

Notes to the Financial Statements

Mutual Trust Bank Limited and its Subsidiaries
Notes to the Financial Statements
For the year ended 31 December 2019

	2019 BDT	2018 BDT
3.00 Consolidated cash		
I. Cash in hand (including foreign currency)		
Mutual Trust Bank Limited (Note 3-a.1)	2,876,617,681	2,512,940,801
MTB Securities Limited	953,915	3,566,051
MTB Capital Limited	20,965	3,316
MTB Exchange (UK) Limited	11,286,085	-
II. Balance with Bangladesh Bank and its Agent Banks (including foreign currency)	2,886,876,119	2,520,554,712
Mutual Trust Bank Limited (Note 3-a.2)	11,669,624,514	9,780,479,058
MTB Securities Limited	0	-
MTB Capital Limited	0	-
MTB Exchange (UK) Limited	11,669,624,514	9,780,479,058
3.a Cash	2,876,617,681	2,512,940,801
In hand (including foreign currency) (Note 3-a.1)	11,669,624,514	9,780,479,058
With Bangladesh Bank and its agent banks (including foreign currency) (Note 3-a.2)	14,544,242,195	12,293,419,939
3.a.1 In Hand (Including foreign currency)		
Local Currency	2,846,236,936	2,482,543,141
Foreign Currency	38,380,745	30,397,740
3.a.2 Balance with Bangladesh Bank and its agent Bank (s)	2,876,617,681	2,512,940,801
With Bangladesh Bank	10,761,109,123	9,240,704,107
Local Currency	60,416,569	200,898,371
Foreign Currency	11,122,934	5,686
With Sonal Bank (as agent of Bangladesh Bank-Local Currency)	11,669,624,514	9,780,479,058

Bangladesh Bank Adjustment Account represents outstanding transactions/net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at 31 December 2019 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	0	278	605,538,857	833,475,426
3 months to Less than 6 months	17	0	-	-
6 months to Less than 12 months	0	0	-	-
12 months and more	0	2	-	835,600
Total	17	278	605,538,857	834,290,026

All unadjusted entries are subsequently adjusted on regular basis.

3.a.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of the Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank DOS circular no. 26 dated 13 August 2019.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank DOS circular no. 26 dated 13 August, 2019; bank has to maintain CRR 5.00% on daily basis and 5.50% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATLTI) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at 31 December 2019 are as follows:

	2019	2018
I. Daily Bank's ATLTI		
Required Reserve (5.00% of ATLTI)	5.00%	5.00%
Actual Reserve Maintained	5.57%	5.68%
Surplus	0.57%	0.68%
II. Bi-weekly Bank's CRR Maintenance		
Required Reserve (5.50% of ATLTI)	5.50%	5.50%
Actual Reserve Maintained (Average)	6.07%	6.09%
Surplus	0.57%	0.59%

* Last bi-weekly average of September, 2019

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated 10 December 2013 issued by Bangladesh Bank with effect from 01 February 2014, bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATLTI) of the base month which is two months prior to reporting month. SLR maintained by the bank as at 31 December 2019 are as follows:

	2019	2018
Required Reserve (13% of ATLTI)	13.00%	13.00%
Actual Reserve Maintained	17.14%	17.13%
Surplus	4.13%	4.13%

	2019	2018
I. Components of Statutory Liquidity Ratio (SLR) (BDT Million)		
Cash in Hand	2,749,000	2,512,940
Excess Cash Reserve*	132,615	286,480
Balance with Agent Bank (Sonal Bank Ltd)	304,116	338,860
Held to Maturity (HTM) Securities	25,125,222	20,109,515
Held for Trading (HTF) Securities	5,937,165	4,839,877
Other Liquid Assets	1,951	-
34,250,113	27,559,655	27,559,655

*As per Bangladesh Bank DOS circular no. 26 dated 19 August 2019; Cash Reserve (if any) in excess of 5.5% of ATLTI calculated on bi-weekly average is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

4.0 Consolidated Balance with Other Banks and Financial Institutions

In Bangladesh	2019	2018
Mutual Trust Bank Limited (Note 4-a.1)	501,980,863	648,882,818
MTB Securities Limited	558,685,353	735,327,501
MTB Capital Limited	8,720,224	18,150,411
MTB Exchange (UK) Limited	(421,588,840)	(540,695,918)
Less: Intra-group Deposit	461,783,394	861,163,489
Outside Bangladesh	2,736,948,447	2,314,903,960
Mutual Trust Bank Limited (Note 4-a.2)	-	-
MTB Securities Limited	-	-
MTB Capital Limited	318,634	92,424
MTB Exchange (UK) Limited	2,737,266,881	2,314,996,384
3,885,800,274	3,176,607,577	

4.a Balance with other banks and Financial Institutions	2019	2018
In Bangladesh (Note 4-a.1)	501,980,863	648,882,818
Outside Bangladesh (Note 4-a.2)	2,736,948,447	2,314,903,960
3,238,929,310	2,963,786,778	

4.a.1 In Bangladesh	2019	2018
Fixed Deposits Receipt (FDR)		
Mesrian Finance Limited	-	50,000,000
BD Finance & Investment Company Limited	-	50,000,000
Union Capital	-	100,000,000
Bay Leasing & Investment Limited	-	100,000,000
IFDC Limited	-	100,000,000
SBC Bank Limited	200,000,000	-
Special Notice Deposit (SND)		
Dutch Bangla Bank Limited	-	67,404
BKDC Bank Limited	13,037,861	11,184
Sonal Bank Limited	120,331,563	101,991
Agan Bank Limited	7,549,800	6,769,702
Jamun Bank Limited	15,755,544	101,488,841
Standard Chartered Bank	66,024,013	79,406,048
Current Deposits (CD)		
Bkann Limited	7,547,886	29,032,204
All Bank Limited	200,000	-
Southeast Bank Limited	777,716	1,197,841
Islam Bank Bangladesh Limited	14,258	13,130
Jamun Bank Limited	6,439	32,177
Agan Bank Limited	70,739,483	111,871,784
501,980,863	648,882,818	

4.a.2 Outside Bangladesh (NOSTRO Accounts)	2019	2018
In current account		
Mahabang Bank Pvt. New York	176,263,831	517,622,972
Standard Chartered Bank, New York	1,045,210,006	82,187,526
Habib American Bank, New York	459,139,012	181,519,504
ICI Bank Ltd, Hong Kong	20,935,515	3,123,066
Commerz Bank AG, Germany	72,463,821	44,586,987
KB Kookmin Bank, South Korea	59,818,899	37,166,889
Standard Chartered Bank, Singapore	3,788,109	3,439,654
Standard Chartered Bank, Colombia	6,851,873	2,403,784
Mahabang Bank Pvt., London	137,708	24,037,784
Standard Chartered Bank, London	55,596,961	84,450,986
Habib American Bank, Zurich	4,796,944	4,679,173
Standard Chartered Bank, Tokyo	5,007,623	5,408,469
UBAF, Tokyo	3,701,016	2,044,022
Mahabang Bank Pvt., London	5,260,145	2,347,155
Standard Chartered Bank, Germany	1,864,453	2,347,155
Sonal Bank Ltd., Kolkata	6,038,802	11,871,432
ICI Bank Ltd., Mumbai	99,584	588,174
Unicredit Bank AG, Germany	1,387,231	374,614
Commerz Bank AG, Germany	7,788,486	26,309,407
United Bank of India, Kolkata	403,296	403,296
Standard Chartered Bank, Mumbai	25,991,135	201,781
Standard Chartered Bank, Kolkata	38,712,912	41,990,479
Standard Chartered Bank, Karachi	5,809,437	8,298,417
United Bank of India, Kolkata	7,706,617	15,613,811
Mahabang Bank Pvt., Mumbai	20,685,334	49,554,209
All Bank Ltd, Mumbai	83,847,618	3,799,575
ICI Bank Ltd, Mumbai	60,716,864	7,809,184
HDFC Bank Ltd, Mumbai	7,314,759	40,051,177
Himalayan Bank Ltd, Kathmandu	9,250,701	9,186,213
Bank Al Btard S.A (SAB)	11,323,144	11,323,144
Nepal Bangladesh Bank Ltd	11,024,601	11,027,627
Commerz Bank AG, Germany (AUS)	2,154,296	12,055,773
Habib Metropolitan Bank Ltd, Karachi	1,005,111	4,047,018
Axe Bank Ltd., Mumbai	12,317,349	20,484,459
Mahabang Bank Pvt., UAE	120,020,015	316,458,548
ICI Bank Ltd., Mumbai - Term Deposit	2,659,806,876	1,613,991,137
2,736,948,447	2,314,903,960	

Details of NOSTRO accounts are shown in Annexure-A

4.a.3 Maturity grouping of balance with other banks and Financial Institutions	2019	2018
On Demand	2,091,555,110	1,939,713,028
Less than three months	89,049,155	760,354,120
More than three months but less than one year	257,747,958	257,687,213
More than one year but less than five years	30,655,935	28,032,007
More than five years	28,232,607	-
3,238,929,310	2,963,786,778	

5.a Money at Call and Short Notice: Call Money	2019	2018
With Banking Companies (Note 5-a.1)	-	120,000,000
With Non-Banking Financial Institutions (Note 5-a.2)	266,800,000	1,480,000,000
266,800,000	1,600,000,000	

5.a.1 Call Money with Banking Companies	2019	2018
National Bank Limited	-	120,000,000
266,800,000	1,600,000,000	

5.a.2 Call Money with Non-Banking Financial Institutions	2019	2018
Bangladesh Finance and Investment Company Limited	59,700,000	150,000,000
Phoenix Finance and Investments Limited	-	120,000,000
Industrial and Infrastructure Development Finance Company Limited	-	170,000,000
Lanka Bangla Bank Limited	-	40,000,000
National Finance Limited	-	20,000,000
Delta Brac Housing Finance corporation Limited	-	100,000,000
IDC Finance Limited	-	200,000,000
Union Capital	79,700,000	200,000,000
GSP Finance Company (Bangladesh) Limited	67,400,000	140,000,000
266,800,000	1,460,000,000	

6.0 Consolidated Investments	2019	2018
Government Investment		
Mutual Trust Bank Limited (Note 6-a.1)	31,064,307,864	24,421,226,713
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
31,064,307,864	24,421,226,713	

Other Investments		
Mutual Trust Bank Limited (Note 6-a.3)	2,130,437,734	2,168,276,853
MTB Securities Limited	839,732,429	661,399,242
MTB Capital Limited	165,060,175	156,745,140
MTB Exchange (UK) Limited	-	-
	<u>3,135,230,337</u>	<u>2,986,421,235</u>
	<u>34,199,538,201</u>	<u>27,497,647,948</u>

6.a Investments

6.a Investments	2019	2018
Government (Note 6-a.3)	31,064,307,864	24,421,226,713
Others (Note 6-a.3)	2,130,437,734	1,729,725,853
33,194,745,597	26,895,953,566	

6.a.1 Government (Investment in Govt. securities)	2019	2018
Treasury Bills (Note 6-a.1.1)	444,763,951	2,116,299,392
Treasury Bonds (Note 6-a.1.2)	30,617,627,813	22,303,082,421
Prize Bonds	1,026,100	-
31,064,307,864	24,421,226,713	

Total Treasury Bill		464,753,951	2,116,299,392
6.a.1.2 Treasury Bonds			
Un-encumbered			
2 Years Bangladesh Government treasury bonds	5,995,699,381	5,554,004,217	
5 Years Bangladesh Government treasury bonds	7,171,855,405	1,334,618,825	
10 Years Bangladesh Government treasury bonds	7,801,223,609	7,878,003,068	
15 Years Bangladesh Government treasury bonds	6,365,254,770	4,781,146,549	
20 Years Bangladesh Government treasury bonds	7,800,314,647	2,754,709,900	
Sub-total	36,631,627,813	23,303,482,659	
Encumbered			
Subtotal	-	-	

Total Treasury Bond	<u>30,617,627,813</u>	<u>22,303,082,421</u>
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Encumbered	2019	2018
Sub-total	-	-
Total Treasury Bill	444,763,951	2,116,299,392

6.a.2 Treasury Bonds	2019	2018	
Un-encumbered	5,895,095,381	5,554,024,210	
2 Years Bangladesh Government treasury bonds	2,171,856,401	1,354,618,132	
5 Years Bangladesh Government treasury bonds	7,801,223,609	7,878,003,603	
10 Years Bangladesh Government treasury bonds	6,362,546,770	4,781,146,470	
20 Years Bangladesh Government treasury bonds	7,860,116,662	7,554,209,065	
Sub-total	30,617,627,813	22,303,082,421	

Encumbered	2019	2018	
Sub-total	-	-	
Total Treasury Bond	30,617,627,813	22,303,082,421	

6.a.3 Government (Investment in Govt. securities)	2019	2018
Treasury Bills (Note 6-a.1.1)	444,763,951	2,116,299,392
Treasury Bonds (Note 6-a.1.2)	30,617,627,813	22,303,082,421
Prize Bonds	1,026,100	-
31,064,307,864	24,421,226,713	

6.a.1.1 Treasury Bills (at present value)	2019	2018	
Un-encumbered	246,266,769	2,116,299,392	
91 days treasury bills	199,497,201	497,327,950	
182 days treasury bills	-	-	
364 days treasury bills	-	-	
Sub-total	444,763,951	2,116,299,392	

6.a.1.2 Treasury Bonds	2019	2018	
Un-encumbered	5,895,095,381	5,554,024,210	
2 Years Bangladesh Government treasury bonds	2,171,856,401	1,354,618,132	
5 Years Bangladesh Government treasury bonds	7,801,223,609	7,878,003,603	
10 Years Bangladesh Government treasury bonds	6,362,546,770	4,781,146,470	
20 Years Bangladesh Government treasury bonds	7,860,116,662	7,554,209,065	
Sub-total	30,617,627,813	22,303,082,421	

Encumbered	2019	2018	
Sub-total	-	-	
Total Treasury Bond	30,617,627,813	22,303,082,421	

6.a.3 Government (Investment in Govt. securities)	2019	2018
Treasury Bills (Note 6-a.1.1)	444,763,951	2,116,299,392
Treasury Bonds (Note 6-a.1.2)	30,617,627,813	22,303,082,421
Prize Bonds	1,026,10	