Q3 UN-AUDITED FINANCIAL STATEMENTS

FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 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, Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 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, 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 September 30, 2018

Property and Assets	September 30, 2018 BDT	December 31, 2017 BDT
Cash	**12,485,002,165**	**13,077,123,517**
In Hand (Including Foreign Currency)	3,017,499,803	2,191,164,252
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	9,467,502,362	10,885,959,265
Balance with Other Banks & Financial Institutions	**4,892,993,973**	**2,798,256,664**
In Bangladesh	3,218,135,828	1,030,004,295
Outside Bangladesh	1,674,858,145	1,768,252,369
Money at Call and Short Notice	**251,250,000**	**4,690,000,000**
Investments	**25,844,574,928**	**25,105,802,134**
Government	23,233,928,050	22,703,494,533
Others	2,610,646,877	2,402,307,601
Loans and Advances	**158,634,866,511**	**145,606,993,782**
Loans, Cash Credits, Overdrafts, etc.	156,065,586,884	143,429,214,788
Bills Purchased and Discounted	2,569,279,628	2,177,778,994
Fixed Assets including Premises, Furniture & Fixtures	**3,154,457,154**	**3,211,265,364**
Other Assets	**8,913,508,111**	**7,264,492,733**
Non-Banking Assets	-	-
Total Property and Assets	**214,176,652,841**	**201,753,934,194**
Liabilities and Capital		
Borrowing from other Banks, Financial Institutions & Agents	**19,584,269,429**	**16,417,678,099**
Deposits and Other Accounts	**156,957,112,519**	**151,776,065,501**
Current Deposits & Other Accounts	14,293,948,715	14,652,100,509
Bills Payable	1,371,373,886	2,100,804,374
Savings Bank Deposits	28,319,894,444	27,479,479,774
Special Notice Deposits	13,840,454,186	11,721,963,726
Fixed Deposits	68,316,812,593	67,113,942,085
Deposit Products	30,814,628,694	28,707,775,033
Other Liabilities	**16,880,604,168**	**13,798,103,840**
Subordinated Debts	**8,000,000,000**	**8,000,000,000**
Total Liabilities	**201,421,986,116**	**189,991,847,439**
Capital/Shareholders' Equity		
Paid-up Capital	5,733,630,380	5,096,560,340
Statutory Reserve	3,984,645,601	3,622,224,031
Revaluation Reserve on Investment in Securities	533,234,984	696,384,694
Foreign Currency Translation gain/(loss)	8,912,593	7,667,134
General Reserve	616,777,324	616,777,324
Retained Earnings	1,877,338,251	1,722,348,545
Total Shareholders' Equity	**12,754,539,133**	**11,761,962,068**
Minority Interest	**127,592**	**124,686**
Total Liabilities and Shareholders' Equity	**214,176,652,841**	**201,753,934,194**
Net Asset Value (NAV) per share (2017 Restated)	**22.25**	**20.51**
Off-Balance Sheet Items		
Contingent Liabilities		
Letters of guarantee	19,500,751,305	11,602,039,974
Irrevocable letters of credit	19,707,427,036	16,740,167,351
Bills for collection	2,053,273,889	2,442,346,145
Acceptances and endorsements	37,179,072,880	30,020,544,096
Other contingent liabilities	-	-
Total Off-Balance Sheet Items including Contingent Liabilities	**78,440,525,111**	**60,805,097,566**

Chairman | Vice Chairman | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Consolidated Profit and Loss Account (Un-Audited) For the period ended September 30, 2018

Particulars	Jan to Sep 2018 BDT	Jan to Sep 2017 BDT	Jul to Sep 2018 BDT	Jul to Sep 2017 BDT
Interest Income	11,609,583,098	8,758,679,099	4,030,841,945	3,036,592,816
Less: Interest Paid on Deposits and Borrowings, etc.	7,853,975,483	5,742,488,561	2,754,750,030	1,965,375,881
Net Interest Income	**3,755,607,615**	**3,016,190,538**	**1,276,091,915**	**1,071,216,935**
Investment Income	1,745,154,144	1,525,455,030	631,676,583	551,493,954
Commission, Exchange and Brokerage	1,170,491,129	1,105,469,206	420,610,103	406,077,622
Other Operating Income	361,341,381	303,947,325	112,474,015	95,513,147
	3,276,986,654	**2,934,871,561**	**1,164,760,701**	**1,053,084,723**
Total Operating Income	**7,032,594,270**	**5,951,062,099**	**2,440,852,615**	**2,124,301,658**
Less: Operating Expenses:				
Salary and Allowances	1,825,645,268	1,623,988,276	628,083,587	597,441,669
Rent, Tax, Insurance and Electricity etc.	517,194,561	498,846,207	175,378,810	165,341,955
Legal Expenses	2,606,910	2,952,937	993,995	884,376
Postage, Stamps and Telecommunication etc.	16,197,759	14,289,729	6,345,416	4,496,449
Stationery, Printing and Advertisements etc.	73,942,571	77,049,627	22,056,331	26,842,209
Managing Director's Remuneration	14,716,333	13,921,334	4,644,000	4,404,000
Directors' Fees	2,576,600	2,574,100	887,100	981,600
Auditors' Fees	287,787	19,000	116,588	19,000
Depreciation and Repair of Bank's Properties	346,577,892	304,333,676	121,954,818	98,672,881
Other Expenses	662,820,022	639,453,558	199,277,579	251,805,539
Total Operating Expenses	**3,462,565,703**	**3,177,428,444**	**1,159,738,223**	**1,150,889,678**
Profit Before Provision	**3,570,028,567**	**2,773,633,655**	**1,281,114,393**	**973,411,980**
Less: Provision for Loans,Investment & Other				
Specific Provision	1,426,850,000	871,080,637	730,190,000	479,700,000
General Provision	19,375,000	373,384,835	(17,200,000)	43,600,000
Off Balance Sheet Items	148,920,000	160,400,000	(1,780,000)	36,800,000
Margin Loan & Investment in Shares	57,000,000	62,000,000	24,000,000	32,000,000
Other Assets	-	-	-	-
Total Provision	**1,652,145,000**	**1,466,865,472**	**735,210,000**	**592,100,000**
Profit Before Tax	**1,917,883,567**	**1,306,768,183**	**545,904,393**	**381,311,980**
Less: Income Tax Expenses	**763,399,346**	**822,375,120**	**264,140,600**	**319,097,517**
Current Tax Expenses	1,253,192,582	810,134,137	532,311,355	306,856,534
Deferred Tax Expenses/(Income)	(489,793,236)	12,240,983	(268,170,755)	12,240,983
Net Profit After Tax	**1,154,484,221**	**484,393,063**	**281,763,792**	**62,214,463**
Shareholders' of the Bank	1,154,481,315	484,387,134	281,762,842	62,212,531
Minority Interest	2,906	5,929	951	1,932
	1,154,484,221	**484,393,063**	**281,763,792**	**62,214,463**
Retained Surplus Brought Forward	1,722,348,545	841,239,233	1,722,348,545	841,239,233
	2,876,829,860	**1,325,626,367**	**2,004,111,386**	**903,451,764**
Appropriations:				
Bonus Share Issued during the year	637,070,040	664,768,740	637,070,040	664,768,740
Transferred to Statutory Reserve	362,421,570	217,252,227	99,954,783	65,453,692
	999,491,610	**882,020,967**	**737,024,823**	**730,222,432**
Retained Surplus, Carried Forward	**1,877,338,251**	**443,605,400**	**1,267,086,564**	**173,229,332**
Earnings Per Share (EPS) (2017 Restated)	**2.01**	**0.84**	**0.49**	**0.11**

Chairman | Vice Chairman | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

Consolidated Statement of Cash Flow (Un-Audited) For the period ended September 30, 2018

	Jan to Sep 2018 BDT	Jan to Sep 2017 BDT
A) Cash Flows from Operating Activities:		
Interest Received	12,952,391,334	10,016,401,723
Interest Paid on Deposits, Borrowings, etc.	(6,466,938,437)	(4,966,714,804)
Dividend Income	50,446,339	44,196,090
Fees & Commission Income	1,170,491,129	1,105,469,206
Recoveries of Loans previously written off	-	-
Cash Paid to Employees as Salaries and Allowances	(1,840,361,601)	(1,637,909,610)
Cash Paid to Suppliers	(73,942,571)	(77,049,627)
Advance Income Tax Paid	(730,316,666)	(739,620,217)
Cash Received from Other Operational Income	500,693,654	401,271,111
Cash Paid for Other Operational Expenses	(1,297,809,254)	(1,214,470,090)
Cash Flows from Operating Activities before Changes in Net Current Assets	**4,264,653,928**	**2,931,573,782**
Changes in Net Current Assets :		
Loans & Advances	(13,027,550,552)	(24,056,355,975)
Other Assets	(706,473,593)	(15,184,650)
Bank Deposit	(7,149,625,000)	-
Customers' Deposits	10,957,940,198	4,153,806,634
Borrowing from Other Banks, Financial Institutions & Agents	3,166,591,331	11,775,574,782
Other Liabilities	652,650,756	(53,524,122)
	(6,106,466,860)	**(8,195,683,332)**
Net Cash Flows from Operating Activities	**(1,841,812,932)**	**(5,264,109,549)**
B) Cash Flows from Investing Activities:		
Investments in T. Bills, T. Bonds and other	(693,393,927)	329,597,058
Investments in Shares & Bonds	(208,339,276)	104,285,932
Purchase of Premises & Fixed Asset (net)	(193,644,067)	(225,946,172)
Net Cash Flows from Investing Activities	**(1,095,377,270)**	**207,936,817**
C) Cash Flows from Financing Activities:		
Subordinated debt	-	3,750,000,000
Dividend Paid	-	-
Net Cash Flows from Financing Activities	**-**	**3,750,000,000**
D) Net Increase in Cash and Cash Equivalents	**(2,937,190,203)**	**(1,306,172,732)**
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents	**1,245,459**	**(3,213,796)**
F) Opening Cash and Cash Equivalents	**20,567,156,381**	**20,402,859,288**
Closing Cash and Cash Equivalents (D+E+F)	**17,631,211,637**	**19,093,472,760**
The above closing Cash and Cash Equivalents include:		
Cash in Hand	3,017,499,803	2,385,798,794
Balance with Bangladesh Bank and its Agent Bank	9,467,502,362	10,286,685,190
Balance with Other Banks & Financial Institutions	4,892,993,973	6,419,530,176
Money at Call and Short Notice	251,250,000	-
Prize Bond	1,965,500	1,458,600
	17,631,211,638	**19,093,472,760**
Net Operating Cash Flows (NOCF) Per Share (2017 Restated)	**(3.21)**	**(9.18)**

Chairman | Vice Chairman | Managing Director & CEO

Group Chief Financial Officer | Group Company Secretary

DISCLOSURE ON 3RD QUARTER UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Amount in BDT

Particulars	As on September 30, 2018	As on September 30, 2017
Net Asset Value (NAV) (Million)	12,754.54	10,053.80
Net Asset Value (NAV) per share (2017 Restated)	22.25	17.53
Particulars	**Jan to Sep 2018**	**Jan to Sep 2017**
Earnings Per Share (EPS) (2017 Restated)	2.01	0.84
Net Operating Cash Flow Per Share (2017 Restated)	(3.21)	(9.18)

Consolidated Statement of Changes in Equity (Un-Audited) As at September 30, 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**
Bonus Share Issued	637,070,040	-	-	-	-	(637,070,040)	-	-	-
Currency Translation differences	-	-	-	1,245,459	-	-	1,245,459	-	1,245,459
Transferred to Provision	-	-	-	-	-	-	-	-	-
Revaluation Reserve transferred during the period	-	-	(163,149,709)	-	-	-	(163,149,709)	-	(163,149,709)
Net Profit for the period after Tax	-	-	-	-	-	1,154,481,315	1,154,481,315	2,906	1,154,484,221
Appropriation made during the period	-	362,421,570	-	-	-	(362,421,570)	-	-	-
Balance as at September 30, 2018	**5,733,630,380**	**3,984,645,601**	**533,234,984**	**8,912,593**	**616,777,324**	**1,877,338,251**	**12,754,539,133**	**127,592**	**12,754,666,725**
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**

Chairman | Vice Chairman | 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, 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 114 (One hundred Fourteen) branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 67 (Sixty Seven) Agent Banking Centre and 01 (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). 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 September 30, 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, 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, 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 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-1/119/2018-1209 dated April 11, 2018 regarding approval to defer the required provision amount over the next three years from 2018 to 2020.

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 and Circular no.7 of 21 June 2018 the Bank has maintained provision @ 1% against off-balance sheet exposures.

2.5 Calculation of Deferred Tax:

	BDT
Taxable temporary difference arising from the carrying value of fixed assets	(595,165,384)
Deductable temporary difference arising from the provision of classified loan	3,825,190,000
Net deductable temporary difference (a)	3,230,024,616
Tax rate (b)	37.50%
Closing deferred tax assets (a x b)	1,211,259,231
Opening deferred tax assets	721,326,693
Deferred tax income of the bank	**489,932,538**
Deffered tax expenses of subsidiaries	(139,302)
Consolidated deferred tax income	**489,793,236**

2.6 Composition of Shareholders' Equity:

	BDT
Paid up Capital	
(573,363,038 Ordinary shares @ 10.00 each)	5,733,630,380
Statutory Reserve	3,984,645,601
Revaluation Reserve on Investment in Securities	533,234,984
Foreign Currency Translation gain	8,912,593
General Reserve	616,777,324
Retained Earnings	1,877,338,251
Total Shareholders' Equity	**12,754,539,133**

2.7 Net Asset Value Per Share (NAVPS):

Net assets value (NAV) per share as of Q3 2018: BDT 22.25 which was BDT 20.51 (Restated, Original NAV: BDT 23.08) in December 2017. Calculation of the NAVPS furnished below:

Calculation of NAVPS:
Net asset value/ No. of shares outstanding

	BDT
Total net assets value (a)	12,754,539,133
Number of shares outstanding (b)	573,363,038
Net asset value per share (a/b)	22.25

2.8 Earnings Per Share (EPS)
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. EPS as of Q3 2018: BDT 2.01 as against BDT 0.84 (Restated, Original EPS: BDT 0.95) of Q3 2017; July-September'18 EPS BDT 0.49 against BDT 0.11 (Restated, Original EPS: BDT 0.12) of July-September'17. EPS has been increased significantly compare to the same period of last year due to increase of business volume, creation of deferred tax income of BDT 489.79 Million and reduction of corporate tax rate. Calculation of EPS as of Q3 2018 is as under:

Calculation of Basic EPS:
Net profit after tax/ No. of shares outstanding

	BDT
Net profit after tax (a)	1,154,481,315
Number of shares outstanding (b)	573,363,038
Earnings per share (a/b)	2.01

Diluted EPS
No diluted EPS is required to be calculated as there was no scope for dilution of share for this period.

2.9 Net Operating Cash Flows Per Share (NOCFS)
NOCFS has stood at (BDT 3.21) compare to the same period of last year of (BDT 9.18) [Restated, Original NOCFS: BDT (10.33)] mainly due to reduction of gape between collection of deposits / fund and deployment of fund through advances over the same period of previous year. Calculation of NOCFS as of Q3 2018 is as under:

Calculation of NOCFPS:
Net operating cash flow/No. of shares outstanding

	BDT
Total net operating cash flows (a)	(1,841,812,932)
Number of shares outstanding (b)	573,363,038
Net operating cash flow per share (a/b)	(3.21)

2.10 Reporting Period
These financial statements cover the period from January 1 to September 30, 2018

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

2.12 Review of the Financial Statements
These Un-Audited Financial Statements were reviewed by the MTB Board Audit Committee in its 4th meeting for 2018 held on October 30, 2018 and was subsequently approved by the MTB Board in its 228th meeting held on October 30, 2018.

2.13 Credit Rating
Credit Rating Information and Services Limited (CRISL) has rated the Bank based on December 31, 2017 with "AA" (pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was April 30, 2018.

Periods	Date of Rating	Long Term Rating	Short Term Rating
January to December 2017	April 30, 2018	AA	ST-2
January to December 2016	May 16, 2017	AA	ST-2

The un-audited Third Quarter Financial Statements (Q3, 2018) are available on www.mutualtrustbank.com