Q3 UN-AUDITED FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 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 third quarter ended September 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 September 30, 2017

Property and Assets	September 2017 BDT	December 2016 BDT
Cash	**12,672,483,984**	**11,263,046,577**
In Hand (Including Foreign Currencies)	2,385,798,794	1,987,478,022
With Bangladesh Bank and its agent bank(s) (including Foreign Currencies)	10,286,685,190	9,275,568,555
Balance with Other Banks & Financial Institutions	**6,419,530,176**	**8,148,416,411**
In Bangladesh	4,836,455,083	7,286,894,739
Outside Bangladesh	1,583,075,093	861,521,672
Money at Call and Short Notice	**-**	**990,000,000**
Investments	**21,512,608,747**	**21,962,058,933**
Government	19,282,254,314	19,627,418,568
Others	2,230,354,434	2,334,640,366
Loans and Advances	**138,442,515,245**	**114,355,762,842**
Loans, Cash Credits, Overdrafts, etc.	135,984,140,826	112,071,881,968
Bills Purchased and Discounted	2,458,374,419	2,283,880,874
Fixed Assets including Premises, Furniture & Fixtures	**3,118,918,298**	**3,140,971,243**
Other Assets	**6,361,051,833**	**5,510,430,863**
Non-Banking Assets	**-**	**-**
Total Property and Assets	**188,527,108,283**	**165,370,686,870**
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	**20,482,034,233**	**8,706,459,451**
Deposits and Other Accounts	**136,110,962,717**	**131,272,330,273**
Current Deposits & Other Accounts	13,500,541,561	12,301,476,077
Bills Payable	2,827,403,750	1,751,051,731
Savings Bank Deposits	27,103,101,175	23,710,184,165
Special Notice Deposits	11,031,714,634	11,645,986,993
Fixed Deposits	53,329,145,861	55,803,465,444
Deposit-Products	28,319,055,736	26,060,165,864
Other Liabilities	**13,880,179,395**	**11,323,514,978**
Subordinated Debts	**8,000,000,000**	**4,250,000,000**
Total Liabilities	**178,473,176,345**	**155,552,304,702**
Capital/Shareholders' Equity		
Paid up Capital	5,096,560,340	4,431,791,600
Statutory Reserve	3,405,019,052	3,187,766,825
Revaluation Reserve on Investment in Securities	716,152,534	731,782,030
Foreign Currency Translation gain/(loss)	5,689,220	8,903,016
General Reserve	386,777,324	616,777,324
Retained Earnings	443,605,400	841,239,233
Total Shareholders' Equity	**10,053,803,870**	**9,818,260,028**
Minority Interest	**128,068**	**122,139**
Total Liabilities and Shareholders' Equity	**188,527,108,283**	**165,370,686,870**
Net Asset Value (NAV) per share	**19.73**	**19.26**
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	29,250,360,103	18,244,133,884
Letter of Guarantee	11,632,097,863	9,302,425,309
Irrevocable Letter of Credit	17,076,611,316	14,291,274,015
Bills for Collection	3,275,172,679	3,296,481,413
Other Contingent Liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	**61,234,241,960**	**45,134,314,620**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Consolidated Profit and Loss Account (Un-Audited) For the Period ended September 30, 2017

Particulars	Jan to Sep 2017 BDT	Jan to Sep 2016 BDT	Jul to Sep 2017 BDT	Jul to Sep 2016 BDT
Interest Income	8,758,679,099	8,589,176,217	3,036,592,816	2,902,375,587
Less: Interest Paid on Deposits and Borrowings etc.	5,742,488,561	5,669,873,041	1,965,375,881	1,849,862,475
Net Interest Income	**3,016,190,538**	**2,919,303,177**	**1,071,216,935**	**1,052,513,112**
Investment Income	1,525,455,030	1,540,146,115	551,493,954	532,943,887
Commission, Exchange and Brokerage	1,105,469,206	828,909,899	406,077,622	254,418,881
Other Operating Income	303,947,325	272,338,065	95,513,147	84,656,722
	2,934,871,561	**2,641,394,079**	**1,053,084,723**	**872,019,490**
Total Operating Income	**5,951,062,099**	**5,560,697,255**	**2,124,301,658**	**1,924,532,601**
Less: Operating Expenses:				
Salary and Allowances	1,623,988,276	1,568,143,145	597,441,669	569,421,750
Rent, Tax, Insurance and Electricity etc.	498,846,207	450,586,103	165,341,955	153,159,734
Legal Expenses	2,952,937	1,774,438	884,376	583,238
Postage, Stamps and Telecommunications etc.	14,289,729	13,240,387	4,496,449	4,674,372
Stationery, Printing and Advertisements etc.	77,049,627	59,840,697	26,842,209	13,908,840
Managing Director's Remuneration	13,921,334	11,326,333	4,404,000	4,163,999
Directors' Fees	2,574,100	2,036,933	981,600	504,700
Auditors' Fees	19,000	609,500	19,000	609,500
Depreciation and Repair of Bank's Property	304,333,676	294,791,892	98,672,881	98,477,407
Other Expenses	639,453,558	517,777,984	251,805,539	171,598,806
Total Operating Expenses	**3,177,428,444**	**2,920,127,412**	**1,150,889,678**	**1,017,102,347**
Profit Before Provision	**2,773,633,655**	**2,640,569,844**	**973,411,980**	**907,430,255**
Less: Provision against Loans & Advances	1,244,465,472	683,000,000	523,300,000	240,000,000
Less: Provision against Off Balance Sheet Items	160,400,000	78,000,000	36,800,000	22,000,000
Less: Provision against Margin Loan & Investment in Shares	62,000,000	48,000,000	32,000,000	12,500,000
Less: Provision against Other Assets	-	-	-	-
Total Provision	**1,466,865,472**	**809,000,000**	**592,100,000**	**274,500,000**
Profit Before Tax	**1,306,768,183**	**1,831,569,844**	**381,311,980**	**632,930,255**
Less: Provision for Tax	**822,375,120**	**866,884,706**	**319,097,517**	**307,952,579**
Current Tax Expenses	810,134,137	866,884,706	306,856,534	307,952,579
Deferred Tax Expense	12,240,983	-	12,240,983	
Net Profit After Tax	**484,393,063**	**964,685,138**	**62,214,463**	**324,977,676**
Attributable to:				
Shareholders' of the Bank	484,387,134	964,682,848	62,212,531	324,976,421
Minority Interest	5,929	2,290	1,932	1,255
	484,393,063	**964,685,138**	**62,214,463**	**324,977,676**
Retained Surplus Brought Forward	841,239,233	752,894,582	841,239,233	752,894,582
	1,325,626,367	**1,717,577,430**	**903,451,764**	**1,077,871,003**
Appropriations:				
Bonus Share Issued during the year	664,768,740	738,631,930	664,768,740	738,631,930
Transferred to Statutory Reserve	217,252,227	349,906,450	65,453,692	120,699,639
	882,020,967	**1,088,538,380**	**730,222,432**	**859,331,569**
Retained Surplus, Carried Forward	**443,605,400**	**629,039,051**	**173,229,332**	**218,539,434**
Earnings Per Share	**0.95**	**1.89**	**0.12**	**0.64**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

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

	January to September' 2017 BDT	January to September' 2016 BDT
A) Cash Flows From Operating Activities:		
Interest Received	10,016,401,723	9,970,928,934
Interest Paid on Deposits, Borrowings, etc.	(4,966,714,804)	(5,302,782,508)
Dividend Income	44,196,090	50,017,803
Fees & Commission Income	1,105,469,206	828,909,899
Cash Paid to Employees as Salaries and Allowances	(1,637,909,610)	(1,579,469,478)
Cash Paid to Suppliers	(77,049,627)	(59,840,697)
Advance Income Tax Paid	(739,620,217)	(587,040,587)
Cash Received From Other Operational Income	401,271,111	364,499,155
Cash Paid for Other Operational Expenses	(1,214,470,090)	(1,033,544,084)
Cash generated from operating activities before changes in operating assets and liabilites	**2,931,573,782**	**2,651,678,437**
Increase/(decrease) in operating assets and liabilites		
Loans & Advances	(24,056,355,975)	(12,103,470,967)
Other Assets	(15,184,650)	(204,221,969)
Customers' Deposit	4,153,806,634	8,826,099,078
Borrowing from Other Banks, Financial Institutions & Agents	11,775,574,782	1,711,545,515
Other Liabilities	(53,524,122)	342,295,564
Cash generated from operating assets and liabilites	**(8,195,683,332)**	**(1,427,752,780)**
Net Cash Flows From Operating Activities	**(5,264,109,549)**	**1,223,925,658**
B) Cash Flows From Investing Activities:		
Investments in T. Bills, T. Bonds and others	329,597,058	1,950,446,169
Investments in Shares & Bonds	104,285,932	629,951,456
Purchase of Fixed Assets (net)	(225,946,172)	(223,396,940)
Net Cash Flows From Investing Activities	**207,936,817**	**2,357,000,684**
C) Cash Flows From Financing Activities:		
Subordinated debts	3,750,000,000	(625,000,000)
Net Cash Flows From Financing Activities	**3,750,000,000**	**(625,000,000)**
D) Net Increase/(Decrease) in Cash and Cash Equivalents	**(1,306,172,732)**	**2,955,926,342**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	**(3,213,796)**	**3,753,056**
F) Opening Cash and Cash Equivalents	20,402,859,288	14,418,086,916
Closing Cash and Cash Equivalents (D+E+F)	**19,093,472,760**	**17,377,766,314**
The above closing Cash and Cash Equivalents include:		
Cash in Hand	2,385,798,794	2,216,731,388
Balance with Bangladesh Bank and its Agent Bank	10,286,685,190	8,884,609,023
Balance with Other Banks & Financial Institutions	6,419,530,176	2,564,044,903
Money at Call and Short Notice	-	3,710,000,000
Prize Bond	1,458,600	2,381,000
	19,093,472,760	**17,377,766,314**
Net Operating Cash Flows Per Share	**(10.33)**	**2.40**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Mutual Trust Bank Limited
Notes to the Financial Statements
For the period ended September 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, 30 (Thirty) Agent Banking Centre and One air lounge & 02 (Two) Booths 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 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 September 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 September 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 has 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 (EPS)
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 the period ended Sep' 2017 (Q3-2017), MTB has to maintain substantial amount of provisions, for that reason net profit decreased significantly which is the main reason for decreasing of EPS compare to the same period of last year.

2.6 Net Operating Cash Flows Per Share (NOCFS)
In the year of December 2016, AD ratio was 77.69%, it means surplus fund was available. So during this period, deployment of fund through advance is more than the collection of deposits/ fund. This is the main reason for decreasing of NOCFS compare to the same period of last year.

2.7 Reporting Period
These financial statements cover the period from January 1 to September 30, 2017

2.8 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.

Review of the Financial Statements
These Financial Statements were reviewed by the Audit Committee of the Board of MTB in its 4th meeting of 2017 held on 26th October 2017 and was subsequently approved by the Board in its 212th meeting held on October 29, 2017.

DISCLOSURE ON 3RD QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Particulars	As on September 30, 2017	As on September 30, 2016
Net Asset Value (NAV) (Million)	10,053.80	9,287.56
Net Asset Value (NAV) per share	19.73	18.22
Earnings Per Share (EPS)	0.95	1.89
Net Operating Cash Flow Per Share	(10.33)	2.40

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

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2017	**4,431,791,600**	**3,187,766,825**	**731,782,030**	**8,903,016**	**616,777,324**	**841,239,233**	**9,818,260,028**	**122,139**	**9,818,382,167**
Bonus Share Issued	664,768,740	-	-	-	-	(664,768,740)	-	-	-
Currency Translation differences	-	-	-	(3,213,796)	-	-	(3,213,796)	-	(3,213,796)
Transferred to Provision	-	-	-	-	(230,000,000)	-	(230,000,000)	-	(230,000,000)
Revaluation Reserve transferred during the period	-	-	(15,629,497)	-	-	-	(15,629,497)	-	(15,629,497)
Net Profit for the period after Tax	-	-	-	-	-	484,387,134	484,387,134	5,929	484,393,063
Appropriation made during the period	-	217,252,227	-	-	-	(217,252,227)	-	-	-
Balance as at September 30, 2017	**5,096,560,340**	**3,405,019,052**	**716,152,534**	**5,689,220**	**386,777,324**	**443,605,400**	**10,053,803,870**	**128,068**	**10,053,931,938**
Balance as at September 30, 2016	**4,431,791,600**	**3,071,050,196**	**446,777,324**	**701,790,856**	**7,119,643**	**629,032,066**	**9,287,561,685**	**137,648**	**9,287,699,333**

Chairman | Director | Managing Director & CEO | Group Chief Financial Officer | Group Company Secretary

The un-audited Third Quarter Financial Statements (Q3, 2017) are available on www.mutualtrustbank.com