Liquidity Statement

Annexure- G

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)
Liquidity Statement
As at 31 December 2019

Amount in BDT

Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	78,109,935	-	-	-	-	78,109,935
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	2,023,569,710	3,085,984,244	4,361,289,144	2,744,777,734	131,575,806	12,347,196,638
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	131,045,930	43,138,521	-	-	-	174,184,451
Non-Banking Assets	-	-	-	-	-	-
Total Assets	**2,232,725,574**	**3,129,122,766**	**4,361,289,144**	**2,744,777,734**	**131,575,806**	**12,599,491,023**
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,211,313,921	3,098,358,930	4,320,275,548	2,564,986,318	107,023,641	12,301,958,359
Deposit and Other Account	-	-	23,254,861	-	-	23,254,861
Provision & Other Liabilities	7,680,584	17,409,324	189,059,896	45,864,058	14,263,941	274,277,803
Total Liabilites	**2,218,994,505**	**3,115,768,254**	**4,532,590,305**	**2,610,850,377**	**121,287,582**	**12,599,491,023**
Net Liquidity	**13,731,070**	**13,354,512**	**(171,301,162)**	**133,927,358**	**10,288,224**	**-**

Notes to the Financial Statements

Annexure-G

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)
Notes to the Financial Statements
For the year ended 31 December 2019

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(105)/2009-4470 dated December 3, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at 26, MTB centre, Gulshan South Avenue, Gulshan Circle 1, Dhaka 1212.

1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and other applicable directives issued by The Bangladesh Bank, in particular, Banking regulations and policy department (BRPD) Circular No. 14 dated 25 June 2003.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.3 Foreign currency transaction

Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21" The Effects of Changes in Foreign Exchange Rates". The financial statements of the Unit are presented in US Dollar (USD) and Bangladesh Taka where USD is the functional currency and Taka are the Unit's presentation currency. Entities functional currency is Bangladesh Taka.

Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-bank market as determined by The Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denomonated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date.

2.4 Reporting period

These financial statements cover from 01 January 2019 to 31 December 2019.

2.5 Loans and advances / investments

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 14 and 19 dated 23 September 2012 and 27 December 2012 respectively.

2.6 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.7 Interest income

In terms of the provisions of the IFRS-15 "Revenue from contracts with customers", the interest income is recognized on accrual basis.

2.8 Interest paid and other expenses

In terms of the provisions of the IAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.9 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationary, etc. are not allocated in the current year due to insignificant amount.

2.10 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US$1 = Taka 84.9000 (closing rate as at 31 December, 2019) and BDT 84.4875 (average rate which represents at the period end).

c) Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & loss Accounts of the main operation of the bank.

		2019		2018	
		USD	BDT	USD	BDT
3	**Balance with other banks and financial institutions**				
	In Bangladesh	-	-	-	-
	Outside Bangladesh	920,023	78,109,935	8,020,026	672,880,217
		920,023	**78,109,935**	**8,020,026**	**672,880,217**
4	**Loans and advances**				
	i) Loans, cash credits, overdrafts etc.				
	Term Loan	23,201,830	1,969,835,409	12,679,735	1,063,829,757
	Usance Payable at Sight (UPAS)	111,354,152	9,453,967,519	121,560,999	10,198,967,784
		134,555,983	**11,423,802,928**	**134,240,734**	**11,262,797,541**
	ii) Bills purchased and discounted				
	Payable Inside Bangladesh				
	Inland Documentary bills purchased	9,183,470	779,676,603	2,084,166	174,861,527
	Foreign Documentary bills purchased	1,692,781	143,717,107	671,701	56,355,714
		10,876,251	**923,393,710**	**2,755,867**	**231,217,241**
	Payable Outside Bangladesh	-	-	-	-
		145,432,234	**12,347,196,638**	**136,996,601**	**11,494,014,783**
4.01	**Loans and Advances to Industries**				
	Agro-based and agro-processing industry	22,217,727	1,886,284,991	17,170,987	1,440,645,833
	Electricity, Power & Energy	8,547,181	725,655,664	8,468,416	710,500,084
	RMG & Textile	32,066,476	2,722,443,824	26,396,084	2,214,631,414
	Spinning Mills	6,031,552	512,078,789	-	-
	Packaging Industries including paper boards	1,840,985	156,299,653	-	-
	Processing of bread and biscuits, vermicelli, laccha, chanachur, noodles etc.	131,377	11,153,941	-	-
	Building Materials & Equipment	-	-	1,610,399	135,112,448
	Ceramic	518,186	43,993,960	420,242	35,258,280
	Electronics Manufacturing & Equipment	10,603,494	900,236,598	4,164,703	349,418,592
	Polymer and Polythene Industries	2,620,170	222,452,391	-	-
	Publishing Industries	81,213	6,894,984	-	-
	Printing & Dyeing Industries	8,938,842	758,907,673	-	-
	Poultry & Eggs	545,818	46,339,965	-	-
	Ship Building	739,813	62,810,136	-	-
	Ship Breaking Industries	6,720,976	570,610,842	-	-
	Cement	4,539,984	385,444,604	2,650,904	222,410,846
	Pharmaceuticals	9,788,607	831,052,725	2,909,283	244,088,865
	Plastic & Rubber	1,202,674	102,106,997	3,896,750	326,937,295
	Chemical & Chemical Products	1,849,882	157,054,982	989,168	82,991,201
	Hospitals and Clinics	2,120,769	180,053,325	2,495,005	209,330,940
	Engineering, Metal & Metal Products	17,676,259	1,500,714,428	55,750,987	4,677,507,788
	Others	18,379,242	1,560,397,649	10,073,673	845,181,197
		157,161,226	**13,342,988,121**	**136,996,601**	**11,494,014,783**
4.02	**Classification of Loans and Advances including bill discounted**				
	Unclassified (UC):				
	Standard	145,432,234	12,347,196,638	136,996,601	11,494,014,783
	Special Mention Account (SMA)	-	-	-	-
	Sub total	**145,432,234**	**12,347,196,638**	**136,996,601**	**11,494,014,783**
	Classified:				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Bad & Loss	-	-	-	-
	Sub total	-	-	-	-
	Total	**145,432,234**	**12,347,196,638**	**136,996,601**	**11,494,014,783**
4.04	**Geographical Location wise Loans and Advances**				
	Inside Bangladesh				
	Urban				
	Dhaka Division	119,649,708	10,158,260,231	64,405,342	5,403,608,211
	Chittagong Division	17,698,989	1,502,644,197	62,136,419	5,213,245,578
	Rajshahi Division	2,888,562	245,238,888	285,164	23,925,269
	Sylhet Division	3,069,926	260,636,721	3,182,155	266,982,827
	Khulna Division	1,915,238	162,603,744	6,626,269	555,943,972
	Rangpur Division	112,038	9,512,013	361,251	30,308,925
	Mymensingh Division	97,772	8,300,844	-	-
		145,432,234	**12,347,196,638**	**136,996,601**	**11,494,014,783**
	Rural				
	Dhaka Division	-	-	-	-
	Chittagong Division	-	-	-	-
	Rajshahi Division	-	-	-	-
	Sylhet Division	-	-	-	-
	Khulna Division	-	-	-	-
	Barishal Division	-	-	-	-
	Outside Bangladesh	-	-	-	-
		145,432,234	**12,347,196,638**	**136,996,601**	**11,494,014,783**
5	**Other Assets**				
	Adjusting A/C Debit	2,051,643	174,184,451	503,467	42,240,855
		2,051,643	**174,184,451**	**503,467**	**42,240,855**
6	**Borrowings from other banks, financial institutions and agents**				
	In Bangladesh	23,647,850	2,007,702,465	29,393,597	2,466,122,788
	Outside Bangladesh	121,251,542	10,294,255,894	113,506,475	9,523,193,249
		144,899,392	**12,301,958,359**	**142,900,072**	**11,989,316,037**
	In Bangladesh:				
	Borrowing from Bank:				
	Bangldesh Bank	3,647,850	309,702,465	4,235,697	355,374,978
	Other Bank	20,000,000	1,698,000,000	25,157,900	2,110,747,810
		23,647,850	**2,007,702,465**	**29,393,597**	**2,466,122,788**
	Outside Bangladesh	121,251,542	10,294,255,894	113,506,475	9,523,193,249
		144,899,392	**12,301,958,359**	**142,900,072**	**11,989,316,037**
	Outside Bangladesh				
	BANK MUSCAT SAOG	11,300,000	959,370,000	15,000,000	1,258,500,000
	CAIXA BANK S.A.	32,000,000	2,716,800,000	17,000,000	1,426,300,000
	CREDIT EUROPE BANK N.V.	-	-	3,500,000	293,650,000
	COMMERZBANK AG	5,000,000	424,500,000	-	-
	DEG-DEUTSCHE INVESTITIONS	6,000,000	509,400,000	8,000,000	671,200,000
	HABIB BANK AG ZURICH (DUBAI)	-	-	6,513,806	546,508,333
	HDFC BANK LIMITED	9,900,000	840,510,000	4,700,000	394,330,000
	ICICI BANK LIMITED	5,000,000	424,500,000	5,477,900	459,595,810
	INDUSIND BANK LTD	5,000,000	424,500,000	4,000,000	335,600,000
	NOOR BANK P.J.S.C.	4,100,000	348,090,000	-	-
	NORFUND	20,000,000	1,698,000,000	19,999,970	1,677,997,483
	THE COMMERCIAL BANK (Q.S.C)	7,000,000	594,300,000	2,190,002	183,741,185
	THE NATIONAL BANK OF RAS AL KHAIMAH	12,900,000	1,095,210,000	16,904,606	1,418,296,485
	UNITED BANK LTD.	3,051,542	259,075,894	4,820,190	404,413,954
	YES BANK LIMITED	-	-	5,400,000	453,060,000
		121,251,542	**10,294,255,894**	**113,506,475**	**9,523,193,249**
7	**Deposits and other accounts**				
	Bank deposits	-	-	-	-
	Customer Deposits:				
	Current deposits	7,982	677,690	105,949	8,889,088
	Fixed Deposits	252,927	21,473,471	-	-
	Sundry Deposits	13,000	1,103,700	-	-
		273,909	**23,254,861**	**105,949**	**8,889,088**
8	**Other liabilities**				
	Adjusting A/C Credit	43,815	3,719,887	74,884	6,282,735
	Due to Head Office (Retained earnings)	1,463,617	123,657,338	962,501	80,378,592
	Interest Payable on Borrowing	1,723,167	146,296,837	1,476,688	123,894,124
	Translation gain/(loss)	-	603,742	-	375,279
		3,230,598	**274,277,803**	**2,514,073**	**210,930,730**
9	**Contingent Liabilities & Commitments**				
	Letter of Guarantee	130,000	11,037,000	916,420	76,887,638
		130,000	**11,037,000**	**916,420**	**76,887,638**
10	**Interest income**				
	Interest on term loan	962,900	81,353,016	773,888	64,627,502
	Interest on UPAS	7,465,634	630,752,760	5,742,779	479,580,016
	Interest on Placement to other OBU	1,896	160,174	37,759	3,153,291
	Inland Documentary bills purchased	212,954	17,991,981	128,298	10,714,167
	Foreign Documentary bills purchased	39,021	3,296,809	40,476	3,380,179
	Total Interest on loans and advances	**8,682,406**	**733,554,741**	**6,723,201**	**561,455,155**
11	**Interest on deposits and borrowings, etc.**				
	Interest paid on deposits	5,570	470,586	-	-
	Interest paid on borrowings	7,195,341	607,916,332	5,877,423	490,824,205
		7,200,910	**608,386,918**	**5,877,423**	**490,824,205**
12	**Commission**				
	Commission on Letter of Guarantee	563	47,566	4,525	377,850
		563	**47,566**	**4,525**	**377,850**
13	**Other Income**				
	Rebate & Other	193,980	16,388,885	154,830	12,929,869
		193,980	**16,388,885**	**154,830**	**12,929,869**
14	**Other Expenses**				
	Bank Charge	55,291	4,671,415	42,631	3,560,077
	Other Fees and Commission	157,130	13,275,521	-	-
		212,421	**17,946,936**	**42,631**	**3,560,077**

Independent Auditor's Report

Independent Auditor's Report
To the Shareholders of MTB Securities Ltd.
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTB Securities Ltd. (the company), which comprise the statement of financial position as at 31 December, 2019, and statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of MTB Securities Ltd. as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Securities & Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standa rds are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the fi nancial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conc lusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and , in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appe ars to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to the board of directors of the bank.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 199 4, the Securities & Exchange Rules 1987and other applicable laws and regulations and for such internal control as management determ ines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance , but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reas onably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basi s for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the au dit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are ba sed on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

Dated, Dhaka
January 26, 2020

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Financial Position

MTB SECURITIES LIMITED
Statement of Financial Position
As at 31 December, 2019

	Particulars	Notes	Amount in BDT 31.12.2019	31.12.2018 Restated
	ASSETS			
A	**Non-Current Assets**			
	Property, plant & equipment	4	66,997,489	71,839,795
	Investment in Stock Exchange	5	54,113,290	54,113,290
	Strategic Investment in securities	6	39,920,046	28,723,308
			161,030,824	**154,676,393**
B	**Current assets**			
	Advances and prepayments	7	30,718,218	36,112,898
	Investment in Marketable securities	8	745,699,093	578,562,644
	Margin loan to clients	9	2,719,986,781	2,648,201,456
	Accounts receivable	10	15,427,758	42,926,237
	Advance Income Tax (AIT)	11	117,712,051	87,580,057
	Cash & cash equivalents	12	559,619,728	738,894,156
			4,189,163,630	**4,132,277,448**
C	**Total Assets (A+B)**		**4,350,194,454**	**4,286,953,841**
	EQUITY AND LIABILITYS			
D	**Shareholders' equity**			
	Share capital	13	3,250,000,000	3,250,000,000
	Retained earnings	14	253,536,377	191,816,692
	Capital reserved for investment in DSE Share	15	48,113,290	48,113,290
			3,551,649,667	**3,489,929,982**
E.	**Liabilities**			
	Current Liabilities			
	Accounts payable	16	336,438,852	386,702,677
	Liabilities for expenses	18	16,578,855	18,157,055
	Provision for income tax	19	71,973,559	39,864,523
	Deffered tax liability	20	5,079,361	4,835,728
	Provision for margin loan	21	308,474,160	318,463,876
	Provision for investment in securities	22	60,000,000	29,000,000
			798,544,787	**797,023,859**
	Total equity and liabilities(D+E)		**4,350,194,454**	**4,286,953,841**
	Net Assets Value (NAV) per share	23	10.93	10.74

The annexed notes form an integral part of these financial statements.

Chief Executive Officer — Director — Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: January 26, 2020

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

MTB SECURITIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2019

Particulars	Notes	Amount in BDT 2019	2018 Restated
Operating Income		**328,614,644**	**359,945,199**
Brokerage commission	24	160,454,397	139,604,156
Interest income	25	111,183,618	127,652,385
Income from investment	26	45,807,527	80,744,916
Margin account maintenance	27	714,692	846,758
Depository participant	28	9,829,381	10,432,585
Other operating income	29	625,029	664,399
Less: Operating expenses		**164,468,957**	**149,878,601**
Laga charge		10,392,333	9,129,440
CDBL charge	30	12,309,234	12,610,800
Sales Associate Commission		4,897,152	1,553,930
Office & administrative expenses	31	136,870,238	126,584,431
Net operating income		**164,145,687**	**210,066,598**
Less: Financial expenses	32	73,333	-
Profit before provision		**164,072,354**	**210,066,598**
Less: Provision for margin loan	33	39,000,000	88,000,000
Less: Provision for investment in securities	34	31,000,000	12,000,000
		70,000,000	**100,000,000**
Net profit before income tax		**94,072,354**	**110,066,598**
Less: Income tax expenses	35	32,352,669	321,418
Net profit after tax		**61,719,685**	**109,745,180**
Other Comprehensive Income:			
Unrealized Gain / (Loss) from Investment In DSE Shares	15	-	48,113,290
TOTAL COMPREHENSIVE INCOME		**61,719,685**	**157,858,470**
Earnings Per Share (EPS)	36	**0.19**	**0.34**

The annexed notes form an integral part of these financial statements.

Chief Executive Officer — Director — Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: January 26, 2020

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Statement of Changes in Equity

MTB SECURITIES LIMITED
Statement of Changes in Equity
For the year ended 31 December, 2019

Amount in BDT

Particulars	Paid up capital	Retained Earnings	Capital Reserved for DSE Investment	Total
Balance as on 01 January, 2019	**3,250,000,000**	**191,816,692**	**48,113,290**	**3,489,929,982**
Add: Net profit after tax for the year	-	61,719,685	-	**61,719,685**
Balance as on 31 December, 2019	**3,250,000,000**	**253,536,377**	**48,113,290**	**3,551,649,667**

Particulars	Paid up capital	Retained Earnings	Capital Reserved for DSE Investment	Total
Balance as on 01 January, 2018	**3,250,000,000**	**82,071,512**	-	**3,332,071,512**
Add: Net profit after tax for the year	-	109,745,180	-	**109,745,180**
Add: Addition during the year	-	-	48,113,290	**48,113,290**
Balance as on 31 December, 2018	**3,250,000,000**	**191,816,692**	**48,113,290**	**3,489,929,982**

Chief Executive Officer — Director — Chairman

Statement of Cash Flows

MTB SECURITIES LIMITED
Statement of Cash Flows
For the year ended 31 December, 2019

Particulars	Amount in BDT 2019	2018
Cash flow from operating activities:		
Net profit during the year (after tax)	61,719,685	109,745,180
Add : Amount considered as non cash items :		
Depreciation charge during the year	6,442,730	6,908,513
Increase/(decrease) in provision for expenses	(1,578,200)	(136,050)
Increase/(decrease) in provision for margin loan	(9,989,716)	37,543,789
Increase / (decrease) in provision for investment in securities	31,000,000	12,000,000
Increase/(decrease) in provision for income tax	32,109,036	-
Increase/(decrease) in deferred tax laibility	243,633	321,418
Sub total of non cash items	**58,227,483**	**56,637,670**
Changes in working capital components		
Increase/(decrease) in accounts payable	(50,263,825)	7,373,259
(Increase)/decrease in accounts receivable	27,498,479	(4,008,830)
(Increase)/decrease in advance income tax	(30,131,994)	(28,808,070)
(Increase)/decrease in advance & prepayment	5,394,680	11,380,496
	(47,502,660)	**(14,063,145)**
A) Net cash inflow from operating activities	**72,444,508**	**152,319,705**
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities	(167,136,449)	(196,161,764)
(Increase)/decrease in purchase of premises & fixed asset	(1,600,424)	(2,966,061)
(Increase)/decrease in margin loan to clients	(71,785,325)	118,250,721
(Increase)/decrease in Membership at cost	-	2,000,000
(Increase)/decrease in Investment in Strategic Investment	(11,196,738)	(28,723,308)
B) Net cash outflow from investing activities	**(251,718,936)**	**(107,600,412)**
Cash flow from financing activities :		
Increase/(decrease) in short term borrowing	-	(200,000,000)
Dividend paid	-	-
C) Net cash outflow from financing activities	**-**	**(200,000,000)**
D) Net cash increase / (decrease) (A+B+C)	**(179,274,428)**	**(155,280,707)**
E) Opening cash and cash equivalents	738,894,156	894,174,863
F) Closing cash and cash equivalents (D+E)	**559,619,728**	**738,894,156**
Net operating cash flow per share (NOCFPS) Note: 37	**0.22**	**0.47**

Chief Executive Officer — Director — Chairman

Notes to the Financial Statements

MTB SECURITIES LIMITED
Notes to the Financial Statements
For the year ended December 31, 2019

1.00 Company and its activities

1.01 Legal status of the company

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.

1.02 Nature of business

The main object of MTB Securities Limited is to act as a TREC holder of stock exchange, the depository participant of the Central Depository System (CDS) and to carry on business of broker, or dealers in stocks, securities, bonds, debentures etc. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks, and fixed income securities

2.00 Significant accounting policies

2.01 Basis of preparation of financial statements

The Financial Statement of MTB Securities Limited includes the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and notes to the Financial Statements and disclosures. This Financial Statement have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards (IAS), The Companies Act 1994, Securities and Exchange Rules, 1987 and other Laws and Regulations applicable to the company.

2.02 Statement of cash flows

Cash flow statement is prepared in accordance with the International Accounting Standards (IAS – 7): "Statement of Cash Flows" and the cash flows from operating activities have been presented under indirect method.

2.03 Property and equipment

Depreciation of fixed asset is charged using reducing balance method as per IAS- 16 "Property, Plant and Equipment". Depreciation of an asset begins, when it is available for use. The rates of depreciation used to write off the amount of assets are as follows:

Category of assets	Rate of depreciation
Furniture	10%
Office equipment	20%
Furniture and fixtures	10%
Premises	5%

2.04 Revenue recognition

Revenue which comprises of brokerage commission, interest income and other income are recognized in accordance with International Financial Reporting Standard (IFRS) 15: "Revenue from Contracts with Customers".

2.05 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2019.

2.06 Provision for expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embedding economic benefits will be required to settle the present obligations and reliable estimate of the amount can be measured.

2.07 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company

2.08 Reporting period

The financial statement covers for the period from January 01, 2019 to December 31, 2019.

3.00 Restatement:

Previous year figures have been restated following paragraph 42(a) 0f IAS-8 due to omission occurred for not recognizing Demutualized scheme in 2018 approved by Bangladesh Securities and Exchange Commission (BSEC) share issued by Dhaka Stock Exchange Ltd. (DSE). Following Disclosure is given as per Para – 49 of IAS – 8.

a) Nature of the prior period error: Demutualized scheme was not recorded in 2018.

b) For each prior period presented, to the extent practicable, the amount of the correction:

i) For each financial statements line item affected:

As at 31.12.2018: Investment in stock Exchanges has been debited and Capital Reserve for Investment in DSE Shares credited by Tk. 48,113,290

ii) If IAS 33 applies to the entity for basic and diluted earnings per share:
No effects on EPS has made since it part of OCI.

c) The amount of the correction at the beginning of the earliest prior period presented:

No earliest amount is corrected. Since it was omitted only in last year.

d) If retrospective restatement is impracticable for a particular prior period, the circumstances that lead to the existence of that condition and a description of how and from when the error has been corrected:
Since error was occurred only for last year no impracticable event/condition occurred for the above case.

3.01 General

The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

3.02 Changes Format:

Statement of financial position format has been changed for ensuring better comparability in line with IAS-1 without changes facts & figures. Prior period figure has remained unchanged and no rearrangement has been made due to change format.

		Amount in BDT 2019	2018
4.00	**Property, plant & equipment**		
	Cost:		
	Opening Balance As on 01 January, 2019	126,435,307	123,469,246
	Add:Addition during the year	1,600,424	2,966,061
	less: Disposal during the year	24,000	-
	Total Cost:	**128,011,731**	**126,435,307**
	Depreciation:		
	Opening Balance As on 01 January, 2019	54,595,512	47,686,999
	Add: Depreciation during the year	6,442,730	6,908,513
	Less: Depreciation of Disposal assets	24,000	-
	Total Accumulated depreciation	**61,014,242**	**54,595,512**
	Written down value As on 31 December, 2019	**66,997,489**	**71,839,795**
	The detail has shown in Annexure - A.		
5.00	**Investment in DSE**		
	Dhaka Stock Exchange Limited (DSE)	54,113,290	54,113,290
		54,113,290	**54,113,290**

As per the provisions of the Exchanges Demutualization Act 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization scheme, MTB Securities Limited received the following ordinary shares at face value of BDT 10 each against the membership of DSE respectively :

Shares issued by	No. of Shares	Amount (BDT)
Shares received from Dhaka Stock Exchange Limited (DSE) (A)	7,215,106	72,151,060
Shares sold to the Strategic Investors by DSE (B)	1,803,777	18,037,770
Remainig Balance C = (A-B)	**5,411,329**	**54,113,290**
Floated Shares (53.33%)	**2,886,041**	**28,860,410**
Blocked Shares (46.67%)	**2,525,288**	**25,252,880**

6.00 Strategic Investment in Securities:

As per Income Tax Ordinance,1984, S, R, O No. 319-Law/Income Tax/ 2018 dated October 31, 2018, sale proceeds of 25% shares (sold to Startegic Investors by the DSE) to be invested in listed securities of any Stock Exchage in Bangladesh for a period of 3 (Three) years from the date of investment of entire net sale proceeds to avail the tax incentive by the NBR. Acordingly, the proceeds have been invested by the Company in the Capital Market.

		2019	2018
	Investment in listed securities (Anexure-B)	39,920,046	28,723,308
		39,920,046	**28,723,308**
7.00	**Advances and prepayments**		
	Office Rent	12,111,496	17,241,688
	Advance to Employees-Car	1,952,959	3,530,247
	Advance to CSE for Membership	4,175,000	4,175,000
	Advance to DSE for DSE Tower	500,000	500,000
	Others	11,978,763	10,665,963
		30,718,218	**36,112,898**
8.00	**Investment in securities**		
	Quoted share (Annexure-C)	725,723,093	548,586,644
	Unquoted share (Placement share)	19,976,000	29,976,000
		745,699,093	**578,562,644**

9.00 Margin loan to clients

This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan during the year 2019.

	2019	2018
Opening Balacne	2,648,201,456	2,766,452,177
Add: Addition during the year	108,576,197	99,701,035
Add: Interest during the year	68,733,309	78,300,120
Less: Written off during the year	48,989,716	50,456,211
Less: Adjustment during the year	56,534,465	245,795,665
	2,719,986,781	**2,648,201,456**

		2019	2018
10.00	**Accounts receivable**		
	Receivable from (DSE) Broker (Note 10.01)	8,813,811	39,173,132
	Receivable from (DSE) Dealer (Note 10.02)	77,154	-
	Other receivable	6,536,793	3,753,105
		15,427,758	**42,926,237**

10.01 Receivable from Dhaka Stock Exchange (DSE)-Broker
This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Broker.

10.02 Receivable from Dhaka Stock Exchange (DSE)-Dealer
This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Dealer.

		2019	2018
11.00	**Advance income tax**		
	Opening balance	87,580,057	58,771,987
	Addition during the year (Note 11.01)	30,131,994	28,808,070
	Adjusted during the year	-	-
		117,712,051	**87,580,057**
11.01	**Addition during the year**		
	Brokerage commission	21,079,948	18,261,907
	Bank interest	4,245,031	4,935,227
	Dividend income	4,807,015	3,816,970
	Gain on Investment	-	1,793,966
	Advance tax	-	-
		30,131,994	**28,808,070**