# 1H UN-AUDITED FINANCIAL STATEMENTS

## FOR THE FIRST HALF ENDED JUNE 30, 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 half ended June 30, 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 June 30, 2017

| Property and Assets | June 2017 BDT | December 2016 BDT |
|---|---|---|
| **Cash** | **13,436,323,306** | **11,263,046,577** |
| In Hand (Including Foreign Currencies) | 2,873,554,453 | 1,987,478,022 |
| With Bangladesh Bank and its agent bank(s) (including Foreign Currencies) | 10,562,768,853 | 9,275,568,555 |
| **Balance with Other Banks & Financial Institutions** | **6,569,924,651** | **8,148,416,411** |
| In Bangladesh | 4,728,491,197 | 7,286,894,739 |
| Outside Bangladesh | 1,841,433,454 | 861,521,672 |
| **Money at Call and Short Notice** | **-** | **990,000,000** |
| **Investments** | **21,877,639,036** | **21,962,058,933** |
| Government | 19,440,942,246 | 19,627,418,568 |
| Others | 2,436,696,790 | 2,334,640,366 |
| **Loans and Advances** | **132,292,723,255** | **114,355,762,842** |
| Loans, Cash Credits, Overdrafts, etc. | 129,397,432,922 | 112,071,881,968 |
| Bills Purchased and Discounted | 2,895,290,333 | 2,283,880,874 |
| **Fixed Assets including Premises, Furniture & Fixtures** | **3,180,168,209** | **3,140,971,243** |
| **Other Assets** | **6,121,582,015** | **5,510,430,863** |
| **Non-Banking Assets** | **-** | **-** |
| **Total Property and Assets** | **183,478,360,472** | **165,370,686,870** |
| **Liabilities and Capital** | | |
| **Borrowing from other Banks, Financial Institutions &** | **16,250,569,816** | **8,706,459,451** |
| **Deposits and Other Accounts** | **134,938,244,478** | **131,272,330,273** |
| Current Deposits & Other Accounts | 13,804,067,014 | 12,301,476,077 |
| Bills Payable | 2,749,083,106 | 1,751,051,731 |
| Savings Bank Deposits | 25,571,063,231 | 23,710,184,165 |
| Special Notice Deposits | 11,318,384,975 | 11,645,986,993 |
| Fixed Deposits | 53,637,007,370 | 55,803,465,444 |
| Deposit-Products | 27,858,638,782 | 26,060,165,864 |
| **Other Liabilities** | **13,044,707,163** | **11,323,514,978** |
| **Subordinated Debts** | **9,250,000,000** | **4,250,000,000** |
| **Total Liabilities** | **173,483,521,457** | **155,552,304,702** |
| **Capital/Shareholders' Equity** | | |
| Paid up Capital | 4,431,791,600 | 4,431,791,600 |
| Statutory Reserve | 3,339,565,360 | 3,187,766,825 |
| Revaluation Reserve on Investment in Securities | 718,361,169 | 731,782,030 |
| Foreign Currency Translation gain/(loss) | 6,602,124 | 8,903,016 |
| General Reserve | 386,777,324 | 616,777,324 |
| Retained Earnings | 1,111,615,301 | 841,239,233 |
| **Total Shareholders' Equity** | **9,994,712,878** | **9,818,260,028** |
| **Minority Interest** | **126,136** | **122,139** |
| **Total Liabilities and Shareholders' Equity** | **183,478,360,472** | **165,370,686,870** |
| **Net Asset Value (NAV) per share** | **22.55** | **22.15** |
| **Off-Balance Sheet Items** | | |
| **Contingent Liabilities** | | |
| Acceptances and endorsements | 26,202,527,977 | 18,244,133,884 |
| Letter of Guarantee | 11,334,444,394 | 9,302,425,309 |
| Irrevocable Letter of Credit | 15,286,967,391 | 14,291,274,015 |
| Bills for Collection | 4,726,710,421 | 3,296,481,413 |
| Other Contingent Liabilities | - | - |
| **Total Off-Balance Sheet Items including Contingent Liabilities** | **57,550,650,183** | **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 June 30, 2017

| Particulars | January to June 2017 BDT | January to June 2016 BDT | April to June 2017 BDT | April to June 2016 BDT |
|---|---|---|---|---|
| Interest Income | 5,722,086,284 | 5,686,800,630 | 2,893,573,008 | 2,851,352,046 |
| Less: Interest Paid on Deposits and Borrowings etc. | 3,777,112,681 | 3,820,010,565 | 1,891,513,595 | 1,840,722,894 |
| **Net Interest Income** | **1,944,973,603** | **1,866,790,065** | **1,002,059,413** | **1,010,629,152** |
| Investment Income | 973,961,076 | 1,007,202,229 | 491,115,022 | 502,838,050 |
| Commission, Exchange and Brokerage | 699,391,584 | 574,491,018 | 317,395,464 | 303,116,039 |
| Other Operating Income | 208,434,178 | 187,681,343 | 130,788,487 | 117,496,049 |
| | **1,881,786,838** | **1,769,374,589** | **939,298,972** | **923,450,138** |
| **Total Operating Income** | **3,826,760,441** | **3,636,164,654** | **1,941,358,385** | **1,934,079,291** |
| **Less: Operating Expenses:** | | | | |
| Salary and Allowances | 1,026,546,607 | 998,721,395 | 531,977,218 | 538,127,930 |
| Rent, Tax, Insurance and Electricity etc. | 333,504,252 | 297,426,369 | 165,942,470 | 156,542,297 |
| Legal Expenses | 2,068,561 | 1,191,200 | 886,113 | 942,626 |
| Postage, Stamps and Telecommunications etc. | 9,793,281 | 8,566,015 | 5,693,862 | 4,930,354 |
| Stationery, Printing and Advertisements etc. | 50,207,417 | 45,931,857 | 28,352,250 | 27,043,330 |
| Managing Director's Remuneration | 9,517,334 | 7,162,334 | 6,328,334 | 4,138,334 |
| Directors' Fees | 1,592,500 | 1,532,233 | 679,000 | 870,600 |
| Auditors' Fees | - | - | - | - |
| Depreciation and Repair of Bank's Property | 205,660,795 | 196,314,485 | 111,824,548 | 98,300,961 |
| Other Expenses | 387,648,019 | 346,179,178 | 198,799,319 | 172,632,979 |
| **Total Operating Expenses** | **2,026,538,766** | **1,903,025,065** | **1,050,483,115** | **1,003,529,411** |
| **Profit Before Provision** | **1,800,221,675** | **1,733,139,589** | **890,875,271** | **930,549,880** |
| Less: Provision against Loans & Advances | 721,165,472 | 443,000,000 | 476,800,000 | 335,500,000 |
| Less: Provision against Off Balance Sheet Items | 123,600,000 | 56,000,000 | 61,800,000 | 22,000,000 |
| Less: Provision against Margin Loan & Investment in Shares | 30,000,000 | 35,500,000 | (25,000,000) | 17,000,000 |
| Less: Provision against Other Assets | - | - | - | - |
| **Total Provision** | **874,765,472** | **534,500,000** | **513,600,000** | **374,500,000** |
| **Profit Before Tax** | **925,456,203** | **1,198,639,589** | **377,275,271** | **556,049,880** |
| **Less: Provision for Tax** | **503,277,603** | **558,932,127** | **246,635,717** | **241,095,775** |
| Current Tax Expenses | 503,277,603 | 558,932,127 | 246,635,717 | 241,095,775 |
| **Net Profit After Tax** | **422,178,600** | **639,707,462** | **130,639,554** | **314,954,104** |
| Shareholders' of the Bank | 422,174,603 | 639,706,427 | 130,636,753 | 314,953,438 |
| Minority Interest | 3,997 | 1,035 | 2,801 | 667 |
| | **422,178,600** | **639,707,462** | **130,639,554** | **314,954,104** |
| **Retained Surplus Brought Forward** | 841,239,233 | 752,894,582 | 841,239,233 | 752,894,582 |
| | **1,263,413,836** | **1,392,601,010** | **971,875,986** | **1,067,848,020** |
| **Appropriation:** | | | | |
| Bonus Share Issued during the year | - | 738,631,930 | - | 738,631,930 |
| Transferred to Statutory Reserve | 151,798,535 | 229,206,810 | 55,407,151 | 104,860,543 |
| Transferred to General Reserve | - | - | - | - |
| | **151,798,535** | **967,838,740** | **55,407,151** | **843,492,473** |
| **Retained Surplus, Carried Forward** | **1,111,615,301** | **424,762,269** | **916,468,835** | **224,355,547** |
| **Earnings Per Share** | **0.95** | **1.44** | **0.29** | **0.71** |

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Managing Director & CEO

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Group Company Secretary

## Consolidated Statement of Cash Flow (Un-Audited)
## For the Period ended June 30, 2017

| | January to June 2017 BDT | January to June 2016 BDT |
|---|---|---|
| **A) Cash Flows From Operating Activities:** | | |
| Interest Received | 6,582,531,419 | 6,701,849,444 |
| Interest Paid on Deposits, Borrowings, etc. | (3,853,946,325) | (4,195,584,897) |
| Dividend Income | 9,348,208 | 15,534,932 |
| Fees & Commission Income | 699,391,584 | 574,491,018 |
| Recoveries of Loans previously written off | - | - |
| Cash Paid to Employees as Salaries and Allowances | (1,036,063,941) | (1,005,883,729) |
| Cash Paid to Suppliers | (50,207,417) | (45,931,857) |
| Advance Income Tax Paid | (504,688,708) | (449,378,598) |
| Cash Received From Other Operational Income | 281,899,189 | 190,632,209 |
| Cash Paid for Other Operational Expenses | (778,876,568) | (689,415,615) |
| **Cash Flows From Operating Activities Before Changes in Net Current Asset** | **1,349,387,440** | **1,096,312,906** |
| **Changes in Net Current Asset :** | | |
| Loans & Advances | (17,919,391,063) | (10,041,687,895) |
| Other Asset | (93,329,071) | (43,510,284) |
| Customers' Deposit | 3,885,019,082 | 4,665,280,789 |
| Borrowing from Other Banks, Financial Institutions & Agents | 7,544,110,365 | 3,183,428,682 |
| Other Liabilities | (29,122,122) | 201,615,709 |
| | **(6,612,712,809)** | **(2,034,872,999)** |
| **Net Cash Flows From Operating Activities** | **(5,263,325,369)** | **(938,560,092)** |
| **B) Cash Flows From Investing Activities:** | | |
| Investments in T. Bills, T. Bonds and other | 174,743,560 | 4,047,342,372 |
| Investments in Shares & Bonds | (102,056,425) | 633,646,641 |
| Purchase of Premises & Fixed Asset (net) | (200,587,806) | (192,278,905) |
| **Net Cash Flows From Investing Activities** | **(127,900,671)** | **4,488,710,108** |
| **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** | **(391,226,040)** | **3,550,150,015** |
| **E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents** | **(2,300,891)** | **2,761,797** |
| **F) Opening Cash and Cash Equivalents** | 20,402,859,288 | 14,418,086,916 |
| **Closing Cash and Cash Equivalents (D+E+F)** | **20,009,332,357** | **17,970,998,729** |
| **The above closing Cash and Cash Equivalents include:** | | |
| Cash in Hand | 2,873,554,453 | 1,767,826,830 |
| Balance with Bangladesh Bank and its Agent Bank | 10,562,768,853 | 8,889,139,742 |
| Balance with Other Banks & Financial Institutions | 6,569,924,651 | 5,791,211,056 |
| Money at Call and Short Notice | - | 1,520,000,000 |
| Prize Bond | 3,084,400 | 2,821,100 |
| | **20,009,332,357** | **17,970,998,729** |
| **Net Operating Cash Flows Per Share** | **(11.88)** | **(2.12)** |

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## Mutual Trust Bank Limited
Notes to the Financial Statements
For the period ended June 30, 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, 25 (Twenty Five) 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 June 30, 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 June 30, 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 Advance**
Provision for Loans and Advance 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.

**2.6 Reporting Period**
These financial statements cover the period from January 1 to June 30, 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 FIRST HALF-2017 UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

| Particulars | As on June 30, 2017 | As on June 30, 2016 |
|---|---|---|
| Net Asset Value (NAV) (Million) | 9,994.71 | 9,391.89 |
| Net Asset Value (NAV) per share | 22.55 | 21.19 |
| Earnings Per Share (EPS) | 0.95 | 1.44 |
| Net Operating Cash Flow Per Share | (11.88) | (2.12) |

## Consolidated Statement of Changes in Equity (Un-Audited)
## For the Period ended June 30, 2017

Amount in BDT

| Particulars | Paid-up Capital | Statutory Reserve | General Reserve | Revaluation Surplus on Investments | 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** |
| Currency Translation differences | - | - | - | - | (2,300,891) | - | (2,300,891) | - | (2,300,891) |
| Transferred to Provision | - | - | (230,000,000) | - | - | - | (230,000,000) | - | (230,000,000) |
| Revaluation Reserve transferred during the period | - | - | - | (13,420,862) | - | - | (13,420,862) | - | (13,420,862) |
| Net Profit for the period after Tax | - | - | - | - | - | 422,174,603 | 422,174,603 | 3,997 | 422,178,600 |
| Appropriation made during the period | - | 151,798,535 | | - | - | (151,798,535) | - | - | - |
| **Balance as at June 30, 2017** | **4,431,791,600** | **3,339,565,360** | **386,777,324** | **718,361,169** | **6,602,124** | **1,111,615,301** | **9,994,712,878** | **126,136** | **9,994,839,014** |
| **Balance as at June 30, 2016** | **4,431,791,600** | **2,950,360,557** | **446,777,324** | **1,132,075,494** | **6,128,383** | **424,762,269** | **9,391,885,627** | **129,408** | **9,392,015,035** |

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**The un-audited First Half Financial Statements (1H, 2017) are available on www.mutualtrustbank.com.**