

Notes to the Financial Statements

11.00 Consolidated deposits and other accounts

	2019	2018
Current deposits and other accounts		
Mutual Trust Bank Limited (Note-11.1.1)	16,351,289,150	14,090,056,274
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	(760,580)	-
Less: Intragroup Deposit	(1,055,958)	(1,155,958)
	16,590,288,300	14,090,900,316
Bills payable		
Mutual Trust Bank Limited (Note-11.1.1)	1,643,542,846	1,703,433,803
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,643,542,846	1,703,433,803
Saving deposit		
Mutual Trust Bank Limited (Note-11.1.1)	29,884,510,508	26,239,575,869
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	29,884,510,508	26,239,575,869
Special Notified Deposits		
Mutual Trust Bank Limited (Note-11.1.1)	13,254,585,144	13,302,739,320
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(10,000,000)	(10,000,000)
	91,960,961,747	77,140,035,120
Fixed deposit		
Mutual Trust Bank Limited (Note-11.1.1)	91,160,961,747	77,140,035,120
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(100,000,000)	(100,000,000)
	91,960,961,747	77,140,035,120
Deposit Products		
Mutual Trust Bank Limited (Note-11.1.1)	39,074,403,799	32,220,158,580
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	39,074,403,799	32,220,158,580
	190,947,704,390	166,160,290,435
11.1 Deposits and Other Accounts		
From Customers (Note 11.1.1)	185,869,413,195	155,801,314,966
From Banks (Note 11.1.1)	5,499,650,000	5,899,675,000
	191,369,293,195	161,700,989,966
11.1.1 Deposit and Other Accounts		
Current Deposits & Other Accounts :		
Current Deposit	11,510,658,770	9,405,209,807
Foreign Currency Deposit	1,996,262,259	1,755,544,307
Non-Resident Tax account	2,759,575	117,224,680
Sundry Deposit	2,630,527,155	2,805,088,392
	16,907,007,760	14,082,067,186
Offshore Banking Unit		
1,781,390	8,889,088	
	16,351,289,150	14,090,056,274
Bills Payable :		
Payment Order Issued	1,639,142,723	1,696,167,488
Pay Slip Issued	728,189	1,285,595
Demand Draft Payable	3,671,934	5,980,720
	1,643,542,846	1,703,433,803
Saving Deposit		
29,884,510,508	26,239,575,869	
	13,254,585,144	13,302,739,320
Special Notified Deposits		
13,254,585,144	13,302,739,320	
Fixed Deposits:		
Mutual Trust Bank Limited	91,160,961,747	77,140,035,120
Offshore Banking Unit		
21,473,421	21,473,421	
	91,160,961,747	77,140,035,120
From Customers		
85,639,638,277	66,243,360,120	
From Banks (Note 11.1.1):		
Sonal Bank Limited	999,975,000	999,975,000
Pubal Bank Limited	500,000,000	999,975,000
Bank Asia Limited	-	3,999,025,000
Southeast Bank Ltd.	499,975,000	399,975,000
Agribank Bank Limited	-	3,999,025,000
The Premier Bank Ltd.	999,975,000	499,975,000
South Bangla Agriculture & Commerce Bank Limited	500,000,000	999,975,000
BRAC Bank Limited	499,975,000	1,999,925,000
Capital Bank Limited	499,975,000	1,499,950,000
United Commercial Bank Limited	499,975,000	499,975,000
Bank Alfalah Limited	1,499,950,000	1,499,950,000
Trust Bank Limited	5,499,650,000	5,899,675,000
Deposit Products :		
Brick by Brick	11,877,855,314	11,372,374,974
MTB Double-Saver Plan	7,155,350,181	6,585,350,181
MTB Monthly Benefit Plan	8,278,141,884	8,463,043,710
MTB Millionaire Plan	4,755,570,532	4,254,353,236
MTB Kottani	3,891,240,624	2,966,111,806
MTB Education Plan	3,900,612,184	290,960,029
MTB Triple Saver Plan	13,276,125	13,578,242
NRB Deposit Pension Scheme	149,189,333	153,974,246
Children Education Deposit Scheme	12,164,712	14,000,838
MTB Gift Cheque	11,504,054	10,005,054
Festival Savings Plan	796,965	796,965
Best Invest Deposit	696,605	696,112
Save Everyday Deposit	520,845	521,265
MTB Quarterly Benefit Plan	141,523,881	16,268
Unique Savings Plan	39,074,403,799	32,220,158,580
	191,369,293,195	161,700,989,966
11.1.2 Maturity grouping of Deposit and Other Accounts:		
On Demand	6,897,494,396	6,006,196,035
Repayable within one month	18,550,578,215	18,008,371,384
More than one month but within six months	52,194,008,073	42,852,694,438
More than six months but within one year	53,196,456,863	48,592,002,512
More than one year but within two years	52,519,037,367	49,000,760,760
More than five year but within ten years	6,481,349,408	5,438,353,077
More than ten years	1,129,078,829	983,535,840
	191,369,293,195	161,700,989,966
11.1.3 Demand & Time Deposit		
a) Demand Deposit		
Current Deposit	20,644,437,842	18,337,951,905
Savings Deposit (9%)	12,519,858,770	9,405,209,807
Foreign Currency Deposit (non interest bearing)	2,689,603,946	2,541,561,828
Non-Resident Tax Deposit	1,996,262,259	1,755,544,307
Sundry Deposit	2,832,408,545	2,817,977,499
Bills Payable	1,643,542,846	1,703,433,803
	37,088,855,263	33,559,670,149
b) Time Deposits		
Saving Deposit (9.5%)	27,184,904,562	25,698,014,011
Fixed Deposit	86,661,111,747	66,243,360,120
Deposit from Banks	5,499,650,000	5,899,675,000
Short Term Deposit	13,254,585,144	13,302,739,320
Deposit under Scheme	39,074,403,799	32,220,158,580
	191,369,293,195	161,700,989,966
11.1.4 Sectorwise Deposit		
Government	658,498,000	614,772,138
Autonomous & Semi-Autonomous Bodies	790,260,000	790,260,000
Local Authorities	678,846,017	427,416,000
Public-Non-Financial Organization	5,501,553,096	4,428,392,860
Other Public	263,381,202	791,303,000
Foreign Currency	1,896,262,259	1,755,544,307
Private	176,069,043,621	146,987,555,661
Deposit from Banks	5,499,650,000	5,899,675,000
	191,369,293,195	161,700,989,966
12.0 Consolidated other liabilities		
Mutual Trust Bank Limited (Note-12.1.2)	20,364,577,270	15,054,820,613
MTB Securities Limited	790,544,796	790,544,796
MTB Capital Limited	11,045,245	80,863,671
MTB Exchange (UK) Limited	37,789,308	36,152,561
Less: Intragroup receivable & payable	(40,679,107)	(40,679,107)
	31,774,287,502	15,935,962,733
12.01 Consolidated Provision for Loans and Advances		
Mutual Trust Bank Limited (Note-12.1.2)	6,797,923,228	5,200,397,350
MTB Securities Limited	386,474,160	318,463,876
MTB Capital Limited	30,000,000	15,000,000
MTB Exchange (UK) Limited	-	-
	7,136,397,388	5,533,861,226
12.02 Consolidated Provision for Current Income Tax*		
Mutual Trust Bank Limited (Note-12.1.2)	8,584,390,700	6,980,049,674
MTB Securities Limited	71,975,559	39,864,233
MTB Capital Limited	51,717,778	38,504,784
MTB Exchange (UK) Limited	-	-
	8,718,164,643	7,058,468,611
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.		
12.03 Other Liabilities		
Provision for Loans and Advances (Note-12.1.1)	6,797,923,228	5,200,397,350
Provision for Off Balance Sheet Items (Note-12.1.2)	751,678,816	519,642,056
Provision for Income Tax in audited companies (Note-12.1.3)	60,500,000	55,267,867
Provision for Other Assets (Note-12.1.4)	6,510,956	41,000,000
Provision for Loan (Note-12.1.5)	8,584,390,700	6,980,049,674
Interest Suspense (Note-12.1.5)	14,301,000	14,301,000
Interest Suspense (Note-12.1.5)	1,433,525,446	1,433,525,446
Bonus Payable	395,272,151	275,377,642
Contribution to MTB Foundation	20,000,000	15,000,000
Contribution to MTB Employees Welfare Fund	3,055	2,175
Accrued Expenses	608,293,391	301,887
Interest Payable on Subordinated debt	227,232,273	248,639,728
Interest Payable on Borrowing	47,862,800	39,460,725
Lease Liabilities (Note-12.1.7)	503,937,815	602,000
Liabilities Under Finance Lease	602,000	602,000
	20,115,078,248	14,924,443,754
Offshore Banking Unit		
274,747,803	210,930,790	
	20,390,798,790	15,135,374,544
Less: Inter transaction with Offshore Banking Unit	(20,264,557,278)	(15,054,820,613)
	2,246,241,512	585,553,931
12.1 Provision for Loans and Advances		
For Undisputed		
Opening Balance	2,017,016,000	2,016,425,000
Add: Provision made during the year	1,620,603,942	591,000
Closing Balance	3,638,619,942	2,017,016,000
For Classified		
Opening Balance	3,183,381,350	2,398,340,000
Add: Provision made during the year	176,770,283	2,223,526,000
Add: Recoveries of amounts previously written off	46,510,891	94,000
Less: Waiver during the year	(448,234)	-
Less: Adjustment for loan written off during the year	(190,472,713)	(1,439,448,650)
Closing Balance	3,609,369,286	3,189,361,350
	6,797,923,228	5,200,397,350
12.2 Provision for Off Balance Sheet Items		
Opening Balance	594,642,000	589,300,000
Add: Provision made during the year	157,028,766	5,422,000
Closing Balance	751,678,816	594,722,000
12.3 Provision against Shares in quoted companies		
Opening Balance	55,267,867	55,267,867
Add: Provision made during the year	-	-
Closing Balance	55,267,867	55,267,867
12.4 Provision for Other Assets		
Opening Balance	41,000,000	31,000,000
Add: Provision made during the year	26,746,000	10,000,000
Less: Adjustment for Loan written off during the year	(2,142,444)	-
Closing Balance	65,599,556	41,000,000
12.5 Interest Suspense Account		
Opening Balance	1,433,525,446	1,062,897,866
Add: Addition during the year	1,218,696,801	874,026,613
Less: Adjustment made during the year	(517,847,898)	(603,283,013)
Closing Balance	1,134,374,449	1,333,641,466
12.6 Provision for Income Tax*		
Opening Balance	6,980,049,674	6,138,366,743
Less: Adjustment made during the year	(85,420,400)	(185,420,400)
Add: Addition during the year	1,634,341,025	1,077,312,272
Closing Balance	8,584,390,700	6,980,049,674
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.		
12.6.1 Provision for current tax made during the year		
Income tax @ 37.50% on estimated taxable business profit	1,606,438,478	1,015,144,973
Income tax @ 30.00% on dividend income	7,838,455	32,519,959
Income tax @ 10.00% on capital gain on sale of shares	66,093	7,527
Estimated total provision required	1,634,341,025	1,057,672,459
Computation of taxable business profit		
Profit before tax	2,975,147,100	2,368,503,489
Add: Inadmissible expenditures	2,968,052,855	2,888,869,751
Less: Allowable expenditures & Separate consideration	(1,634,120,812)	(2,189,843,441)
Estimated taxable business profit for the year	4,319,079,143	3,067,529,799

Notes to the Financial Statements

12.7 Lease Liabilities
The Bank recognized lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement of 31 January 2020 (date of initial recognition). The lease payments include fixed and variable lease payments (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantee. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payments have been discounted using average borrowing rate 9.25%.

13.1 Subordinated Debts
MTB 2nd Subordinated Debt
Opening Balance 2,400,000,000 3,000,000,000
Less: Payment during the year (600,000,000) (600,000,000)
1,800,000,000 2,400,000,000
MTB 3rd Subordinated Debt
Opening Balance 5,800,000,000 4,000,000,000
1,800,000,000 2,400,000,000
6,600,000,000 7,400,000,000

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue 20 October 2015. Interest on the 10.50% to 13.50% non convertible subordinated debt is payable half yearly from the date of issue i.e. April and October of each year.
The Bank floated MTB 3rd Non convertible Subordinated Debt through private placement for BDT 5,000 million, date of issue 16 February 2017. Interest on the 10.50% to 10.50% non convertible subordinated debt is payable half yearly from the date of issue i.e. February and August of each year.
Detail list of subordinated debt holders are shown in Annexure-D

14.1 Capital
1,000,000,000 ordinary shares of BDT 10 each
10,000,000,000 10,000,000,000

14.1.1 Issued, subordinated and Paid-up Capital:
Initial Paid-up capital 200,000,000 200,000,000
IPO & Pre-IPO 400,000,000 400,000,000
2003 Bonus 20% 120,000,000 120,000,000
2004 Bonus 20% 144,000,000 144,000,000
2005 Bonus 10% 840,000,000 840,000,000
2006 Bonus 5% 472,200,000 472,200,000
2007 Bonus 20% 24,840,000 24,840,000
2008-Right 20% 24,840,000 24,840,000
2009 Bonus 18% 36,348,000 36,348,