

Fact Sheet: Mutual Trust Bank Limited (MTB) September 29, 2014

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Mutual Trust Bank Limited (DSE Ticker: MTB) (Figures in BDT mn where applicable)

Current Market Price (29.09.14)	16.8
Number of Shares Outstanding	307.8
Market Cap (BDT mn)	5,170.4
Market Cap (USD mn)	66.5
52 weeks Price Range	13.9-19.5
Authorized Capital	10,000.0
Paid Up Capital	3,078.0
Year of Incorporation	1999
Year of Listing	2003
Current P/E	7.0x
Sector PE	7.69x
P/NAV	0.9x
Sponsors Holding	47.9%
Institutional Holding	22.5%
Public Holding	29.6%
Free Float	52.1%

Income Statement Highlights

	2011	2012	2013
Net Interest Income	887.7	851.0	1,027.9
Investment Income	1,130.8	1,602.6	2,466.2
Commission, Exc. & Brok.	774.1	710.3	769.6
Total Operating Income	3,103.9	3,507.2	4,619.0
Profit Before Provision	1,205.3	1,332.3	2,025.9
Net Income	404.3	327.9	573.3
EPS (Restated)	1.3	1.1	1.9

Figures are in BDT million except EPS

Balance Sheet Highlights

	2011	2012	2013
Loans & Advances	47,005.5	56,511.1	59,548.4
Investments	20,148.7	23,251.1	25,824.4
Fixed Assets	1,552.9	2,384.7	2,458.2
Deposits	59,050.8	75,140.1	84,372.7
Retained Earnings	311.5	255.2	294.4
Total Equity	4,814.9	4,833.6	5,449.1
Total Assets	76,331.3	93,162.1	101,463.5
NAVPS (Restated)	15.6	15.7	17.7

Figures are in BDT million except NAVPS

Key Ratios

	2011	2012	2013
ROE	8.4%	6.8%	10.5%
Sector Median	17.0%	12.4%	11.4%
Deposit Growth	30.8%	27.2%	12.3%
Sector Median	24.8%	22.4%	15.7%
Credit Growth	18.5%	20.2%	5.4%
Sector Median	19.4%	17.5%	10.3%
CASA Ratio	28.1%	24.3%	26.8%
Sector Median	22.2%	21.8%	22.6%
Spread	4.7%	5.0%	5.4%
Sector Median	4.6%	5.1%	4.8%

Company Profile

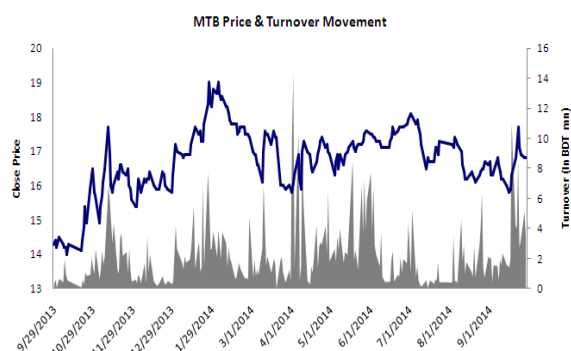
Mutual Trust Bank (MTB) is a third generation bank established in 1999 and subsequently listed in both of the major bourses of Bangladesh, DSE and CSE in 2003. MTB has a wide outreach across the country with its 96 branches (as of Sep 2014). Ownership structure of MTB consists of 47.9% holding of sponsors/directors, institutional holding of 22.5% and the rest of 29.6% public holding. MTB has a loan size of BDT 59,548mn and a deposit size of BDT 84,372mn. In addition to the conventional banking, MTB also has a fair market share in terms of its export and import business handling. Its export business handling was BDT 32,479mn and import business handling was BDT 44,273mn as of 2013 witnessing a decent growth of 27.6% and 12.3% respectively. Mutual Trust Bank is also a Primary Dealer of Bangladesh Bank and is thus mandated to make the market of treasury instruments. Its wholly-owned subsidiaries include MTB Capital which is a full fledged merchant bank and MTB Securities which is a fully functioning brokerage. It also has an offshore banking unit.

Financial Performance and Analyst's Comment

The average loan growth of MTB is about 14.7% over the last three years. Loan growth witnessed a drastic drop to 5.4% in 2013 from 20.2% in 2012 as the private sector credit growth hit a 13-year low at 10.6% mainly because of the political turmoil which took place almost throughout the second half of 2013. MTB's deposit witnessed 23.5% average growth for the last three years and in 2013 it witnessed 12.3% deposit growth, slightly lower than the sector median of 15.7%. MTB's cost of deposit is a bit higher compared to some of its peers with a CASA ratio of 26.8%. Its spread seems reasonably higher than the sector median (5.4% vs. sector median 4.8%). In terms of profitability, ROE is 10.5%, which is almost aligned with the sector median of 11.4%. This is again due to the lower profitability of the overall banking industry caused by higher defaults loans. Risk weighted Capital Adequacy Ratio (RWCAR) of MTB is fully aligned with the industry median of 11.6% in 2013. MTB is currently trading at a price to book value of 0.9 times and a P/E of 7 times which are completely aligned with the sector median. Its popular brokerage business, which ranks 7 in terms of total turnover among all the brokerages as on August 2014, contributes to the overall profitability of the bank. So overall, it seems like a banking business with financials aligned with the overall sector.

Most Recent Declaration:

Half Yearly earnings Declaration as per Dhaka Stock Exchange Website: As per un-audited half yearly accounts as on 30.06.2014 (Jan'14 to June'14), the Company has reported consolidated net profit after tax (excluding non-controlling interests) of Tk. 369.49 million with consolidated EPS of Tk. 1.20 as against Tk. 36.22 million and Tk. 0.12 respectively for the same period of the previous year. Whereas consolidated net profit after tax (excluding non-controlling interests) was Tk. 184.08 million with consolidated EPS of Tk. 0.60 for the period of 3 months (Apr'14 to June'14) ended on 30.06.2014 as against Tk. 35.02 million and Tk. 0.11 respectively for the same period of the previous year.



Source: ACAML Research