,030,221**
The above closing Cash and Cash Equivalents include:		
Cash in Hand	2,117,643,794	1,657,339,861
Balance with Bangladesh Bank and its Agent Bank	9,521,342,866	8,101,064,807
Balance with Other Banks & Financial Institutions	4,624,783,878	5,388,443,953
Money at Call and Short Notice	1,830,000,000	2,660,000,000
Prize Bond	2,686,800	2,181,600
	18,096,457,339	**17,809,030,221**
Net Operating Cash Flows Per Share	**(12.38)**	**5.45**

M.A.Rouf, JP
Chairman

Md. Hedayetullah
Vice Chairman

Anis A. Khan
Managing Director & CEO

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Malik Muntasir Reza
Group Company Secretary

Mutual Trust Bank Limited
Notes to the Financial Statements
For the period ended March 31, 2017

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 111 (One hundred eleven) branches including 14 (fourteen) SME/Agri Branches all over the Bangladesh, 20 (Twenty) Agent Banking Centre 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 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 incorporated as on September 23, 2010 as a Private Limited Company under the Companies Act 1994. The registered office of the MTBSL is located at WW Tower, 68 Motijheel. MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies.

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 March 31, 2017 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 and as per the BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRS), 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 March 31, 2017.

2.3 Cash Flow Statement
Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular no.14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank

2.4 Provisions
2.4.1 Loans and Advances
Provision for Loans and Advances have been made as per directives/letter issued by Bangladesh Bank from time to time.

2.4.2 Investment
Provisions for diminution in value of investment is made for loss arising on diminution 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, dated 23 September 2012, the Bank maintained provision @ 1% against off-balance sheet exposures.

2.5 Earnings per Share
Earnings per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. The Bank calculates EPS in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning per Share" which has been shown in the profit and loss account. For comparison EPS of March 2016 has been restated.

2.6 Reporting Period
These financial statements cover the period from January 1 to March 31, 2017.

2.7 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 previous year have been rearranged to conform to current year's presentation.

DISCLOSURE ON 1ST QUARTER-2017 UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Particulars	As on March 31, 2017	As on March 31, 2016
Net Asset Value (NAV) (Million)	9,929.70	9,313.05
Net Asset Value (NAV) per share	22.41	21.01
Earnings Per Share (EPS)	0.66	0.73
Net Operating Cash Flow Per Share	(12.38)	5.45

Consolidated Statement of Changes in Equity (Un-Audited)
For the Period ended March 31, 2017

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Revaluation Surplus on Investment in Securities	Foreign Currency Translation Gain	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2017	**4,431,791,600**	**3,187,766,825**	**616,777,324**	**731,782,030**	**8,903,016**	**841,239,233**	**9,818,260,028**	**122,139**	**9,818,382,167**
Net Profit for the period after Tax	-	-	-	-	-	291,537,850	291,537,850	1,196	291,539,046
Currency Translation differences	-	-	-	-	(907,897)	-	(907,897)	-	(907,897)
Transferred to Provision	-	-	(230,000,000)	-	-	-	(230,000,000)	-	(230,000,000)
Revaluation Reserve transferred during the period	-	-	-	50,814,321	-	-	50,814,321	-	50,814,321
Appropriation made during the period	-	96,391,384		-	-	(96,391,384)	-	-	-
Balance as at March 31, 2017	**4,431,791,600**	**3,284,158,209**	**386,777,324**	**782,596,351**	**7,995,118**	**1,036,385,699**	**9,929,704,302**	**123,335**	**9,929,827,637**
Balance as at March 31, 2016	**3,693,159,670**	**2,845,490,013**	**446,777,324**	**1,369,951,208**	**4,361,417**	**953,309,998**	**9,313,049,630**	**120,046**	**9,313,169,676**

M.A.Rouf, JP
Chairman

Md. Hedayetullah
Vice Chairman

Anis A. Khan
Managing Director & CEO

Sayed Abul Hashem FCA, FCMA
Group Chief Financial Officer

Malik Muntasir Reza
Group Company Secretary

The un-audited First Quarter Financial Statements (Q1, 2017) are available on www.mutualtrustbank.com.