Q1 UN-AUDITED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2018

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, 2018. 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) / Bangladesh Accounting Standard (BAS) 34 "Interim Financial Reporting".

Consolidated Balance Sheet (Un-Audited) As at March 31, 2018

Property and Assets	March 31, 2018 BDT	December 31, 2017 BDT
Cash	**12,875,667,542**	**13,077,123,517**
In Hand (Including Foreign Currency)	2,616,128,306	2,191,164,252
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	10,259,539,236	10,885,959,265
Balance with Other Banks & Financial Institutions	**2,283,465,243**	**2,798,256,664**
In Bangladesh	1,004,925,094	1,030,004,295
Outside Bangladesh	1,278,540,149	1,768,252,369
Money at Call and Short Notice	**-**	**4,690,000,000**
Investments	**22,652,564,063**	**25,105,802,134**
Government	20,197,624,274	22,703,494,533
Others	2,454,939,789	2,402,307,601
Loans and Advances	**155,573,240,616**	**145,606,993,782**
Loans, Cash Credits, Overdrafts, etc.	153,344,195,426	143,429,214,788
Bills Purchased and Discounted	2,229,045,190	2,177,778,994
Fixed Assets including Premises, Furniture & Fixtures	**3,168,942,210**	**3,211,265,364**
Other Assets	**7,544,323,675**	**7,264,492,733**
Non-Banking Assets	**-**	**-**
Total Property and Assets	**204,098,203,349**	**201,753,934,194**
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	**21,588,647,080**	**16,417,678,099**
Deposits and Other Accounts	**147,789,199,723**	**151,776,065,501**
Current Deposits & Other Accounts	13,382,359,878	14,652,100,509
Bills Payable	1,837,388,915	2,100,804,374
Savings Bank Deposits	26,740,681,788	27,479,479,774
Special Notice Deposits	12,243,166,924	11,721,963,726
Fixed Deposits	64,813,218,959	67,113,942,085
Deposit Products	28,772,383,260	28,707,775,033
Other Liabilities	**14,627,686,390**	**13,798,103,840**
Subordinated Debts	**8,000,000,000**	**8,000,000,000**
Total Liabilities	**192,005,533,193**	**189,991,847,439**
Capital/Shareholders' Equity		
Paid-up Capital	5,096,560,340	5,096,560,340
Statutory Reserve	3,743,064,050	3,622,224,031
Revaluation Reserve on Investment in Securities	658,068,380	696,384,694
Foreign Currency Translation gain/(loss)	6,095,514	7,667,134
General Reserve	616,777,324	616,777,324
Retained Earnings	1,971,979,391	1,722,348,545
Total Shareholders' Equity	**12,092,545,000**	**11,761,962,068**
Minority Interest	**125,157**	**124,686**
Total Liabilities and Shareholders' Equity	**204,098,203,349**	**201,753,934,194**
Net Asset Value (NAV) per share	**23.73**	**23.08**
Off-Balance Sheet Items		
Contingent Liabilities		
Letters of guarantee	12,324,147,258	11,602,039,974
Irrevocable letters of credit	21,327,242,659	16,740,167,351
Bills for collection	1,703,389,710	2,442,346,145
Acceptances and endorsements	31,826,660,121	30,020,544,096
Other contingent liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	**67,181,439,749**	**60,805,097,566**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Consolidated Profit and Loss Account (Un-Audited) For the Period ended March 31, 2018

Particulars	January 1 to March 31, 2018 BDT	January 1 to March 31, 2017 BDT
Interest Income	3,541,389,372	2,828,513,276
Less: Interest Paid on Deposits and Borrowings, etc.	2,367,964,829	1,885,599,086
Net Interest Income	**1,173,424,543**	**942,914,190**
Investment Income	507,889,762	482,846,054
Commission, Exchange and Brokerage	339,292,695	381,996,120
Other Operating Income	90,042,723	77,645,692
	937,225,179	**942,487,866**
Total Operating Income	**2,110,649,722**	**1,885,402,056**
Less: Operating Expenses:		
Salary and Allowances	548,446,004	494,569,389
Rent, Tax, Insurance and Electricity etc.	171,622,108	167,561,782
Legal Expenses	904,848	1,182,448
Postage, Stamps and Telecommunication etc.	4,235,670	4,099,418
Stationery, Printing and Advertisements etc.	25,484,999	21,855,167
Managing Director's Remuneration	3,354,000	3,189,000
Directors' Fees	754,500	913,500
Auditors' Fees	87,315	-
Depreciation and Repair of Bank's Properties	98,394,461	93,836,247
Other Expenses	231,803,977	188,848,700
Total Operating Expenses	**1,085,087,883**	**976,055,652**
Profit Before Provision	**1,025,561,840**	**909,346,404**
Less: Provision for Loans,Investment & Other		
Specific Provision	240,000,000	26,480,637
General Provision	80,000,000	217,884,835
Off Balance Sheet Items	63,700,000	61,800,000
Margin Loan & Investment in Shares	14,000,000	55,000,000
Other Asset	-	-
Total Provision	**397,700,000**	**361,165,472**
Profit Before Tax	**627,861,840**	**548,180,932**
Less: Income Tax Expenses	**257,390,504**	**256,641,886**
Current Tax Expenses	364,593,064	256,641,886
Deferred Tax Expenses/(Income)	(107,202,560)	-
Net Profit After Tax	**370,471,336**	**291,539,046**
Shareholders' of the Bank	370,470,865	291,537,850
Minority Interest	471	1,196
	370,471,336	**291,539,046**
Retained Surplus Brought Forward	1,716,631,528	841,239,233
	2,087,102,393	**1,132,777,083**
Appropriations:		
Transferred to Statutory Reserve	120,840,019	96,391,384
	120,840,019	**96,391,384**
Retained Surplus, Carried Forward	**1,966,262,374**	**1,036,385,699**
Earnings Per Share (EPS) (2017 Restated)	**0.73**	**0.57**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Consolidated Statement of Cash Flow (Un-Audited) For the Period ended March 31, 2018

	January 1 to March 31, 2018 BDT	January 1 to March 31, 2017 BDT
A) Cash Flows from Operating Activities:		
Interest Received	4,004,503,153	3,202,817,122
Interest Paid on Deposits, Borrowings, etc.	(1,439,133,528)	(1,194,511,893)
Dividend Income	7,083,144	1,441,851
Fees & Commission Income	339,292,695	381,996,120
Cash Paid to Employees as Salaries and Allowances	(551,800,004)	(497,758,389)
Cash Paid to Suppliers	(25,484,999)	(21,855,167)
Advance Income Tax Paid	(216,918,001)	(180,387,281)
Cash Received from Other Operational Income	92,429,285	142,493,964
Cash Paid for Other Operational Expenses	(426,610,101)	(380,023,875)
Cash Flows from Operating Activities before Changes in Net Current Assets	**1,783,361,644**	**1,454,212,453**
Changes in Net Current Assets :		
Loans & Advances	(9,952,335,574)	(8,964,542,690)
Other Assets	(41,517,926)	74,158,854
Bank Deposit	(3,280,754,963)	-
Customers' Deposits	(1,644,184,798)	(398,726,360)
Borrowing from Other Banks, Financial Institutions & Agents	5,170,968,981	2,185,975,064
Other Liabilities	183,734,727	163,441,983
	(9,564,089,552)	**(6,939,693,149)**
Net Cash Flows from Operating Activities	**(7,780,727,908)**	**(5,485,480,696)**
B) Cash Flows from Investing Activities:		
Investments in T. Bills, T. Bonds and other	2,467,821,345	(1,652,053,636)
Investments in Shares & Bonds	(52,632,188)	(57,556,842)
Purchase of Premises & Fixed Asset (net)	(38,869,624)	(110,402,878)
Net Cash Flows from Investing Activities	**2,376,319,533**	**(1,820,013,355)**
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	**(5,404,408,375)**	**(2,305,494,052)**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	**(1,571,621)**	**(907,897)**
F) Opening Cash and Cash Equivalents	20,567,156,381	20,402,859,288
Closing Cash and Cash Equivalents (D+E+F)	**15,161,176,385**	**18,096,457,339**
The above closing Cash and Cash Equivalents include:		
Cash in Hand	2,616,128,306	2,117,643,794
Balance with Bangladesh Bank and its Agent Bank	10,259,539,236	9,521,342,866
Balance with Other Banks & Financial Institutions	2,283,465,243	4,624,783,878
Money at Call and Short Notice	-	1,830,000,000
Prize Bond	2,043,600	2,686,800
	15,161,176,385	**18,096,457,339**
Net Operating Cash Flows Per Share (2017 Restated)	**(15.27)**	**(10.76)**

Chairman | Director | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

DISCLOSURE ON 1ST QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Particulars	As on March 31, 2018	As on March 31, 2017
Net Asset Value (NAV) (Million)	12,092.55	9,929.70
Net Asset Value (NAV) Per Share (2017 Restated)	23.73	19.48
Earnings Per Share (EPS) (2017 Restated)	0.73	0.57
Net Operating Cash Flow Per Share (2017 Restated)	(15.27)	(10.76)

Mutual Trust Bank Limited

Notes to the Financial Statements
For the period ended March 31, 2018

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 112 (One hundred Twelve) branches including 14 (fourteen) SME/Agri Branches all over the Bangladesh, 53 (Fifty three) Agent Banking Centre and One 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) as a separate entity. 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 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, 2018 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 including Off-shore Banking Unit 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, 2018.

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.

2.6 Net Operating Cash Flows Per Share (NOCFS)
NOCFS has decreased to (BDT 15.27) compare to the same period of last year of (BDT 10.76) mainly due to deployment of fund through advance was more than the collection of deposits/ fund.

2.7 Reporting Period
These financial statements cover the period from January 1 to March 31, 2018

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 Un-Audited Financial Statements were reviewed by the Audit Committee of the Board of MTB in its 2nd meeting for 2018 held on April 22, 2018 and was subsequently approved by the Board in its 220th meeting held on April 25, 2018.

Consolidated Statement of Changes in Equity (Un-Audited) For the Period ended March 31, 2018

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, 2018	**5,096,560,340**	**3,622,224,031**	**696,384,694**	**7,667,134**	**616,777,324**	**1,722,348,545**	**11,761,962,068**	**124,686**	**11,762,086,755**
Cash Dividend Paid during the period	-	-	-	-	-	-	-	-	-
Currency Translation differences	-	-	-	(1,571,621)	-	-	(1,571,621)	-	(1,571,621)
Revaluation Reserve transferred during the period	-	-	(38,316,313)	-	-	-	(38,316,313)	-	(38,316,313)
Net Profit for the period after Tax	-	-	-	-	-	370,470,865	370,470,865	471	370,471,336
Appropriation made during the period	-	120,840,019	-	-		(120,840,019)	-	-	-
Balance as at March 31, 2018	**5,096,560,340**	**3,743,064,050**	**658,068,380**	**6,095,514**	**616,777,324**	**1,971,979,391**	**12,092,545,000**	**125,157**	**12,092,670,156**
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**

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

The un-audited First Quarter Financial Statements (Q1, 2018) are available on www.mutualtrustbank.com